



ABAG PLAN CORPORATION
Executive Committee - Special Meeting
Summary Minutes

Thursday, January 14, 2010
101 Eighth Street
Oakland, CA 94607
Conference Room B

Presiding:

Laura Allen

Jurisdiction:

Colma

Committee Members Present:

Emma Karlen

Bronda Silva

Julie Carter

Jeff Maltbie

Shawn Mason

Gary Broad

Heather McLaughlin

Milpitas

American Canyon

Dublin

San Carlos

San Mateo

Ross

Benicia

Committee Members Present By Teleconference:

Kathy Mount

Jim Steele

South San Francisco

South San Francisco

Consultant/Attorney:

Marcus Beverly, PLAN Consultant

Jean Savaree, Legal Attorney

ABAG PLAN Corporation - Staff Present:

Henry Gardner, ABAG Executive Director

Ken Moy, ABAG Legal Counsel

Darrell Dearborn, PLAN Interim Risk Manager

Carol Johnson-Taylor, PLAN Secretary

Members of the Public/Non Committee Board members

Pamela Thompson

San Bruno

1. Meeting Called to Order:

Laura Allen called the meeting to order at 1:35 p.m. A quorum was present.

2. Public Comments:

None

3. ABAG PLAN Governance:

Report and recommendation from the Governance Subcommittee to affect additional committee oversight of certain ABAG activities and to retain an employee or consultant to interface with ABAG.

Laura Allen reviewed the meeting with Henry Gardner in December, 2009 and discussed the subcommittee's proposal, pointing out that:

- Claims management and Loss Prevention functions would remain in the ABAG organization.
- The new consultant position may or may not be a full-time position.
- There will be added cost to the PLAN for these changes.
- The proposal would be in addition to ABAG's proposed changes: strengthening the Finance Committee's role in the budget process, and strengthening the role of the Executive Committee in the recruitment, selection and retention of the new consultant/employee and in discipline of that person, if required.

Much discussion of the proposal occurred, especially regarding the relationship between the new PLAN consultant/employee and ABAG. Several Committee members believed that the functions and employees remaining in ABAG under the proposal could be effectively managed and supervised by the PLAN consultant/employee. Mr. Gardner stated that it was not acceptable, that no city in ABAG allows its employees to be supervised by a person who was not also under that city's authority and control. Further discussions dealt with the responsibility for the PLAN budget, the designation of PLAN officers and the possible impact of PLAN organizational changes on ABAG positions and their responsibilities.

A motion was made to recommend that the Board adopt the subcommittee's proposal in concept, including the amendment offered by Julie Carter that after one year information about its budget impact will be provided to the Board and it will be reevaluated for the possibility of change or reversal.

/M/Karlen/S/Broad/C/unanimously approved

An amendment was offered by Jeff Maltbie to recommend to the Board that it issue an RFP for third party administrative (TPA) services for service responsibilities not assumed by the new consultant/employee within 18 months of approval of the proposal by the Board.

/M/Jeff Maltbie/S/McLaughlin/C/unanimously approved

Roll Call Vote:

Members Voting Yes:

Laura Allen
Shawn Mason
Emma Karlen
Jeff Maltbie
Bronda Silva
Gary Broad
Heather McLaughlin
Julie Carter

Members Voting No:

Jim Steele

4. Proposed Inverse Tail Claim Policy:

Proposed program for responding to tenders of regulatory inverse condemnation claims with dates of loss prior to July 1, 2008

Ken Moy reviewed the Policy and the process followed at the Board meeting November 4, 2009 which led to its development. He also described the process he followed to distribute the Policy materials prior to the Executive Committee meeting, and the changes reflecting comments received that are included in the final draft resolution which would be presented to the Board for final adoption.

In answer to a question from Emma Karlen, Ken Moy said "that this policy does not have to be approved by city councils to become effective."

Shawn Mason and Jeff Maltbie opposed the Policy because it required PLAN to defend all claims rather than being able to do so on a case by case basis.

Motion was made to forward action to the full Board for resolution and to approve the Policy.
/M/McLaughlin/S/ Karlen/C/unanimously approved

Roll Call Vote:

Members Voting Aye

Laura Allen
Gary Broad
Bronda Silva
Heather McLaughlin
Julie Carter
Emma Karlen
Jim Steele

Members Voting No

Shawn Mason
Jeff Maltbie

5. ABAG PLAN Emergency Response Protocol:

Proposed written emergency response protocol for contacting ABAG PLAN claims staff.

Pamela Thompson, City Attorney of San Bruno, joined the meeting by teleconference call for item #5.

Darrell Dearborn reviewed the staff report and responses including the suggestions made by Pamela Thompson relating to ABAG PLAN's protocols. The report was accepted by the Committee with the following comments:

- In addition to the written protocol, ABAG PLAN should distribute a check list of information that city first responders can use to assist in advising the public and affected property owners at the scene of an emergency, particularly a sewer or water failure. Darrell Dearborn said he would do that.
- Ken Moy said that a city can maintain confidentiality of investigative materials through the claims investigation process if it is not otherwise protected through the city's defense counsel.

6. Compliance with Medicare Secondary Payer Act of 2007 (MSP):

Darrell Dearborn reviewed the new legal requirements that apply to ABAG PLAN respecting payment of claims for bodily injury that may include medical conditions also covered by Medicare for beneficiaries. He explained that under this legislation, Medicare is the secondary payer and ABAG PLAN may be liable to pay Medicare any amounts that it pays to Medicare beneficiaries rather than to Medicare. Ken Moy explained that this new

obligation may make claim settlement negotiations more difficult and lengthen the time to reach final settlement. The report was unanimously accepted by the Committee.

7. Other Business:

None came before the Committee.

8. Adjournment:

The meeting was adjourned at 3:40 p.m.

Respectfully Submitted,

Darrell Dearborn
PLAN Interim Risk Manager and Secretary



January 26, 2010

To: ABAG PLAN Board of Directors

From: Laura Allen  Board Chair, Colma

Re: Recommendation from Executive Committee Regarding Governance Proposal

As a follow up to the November 2009 Board meeting, I established the Governance 2.0 Subcommittee consisting of San Mateo City Attorney Shawn Mason (ABAG PLAN Vice-Chair), Town of Ross Town Manager Gary Broad, and myself to negotiate with ABAG as directed by the Board.

The Governance 2.0 Subcommittee met on December 9, 2009 with ABAG Executive Director Henry Gardner, ABAG Attorney Ken Moy and ABAG Finance Director Herb Pike. The meeting resulted in the attached ABAG PLAB Governance 2.0 Proposal (outline and organizational chart). The proposal was presented, with ABAG's support, to the ABAG PLAN Executive Committee on January 14, 2010. After much discussion, it was approved conceptually and recommended for approval by the Board with two additions: evaluate the revised structure in one year and issue a Request for Proposal in 18 months (see Executive Committee minutes for more details).

Several questions were raised at the Executive Committee meeting regarding the impact of the proposal on the ABAG PLAN budget which I intended to address at the February 2, 2010 Board meeting. Unfortunately, on January 25, 2010 the Executive Committee received a letter from Henry Gardner indicating ABAG opposes the recommendation.

Clearly we have lots to discuss regarding governance options and next steps. I look forward to seeing you at the meeting.

ABAG PLAN – GOVERNANCE 2.0 PROPOSAL

1. Establish Executive Director/Risk Manager Position for PLAN

Transfer responsibility for strategic planning, insurance bids, ABAG performance monitoring, implementation of Board policy, member complaints, and all outside contractors, including the claims auditor.

- Moves day to day operations and programs cleanly
- Leaves claims and loss prevention under ABAG Risk Manager (RM)
- May not be full-time position
- Start as consultant
- Provides more independence as well as checks and balances at an additional cost

2. Enhance Committee Structure Proposal (Recommended by ABAG Executive Director, see attachment)

a. Budget

Finance Committee continues to review document, holding its annual meeting in April rather than March. ABAG will provide budget to Finance Committee at least one month before April meeting. Changes to the budget will be made during the Committee review process. The budget will be jointly presented to the Board of Directors (BOD) by the Finance Committee Chair and ABAG's Finance Director. A copy of the budget will be provided to the full BOD at least two weeks before the BOD meeting.

b. Personnel

The BOD will appoint an existing or new Committee to participate in the process as outlined below:

- Recruitment: Committee and ABAG Executive Director (ED) will jointly manage the recruitment of the ABAG Risk Manager (RM), including screening and interviewing applicants. The Committee and ABAG ED will select the successful candidate by consensus. This is the process that was recently followed to recruit the Interim Risk Manager.
- Performance: Committee and/or BOD will annually set programmatic goals for the ABAG RM. During the manager's tenure the Committee will participate in the annual evaluation by assessing the manager's performance in relation to the goals during the year, recognize achievements, and identify areas in need of improvement. Committee will be responsible for creating a process for PLAN members to participate in the annual evaluation.

ABAG ED will convey Committee's goals and performance assessment to ABAG RM and report to the Committee on the outcome of the evaluation, to the extent commensurate with the manager's privacy rights and the confidentiality of the personnel process.

- Disciplinary Action: If the ABAG ED decides to impose discipline on ABAG RM, the ABAG ED will immediately notify the Chair of the Committee of the action or proposed action. To the extent commensurate with the manager's privacy rights and the confidentiality of the personnel process, the ABAG ED will expeditiously confer with the Committee regarding the action or proposed action.

The Governance 2.0 Subcommittee recommends the Executive Committee perform this role.

Next steps

Executive Committee review and recommendation (January 14, 2010)

BOD Review and Approval (February 2, 2010)

- The BOD will need to bring agency agreement current if approved.

To: Laura Allen

Fr: Ken Moy

Dt: December 17, 2009

Re: Contractors Providing Services to ABAG PLAN Program

Below is a compilation of selected independent contractors that provide services in support of the ABAG PLAN Program that could, in theory, be managed by a person retained or employed by the ABAG PLAN Corporation. Information includes the amounts paid to the contractor from July 1, 2008 to December 11, 2009.

1. Bickmore Risk Services: Actuarial services for annual premium setting and for special projects: \$23,470.¹
2. ARM Techniques Inc.: Consultant services with expertise in municipal liability pools. Retained on a project basis: \$8,000
3. Farley Consulting: Performs claims audit (last one was done in 2007). Retained on a periodic basis.²
4. Alliant: Insurance broker. Retained by ABAG PLAN Corporation in 2001 for pool excess insurance, property insurance and other insurance products. Paid on commission basis.
5. Royleen White & Associates: Facilitator retained for ITC facilitation: \$9,707.50.
6. Aaronson, Dickerson, Cohn & Lanzone: Legal Counsel to ABAG PLAN Corporation: \$9,250.
7. Stubbs & Leone: Special Counsel to ABAG PLAN: \$3,163.75
8. Reasoned Risk Management: Risk Management Consultant to ABAG PLAN Corporation: \$41,081.45.

I have not included the following:

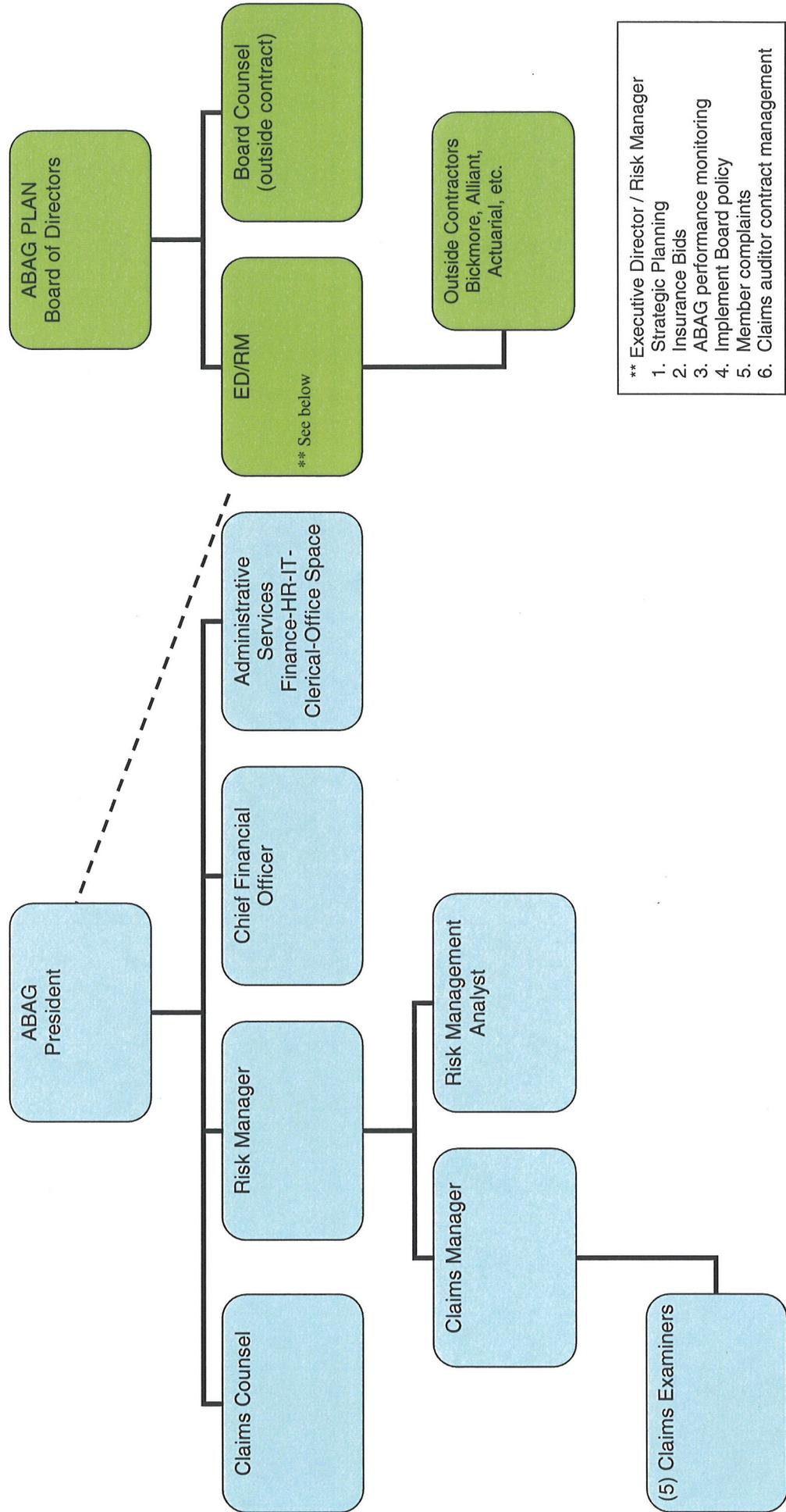
- ◇ Contracts with service providers for the Loss Prevention Program. All of these are under the manager of the Loss Prevention Program, Gertruda Luermann.
- ◇ Temporary or contract employees, including contract claims examiners.
- ◇ Contracts for administrative, support or technical services that are included in ABAG's cost allocation to the ABAG PLAN Program budget.

Cc: Herbert Pike
Henry Gardner
Darrell Dearborn

¹ Bickmore also provides services to Loss Prevention Program. The contract can be amended to separate the two types of services. Billing information is for actuarial services only.

² Researching cost of last audit.

Proposed ABAG PLAN Governing and Operations Organizational Chart



** Executive Director / Risk Manager

1. Strategic Planning
2. Insurance Bids
3. ABAG performance monitoring
4. Implement Board policy
5. Member complaints
6. Claims auditor contract management

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: December 4, 2009

To: Laura Allen
City Manager, Town of Colma

Shawn Mason
City Attorney, City of San Mateo

Gary Broad
Town Manager, Town of Ross

From: Henry L. Gardner
Executive Director

Subject: **ABAG PLAN – Governance Issues**

Summary: The Association of Bay Area Governments (ABAG) believes the ABAG PLAN Corporation's (PLAN) concerns regarding governance are addressed in our Committee Structure Proposal without additional program costs.

Recommended Action: The PLAN Board of Directors (BOD) should adopt and implement the Committee Structure Proposal at its next meeting.

Background and Discussion: On November 5, the PLAN BOD authorized the Chair, Laura Allen, to appoint a committee to discuss with ABAG two options for resolving the governance issues that have arisen over the past six months:

- Use the PLAN committee structure to implement changes that respond to the governance issues.
- Use an employee or independent contractor to the PLAN to implement changes that respond to the governance issues.

With respect to the first, ABAG has a proposal that is outlined below. With respect to the second, ABAG has a specific response to the organization chart passed out at the meeting and some general comments about alternative arrangements that use an employee or independent contractor to the PLAN to implement the desired changes.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7985 info@abag.ca.gov

Location: Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756



A. Committee Structure Proposal

We understand that PLAN wishes to exert more control and have more input in two areas: (1) the budget for the ABAG PLAN Program and (2) personnel providing program services. With respect to the latter point, we understand that the primary focus is on the manager of the ABAG PLAN Program¹. Thus, the proposal is limited to that position.

1. Budget

The Finance Committee is scheduled to meet on March 24, 2010. ABAG suggests an April meeting to allow more time for the development of a more precise budget. ABAG will present a detailed budget and cost allocation plan to the Finance Committee for its review and recommendation to the BOD. Changes to the budget, if any, will be made during the committee review process. The budget will be jointly presented to the Board by the Chair of the Finance Committee and ABAG's Finance Director.

2. Personnel

The BOD will appoint an existing or new committee to participate in the process as outlined below (Committee).

For the recruitment and hire of the manager of the ABAG PLAN Program, the Committee and the Executive Director of ABAG will jointly manage the recruitment process, including screening applicants and interviewing candidates. The Committee and the Executive Director of ABAG will select the successful candidate by consensus.

ABAG anticipates that the Executive Committee and/or the BOD will annually set programmatic goals for the manager of the ABAG PLAN Program. During the tenure of the manager of the ABAG PLAN Program, the Committee will participate in the annual evaluation of the manager, as follows

- Assess the manager's performance with respect to the annual programmatic goals over the course of the year, and
- Identify areas of achievement and areas for improvement.

The Committee will be responsible for creating a process for PLAN members to participate in the annual evaluation.

¹ This position has traditionally been titled "Risk Manager". However, the title is also used in the PLAN Bylaws and policies adopted by the BOD to describe the person responsible for specified functions as described in those documents. This discussion focuses on the delivery of services necessary to the ABAG PLAN Program. Therefore, to avoid confusion, this memorandum refers to the manager of the ABAG PLAN Program.

The Executive Director of ABAG will convey the Committee's goals and performance assessment to the manager. To the extent commensurate with the manager's privacy rights and the confidentiality of the personnel process, the Executive Director of ABAG will report to the Committee on the outcome of the evaluation.

If, during the tenure of the manager of the ABAG PLAN Program, the Executive Director of ABAG decides to impose disciplinary action on the manager, the Executive Director will immediately notify the Chair of the Committee of the action, or proposed action. To the extent commensurate with the manager's privacy rights and the confidentiality of the personnel process, the Executive Director of ABAG will expeditiously confer with the Committee regarding the action, or proposed action.

B. PLAN Employee/Subcontractor Proposal

The Governance Subcommittee proposed the retention of an "Executive Director/Risk Manager" (ED/RM) to perform a number of functions as illustrated in the "Recommended ABAG PLAN Governing/Operating Organizational Chart" (Chart) attached to this memorandum. The Chart does not indicate whether the ED/RM is a PLAN employee or independent contractor.

In either case, ABAG will not agree to an arrangement that has a person outside of ABAG managing or supervising ABAG employees. The Chart appears to contemplate such an arrangement and on that basis ABAG will not agree to it.

ABAG will discuss an arrangement where a person hired or contracted by PLAN acts as an interface between ABAG and PLAN. We anticipate that the interface will be between the ED/RM and ABAG's Executive Director. We also note that under any such arrangement, ABAG will still need to retain a manager for the ABAG PLAN Program. Therefore, the retention of an ED/RM will be an additional program cost.

We look forward to discussing our proposal with the committee members on December 9.

Attachment:

Recommended ABAG Plan Governing/Organizational Chart

Copy: Kenneth Moy, Legal Counsel
Herbert Pike, Finance Director

To: Board of Directors
ABAG PLAN Corporation

Fr: Henry Gardner 
Executive Director, ABAG

Dt: January 25, 2010

Re: "Governance" Proposal

Summary: ABAG recommends the Board adopt the proposal to have Board committee oversight for the administrative budget for the ABAG PLAN Program, and for the recruitment, selection and retention of the Risk Manager and programmatic goals. ABAG opposes the adoption of the consultant/employee portion of the "governance" proposal that is before it.

Discussion: ABAG opposes the "governance" proposal before the Board on the following grounds:

- A) There are competing or incompatible goals within the proposal.
- B) Unresolved, open issues in the proposal will likely lead to continuing conflict.

In May 2009, the former Risk Manager for the ABAG PLAN Program voiced concerns that ABAG is 'double dipping' in what it charges for its services to the program and that the members do not exercise sufficient control over the program. Prior to May 2009, neither the Board nor any committee had expressed any concerns about how ABAG handled the budgeting process, about the program itself or who "controlled" it.

The Board formed an *ad hoc* committee of Finance Directors to investigate the allegations regarding double dipping. The committee could not confirm any of them.

To address the budget and "control" issues for the long term, ABAG proposed that committees comprised of Board members be included in the budget process and in the process of recruiting, selecting and retaining a successor Risk Manager. The Board would have the opportunity to set program goals and evaluate the performance of the Risk Manager against those goals. We remain confident that the committee proposal is the most direct, cost effective, and simplest means for the members to collectively exercise their "control" over the program.

The governance proposal before the Board requires the PLAN Corporation to hire a consultant/employee. To date, there has been no scope of work, job description or duties and no budget for this position. Despite this, ABAG originally indicated its support to this arrangement in an effort to move forward. Unfortunately, we must now oppose this part of the proposal.

Based on the discussions to which ABAG has been a party, we understand some members want the consultant/employee to take over some of the program functions previously performed by the Risk Manager and to “manage” how ABAG performs its services for the program. Further, this arrangement is viewed as a means of effecting structural changes in ABAG’s role in the program – making it a third party administrator held at “arms length” from the members of the program.

This is not a role consistent with ABAG’s mission of collaboration and partnership with its members and is also not compatible with ABAG’s goal of repairing the existing relationship between ABAG and members of the program – a goal we believe is shared by the collective membership. It bears repeating that the damage to that relationship was inflicted by unfounded accusations from the former Risk Manager.

The fact that the consultant/employee proposal has been a blank slate – with respect to both duties and compensation – is grounds for the Board to reject it. If the Board does not do so, the ‘negotiations’ over what functions will be undertaken by the consultant/employee are likely to be a source of continuing tension – especially if the ultimate goal is to reduce ABAG’s role to that of a third party administrator.

ABAG was not created by its 109 members to be a municipal insurance pool. When called upon by some of them to form such a pool, we did so as a service to those members and we did so in collaboration. ABAG has no interest in being a third party administrator to any insurer, even one created by 31 members. If we collectively agree to repair the existing relationship, the Board should adopt ABAG’s committee proposal. If we collectively agree that the relationship cannot or ought not to be repaired, we should plan a transition for the members of the program to assume direct and full control over the program outside of ABAG.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



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To: Laura Allen
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Shawn Mason
City Attorney, City of San Mateo

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From: Henry L. Gardner
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We look forward to discussing our proposal with the committee members on December 9.

Attachment:

Recommended ABAG Plan Governing/Organizational Chart

Copy: Kenneth Moy, Legal Counsel
Herbert Pike, Finance Director



A B A G P L A N
C O R P O R A T I O N

To: PLAN Board of Directors
From: Darrell Dearborn, Interim Risk Manager
Date: January 26, 2010
Subject: Current PLAN Administrative Costs

RECOMMENDATION

None. This report is for information only.

BACKGROUND

At its meeting of January 14, 2010, the Executive Committee requested information respecting current administrative costs and staffing dedicated to PLAN services that might be affected if its recommendation regarding reorganization is approved by the Board.

ANALYSIS

Three attachments to this memo provide this information.

- Attachment A** **ABAG PLAN Corporation 2009-10 Budget**
This attachment presents the annual costs budgeted in each of the three Funds maintained by ABAG for PLAN. The Administration Fund reflects virtually all of the administrative costs budgeted and expended for the program, including all staff positions. The General Liability Fund displays revenues and costs for the liability insurance program, including loss prevention grants, training and related non-personnel expenses. The Property Fund displays revenues and costs for property insurance coverage.
- Attachment B** **PLAN Staffing**
This attachment shows the total number and cost of ABAG positions now dedicated to PLAN.
- Attachment C** **ABAG PLAN Organization 2008-09**
This attachment reflects the organization and reporting relationships within ABAG and between ABAG and PLAN for the previous fiscal year. This organization would continue if Mr.



Gardner's recommendation of January 25, 2010 is approved by the Board. However, there will be direct committee oversight of the Administrative Budget and the personnel processes for the Risk Manager.

ANALYSIS

The organizational changes recommended by the Executive Committee would have a minimal impact on the annual costs reflected in Attachments A and B. A reduction in the salary for the position of ABAG Risk Manager may be called for, depending on the revised scope of responsibilities for that job and internal and external salary considerations. ABAG would retain claims management responsibilities which would continue to require the ten positions that are now entirely dedicated to PLAN services. And none of the duties recommended to be transferred to the new consultant/employee position outside of ABAG would permit a reduction in the 1.2 FTE positions that now support PLAN in other ABAG departments.

CONCLUSION

It is recommended that the Board consider this information as it makes its decisions regarding the future organization of functions and responsibilities for PLAN governance.

ATTACHMENT A

ABAG PLAN CORPORATION FY 09-10 BUDGET

	<i>Administration Fund</i>	<i>General Liability Fund</i>	<i>Property Fund</i>	<i>Total</i>
REVENUES				
EARNED PREMIUM	2,500,000	5,825,957	1,085,715	9,411,672
INVESTMENT INCOME (INCL. LAIF)		1,300,000	27,000	1,327,000
TOTAL REVENUES	<u>2,500,000</u>	<u>7,125,957</u>	<u>1,112,715</u>	<u>10,738,672</u>
EXPENSES				
ADJ. TO CLAIMS RESERVE		2,000,000	150,000	2,150,000
PERSONNEL COSTS	<u>2,368,405</u>	<u>15,644</u>		<u>2,384,049</u>
TOTAL PERSONNEL COSTS	<u>2,368,405</u>	<u>15,644</u>	<u>0</u>	<u>2,384,049</u>
TECHNICAL CONSULTANT FEES	60,000			60,000
LEGAL CONSULTANTS	50,000			50,000
CLAIMS CONSULTANTS	70,000			70,000
RISK MANAGEMENT CONSULTANTS	10,000			10,000
ACTUARIAL CONSULTANTS	20,000			20,000
AUDIT FEES CLAIMS ADMIN.	10,000			10,000
AUDIT FEES FINANCIAL	18,000			18,000
BEST PRACTICES SERVICES		415,050		415,050
DEFENSIVE DRIVER TRAINING		40,000		40,000
FRAMEWORK GRANTS		170,592		170,592
POLICE RISK MANAGEMENT FUND		360,000		360,000
RISK MANAGEMENT PROGRAMS		1,420,253		1,420,253
RISK MANAGEMENT TRAINING		143,000		143,000
SEWER LOSS PREVENTION		60,000		60,000
TOTAL	<u>238,000</u>	<u>2,608,895</u>	<u>0</u>	<u>2,846,895</u>
OTHER DIRECT CHARGES				
TRAVEL	7,000			7,000
PRINTING IN-HOUSE	3,000			3,000
PRINTING OUTSIDE	6,000			6,000
CONFERENCES & SEMINARS	25,000			25,000
OFFICE SUPPLIES	8,000			8,000
SUBSCRIPTION & MEMBERSHIPS	7,000			7,000
DEPRECIATION FURNITURE & AUTO	15,000			15,000
INSURANCE & BONDING	20,000	801,436		821,436
PROPERTY INSURANCE			885,716	885,716
STAFF TRAINING & DEVELOPMENT	5,000			5,000
MISCELLANEOUS	25,000			25,000
TOTAL OTHER DIRECT CHARGES	<u>121,000</u>	<u>801,436</u>	<u>885,716</u>	<u>1,808,152</u>
TOTAL EXPENSES	<u>2,727,405</u>	<u>5,425,975</u>	<u>1,035,716</u>	<u>9,189,096</u>
SURPLUS/(DEFICIT)	<u>(227,405)</u>	<u>1,699,982</u>	<u>76,999</u>	<u>1,549,576</u>

ATTACHMENT B

PLAN Staffing

<u>FTE</u>	<u>Title</u>	<u>Cost *</u>
1.0	Risk Manager	\$211,000
2.0	Secretary	173,000
1.0	Risk Analyst	140,000
1.0	Claims Manager	176,000
<u>5.0</u>	Claims Examiner	<u>708,000</u>
10.0	Total PLAN	\$1,408,000
<u>1.2</u>	Non-PLAN	<u>205,000 **</u>
11.2	Total FTE	\$1,613,000

* Costs (rounded) include salary and fringe benefits

** Includes salary and fringe benefits for 1.2 FTE positions of ten ABAG employees in Finance, IT, Legal Counsel and Executive Director Offices that are budgeted to provide direct support to PLAN services.

ABAG Plan Governing and Operations Organizational Chart (2008 – 2009)

