

**TRINDEL INSURANCE FUND
MINUTES
BOARD OF DIRECTORS MEETING
May 9, 10 & 11, 2007
San Juan Oaks, Hollister, San Benito County, California**

Wednesday, May 9, 2007, 9:09AM

1. Roll Call

Members & Alternates Present:

Judy Molnar – Alpine (arrived 1:00pm 5-9-07)

Peggy Scroggins – Colusa (Vice-President)

Joey Young – Del Norte

Ron Vossler - Lassen

Mike Maxwell – Modoc

Rita Sherman – Mono

Richard Inman – San Benito

Jacki Credico – San Benito

Van Maddox – Sierra (President)

Peter Huebner – Sierra

Larry Layton - Trinity

David Nelson – Trinity (Secretary)

Members & Alternates Absent:

NONE Thank you all for attending

Others Present:

Robert Zunino – Colusa

Brian Muir – Mono

Don Hemphill – Staff

Gene Herndon - Staff

2. Election of President, Vice-President and Secretary for the 2007-08 fiscal year.

Van Maddox nominated and motion by Trinity for President, second by San Benito, unanimous approval to elect Van Maddox President for the 07-08 fiscal year, with Van Maddox abstaining.

David Nelson nominated and motion by Colusa for Vice-President, second by San Benito, unanimous approval to elect David Nelson Vice- President for the 07-08 fiscal year, with David Nelson abstaining.

Rita Sherman nominated and motion by Trinity for Secretary, second by Colusa, unanimous approval to elect Rita Sherman Secretary for the 07-08 fiscal year, with Rita Sherman abstaining.

3. Appointment of two members to the Executive committee (the president and Vice-president are automatically members) for the 07-08 fiscal year.

Peggy Scroggins & Joey Young nominated by Lassen for the Executive Committee, second by San Benito, unanimous approval to elect Peggy Scroggins & Joey Young to the Executive Committee for the 07-08 fiscal year, with Peggy Scroggins & Joey Young abstaining.

4. Approval of Minutes of February 28, 2007 and April 12, 2007.

Motion by Colusa, second by Del Norte to approve the February 28, 2007 and April 12, 2007 minutes as presented, unanimous approval.

5. Informational Item: Register, checks & invoices between the dates of 2-22-07 and 04-30-07 are available for review pursuant to Bylaws Article XIV, Section 2 with certification from Assistant Treasurer.

No action taken, information only.

6. Discussion/Action on renewal of Landfill pollution policy, current policy expires 5-16-07.

Alliant was still discussing with the Underwriter at the time of our meeting. The policy will be renewed with Westchester Surplus Lines Insurance Company for 3 years at the very least at the same terms and conditions as the current policy. The issue of adding Colusa & Trinity will be addressed at some point, discussion with underwriter has taken place but with the late hour for this renewal it will be addressed at the time their policy is up for renewal in Sept 2008. **Motion by Modoc, second by Mono** to authorize the Executive Director to do the following: 1. to bind the coverage for up to a 3 year term, 2. to authorize the inclusion of Colusa & Trinity in our policy at any time during the 3 year policy period, 3. to bind limits at an amount that he deems appropriate, 4. to maintain the SIRs as they currently exist unless a covered member wishes to change their specific deductible, 5. to bind as long as the cost does not exceed the current cost plus 35%, unanimous approval.

7. Discussion/Action/Adoption of Resolution #07-06 on contracting with CalPERS for retirement plan for Trindel staff.

Staff presented the item as set forth in the backup material.

Motion by Modoc, second by Colusa to adopt Resolution No. 07-06 authorizing a contract with CalPERS as presented, unanimous vote.

8. Discussion/Action on possible approval of amendment to agreement with Claims Management Services for TPA services for Mono County for an increase in fees and authorization for Executive Director to sign agreement.

Motion by Mono, second by Colusa to Authorize the Executive Director to execute an amendment to the agreement with CMS for workers comp TPA services for Mono County, to be effective 7-1-07 for one year as presented, unanimous vote.

9. Discussion/Action on possible approval of amendment to agreement with George Hills Co., Inc. for TPA services for all programs except workers compensation for an increase in fees and authorization for Executive Director to sign agreement.

Motion by Colusa, second by Del Norte to approve an amendment to agreement with George Hills for a rate of \$78.50 for the period 7-1-07 through 6-30-09 all other terms and conditions to remain as is and authorize the Executive Director to execute the amendment as presented, unanimous vote.

10. Discussion/Adoption of Resolution No. 07-03 setting premiums for the 2007-08 fiscal year for all programs.

There was a very lengthy discussion about EIA and issues that have arisen including constant renewal applications, unsolicited communication from Alliant, EIA and Alliant staff contacting County staff with out the knowledge of the Board member, changing premium estimates, bigger info box on renewal applications, requests to send the same documents from the same or different individuals. The issues will be addressed with EIA staff when they attend for item #16. Additionally the Executive Director is to draft a letter, for the Presidents signature, to be signed only after all members have reviewed and approved the communication to EIA. The letter is to address the desire of the Trindel members to have all communications between EIA/Alliant and the Trindel members to be sent to the Executive Director. The purpose being that the Executive Director can then monitor what the members are receiving and keep them alerted to items of importance and items that need to be addressed. The question of why do we do this resolution was asked the response is, because we have always done it this way. For the 08-09 year this will be included in the resolution adopting the budget.

Motion by Modoc, second by Trinity to adopt Resolution No. 07-03 approving premiums, for all programs, as presented and authorizing the Executive Director to make final changes based upon final billings from CSAC-EIA, unanimous vote.

11. Discussion/Adoption of Resolution No. 07-04 approving the return of funds and giving the option to take a credit as partial payment of the 07-08 premium invoice or taken as a return of cash.

This item concerns your continuing the flexibility in the options that are given as potential credits or as returns of funds each year. Staff presented the item. It will be clarified in future agenda packages that the Due to/from amounts shown on pages 3, 6 & 7 are the amounts that are in excess of the 90% confidence level.

Motion by Modoc, second by Mono to adopt Resolution No. 07-04 approving the return of funds for liab/prop and work comp programs as presented, unanimous vote.

12. Discussion/Direction/Action on the Primary Workers Compensation Program.

The report in the narrative was presented. Staff will obtain an actuarial report for use by the Board at the November 1/2, 2007 meeting. No specific action taken.

13. Discussion/Adoption of Resolution No. 07-05 adopting budgets for all programs and activities for the 2007-08 fiscal year and a review of our investment policy pursuant to Government Code Section 53646(a) and authorizing the Treasurer to invest, reinvest, sell or exchange securities for the 2007-2008 fiscal year as required by Government Code Section 53607.

Staff presented the item. Staff directed to change the definition of a fixed asset, resolution 98-02R, from \$500 to \$5000 to be presented at the next meeting.

Motion by Modoc, second by Colusa to adopt Resolution No. 07-05 approving the budget for Trindel Insurance Fund for the 07-08 year as presented, the investment policy was reviewed pursuant to Government Code Section 53646(a), no changes were made and authorizing the Trindel Insurance Fund Treasurer to invest, reinvest, sell or exchange securities for the 2007-2008 fiscal year as required by Government Code Section 53607, unanimous vote.

14. Discussion/Direction: staff report on deficit balances, if any, as requested in Item #6 at the 11-2/3-06 Board meeting, and review the Balance Sheet & Income Statement detail spreadsheets as of March 31, 2007, if time permits.

The report in the narrative was presented. No specific action taken.

15. Staff report on activities since the February 2007 Board meeting.

Item was not specifically reviewed.

16. Discussion/Direction on EIA programs, reports from members on activities involving EIA. An EIA staff person will be presenting a mini orientation and review of their premium calculations for Trindel members. (Presentation on Thursday, May 10, 2007 at 1:30pm)

Mike Fleming & Gina Dean presented a mini version of the orientation that is done each January for all members, this normally takes a full day. Specific attention was paid to the premium development and calculation process. Many of the issues reflected in Item #10 above were addressed during this presentation.

No specific action taken.

17. Discussion/Direction on Alliant Insurance Services programs, reports from members on activities involving Alliant. An Alliant staff person will be presenting a risk transfer training to us that we may want to provide to our member staffs. ((Presentation on Wednesday, May 9, 2007 at 1:30pm)

Kevin Bibler, Alliant, presented training in the transfer of risk to contractors and related topics. Staff will survey the members to determine the interest level for either regional or on site presentation/training on the transfer of risk. Kevin will also send the Executive Director the safety issues addressed in contract that have owner controlled insurance terms for possible distribution to our members.

Kevin also updated the Board on the renewals for 07-08. Property is already known. PWC final actuarial is due next week or two. EWC expected to come in below Version 2 estimates. Liability and med mal, looking to return the renewal dates back to a 7-1 date. Med Mal was renewed last year for a 2 year term flat rate. Liability is also expected to be flat. Being flat does not mean that the premium stays the same it can go up or down depending on the member payrolls and/or loss data. Brief discussion on med mal renewal applications and some possible solutions.

No specific action taken.

18. Discussion/Direction on Bragg & Associates report of the state of the workers comp world and TPA services. A Bragg staff person will be presenting an overall statistical analysis of our workers comp claims. (Presentation on Thursday, May 10, 2007 at 1:30pm)

Karen Callaghan, Eileen Gould and Billy Wilson presented a summary review of losses (State of the Account), recent court decisions, legislation and information on Bragg.

No action taken or direction given.

19. Discussion/Action on performance evaluations of contractors possibly including, but not limited to: George Hills Company, HealthMetrics (hearing testing), Bragg & Associates, Claims Management Services (Mono TPA), Alliant Insurance Services, CSAC-EIA, defense attorneys, etc., evaluations may also be discussed during other agenda items that are specifically related to a particular vendor.

Comments were generally favorable. Issues related to CSAC-EIA and Alliant were addressed in item #10 & 16. Bragg has responded without hesitation to issues that have arisen in the past 12 months. Staff emphasized that the members need to let him know when problems or issues arise both good and bad. The Loss Prevention group is attempting to address the issue of scheduling with HealthMetrics. Issue with McLarens Young (excess property claims adjusters) in particular Diane Gordon, staff will address with EIA. Staff and George Hills staff will be doing liability claim file reviews for each member during the summer this year. More discussion on EIA & Alliant mostly related to responsiveness and attitude, mixed reactions ranging from responsiveness to non-responsiveness.

No action taken.

20. Discussion/Action on continuing approval of agreement with HealthMetrics for hearing tests for 07-08 year and authorization for Executive Director to sign agreement.

Motion by Alpine, second by Mono to authorize HealthMetrics to conduct the hearing tests for the 07-08 year and authorized the Executive Director to execute the agreement to provide the services.

The Board went into closed session for items 21 & 22 as follows:

On 5-9-07 at 3:17pm and came out of closed session at 5:00pm

On 5-10-07 at 4:00pm and came out of closed session at 5:45pm

On 5-11-07 at 8:50am and came out of closed session at 11:22am

21. Discussion/Action on evaluation of Executive Director and contract negotiations, current agreement expires 7-1-07.
22. Discussion/Action on evaluation of Safety Officer and contract negotiations, current agreement was extended until 12-1-07 at the 2-28-07 meeting.

Tentative agreement was reached on contracts for staff and tentatively agreed to by staff. There will be a special telephonic meeting set once the actual agreements are prepared and reviewed. At the special telephonic meeting the Board will consider

taking various actions related to the negotiations, contracts and establishing employee benefits.

23. Discussion/Direction/Action on update of the JPA & Bylaws by Steve Underwood, approval of rate at \$130/hour.

Staff updated the Board on the contact with Steve Underwood, rate is \$130 per hour. The schedule is to have the draft to the Board at the November 2007 Board meeting, if changes needed have those back for approval at the Feb/March 2008 Board meeting. Then to the individual members for Board of Supervisors approval by June 30, 2008. Staff will ask Steve if it is possible to have the documents allow for more than 1 alternate, but still keep that only allow 1 vote per member. Input from members is encouraged.

Motion by Mono, second by Colusa to authorize the Executive Director to expend funds to have the JPA and Bylaws updated.

24. Public Comment

Matters under the jurisdiction of the Board, whether or not on the posted Final Agenda, may be addressed by the general public at this time. The total amount of time for public comment shall be no more than fifteen minutes. The Chair, with consensus of the Board, may establish reasonable regulations including, but not limited to, limiting the amount of time allocated for a particular issue and for each speaker. No action is to be taken or substantive discussion pursued on matters not on the posted Final Agenda.

Susan Thompson, San Benito County CAO, welcomed the Board to the County. Paul J. Matulich, San Benito County Agricultural Commissioner gave a short presentation of the agriculture of the County.

25. Future meetings – The fall 2007 meeting will be held on November 1 & 2 at the EIA Office in Rancho Cordova. The winter 2006 meeting will be held in conjunction with the CSAC-EIA March 2008 Board meeting. Set place and date for the Annual Organizational meeting for May/June 2008.

Future meetings are set as follows: The November 1/2, 2007 meeting will be held at the CSAC-EIA office in Rancho Cordova. The March 5, 2008 meetings will be held at the Hilton Hotel in Sacramento. The May 14/16, 2008 meeting will be held in Trinity County, most likely at the lake.

Minutes for 5-9/11-2007

Page 8

Adjourn. Date: 5-11-07 Time: 11:58pm

Approved: November 1, 2007

Submitted by: _____

minutes050907