



**FAIRA ANNUAL BOARD AND EXECUTIVE BOARD MEETING**  
**September 12, 2016 10:30 A.M.**  
**Teleconference**

**PRESENT:** President: Mark Shadowens (Northstar CSD). Directors: Eric Walder (South Placer FPD), Peter Liebig (Lakeside FPD) – called in at 10:42 a.m., Bill Paskle (Alpine FPD), Darrin Howell (San Miguel Consolidated FPD) – called in at 10:56 a.m., Tim Isbell (Bonita Sunnyside FPD), Mark Pomi (Kentfield FPD), Scott Draper (Mason Valley FPD), Brennan Blue (Aromas Tri-County), Howard Wood (Vacaville FPD)

**Absent:** Risk Manager Jonathan Wilby (Orange County FA), Richard Pearce (Tiburon FPD), (Mark Johnson (Fresno FPD).

**Staff:** Susan Blankenburg (FAIRA General Manager), Rachel Simco (FAIRA Administrative Analyst), Loann Le (Arthur J. Gallagher), Richard Blacker (FAIRA Board Liaison Officer)

**ITEM 1 - CALL TO ORDER AND DETERMINATION OF A QUORUM**

A quorum of the Board and Executive Board was present and the meeting was called to order at 10:37 a.m. by President Shadowens

**ITEM 2 - CONFIRMATION OF AGENDA**

A MOTION was made to confirm and approve the agenda.

**Motion to Confirm - Isbell**

**ITEM 3 - ORAL COMMUNICATIONS TO THE BOARD, OPPORTUNITY FOR PUBLIC COMMENT WITH RESPECT TO MATTERS NOT ON THE AGENDA**

No public in attendance.

**ITEM 4 - APPROVAL OF MINUTES OF THE June 13, 2016 BOARD MEETING OF THE FAIRA BOARD AND EXECUTIVE BOARD.**

A MOTION was made to approve the minutes of the June 13, 2016, FAIRA Board and Executive Board Meeting, as submitted.

**M/S/P Paskle/Blue – Roll Call**

**ITEM 5 - GENERAL MANAGER'S REPORT**

**5.1 Final Budget**

Ms. Blankenburg presented the final version of the budget pointing out that there were two small changes made since the annual meeting when the budget had included two different premium options; one from VFIS and the other with FirePlus. This final version shows only the FirePlus figures as this is the carrier FAIRA bound coverage with for the 2016/2017 renewal.

The first monetary change is the elimination of the \$600 premium for the TULIP fee. The program had enough use last year to satisfy the deposit premium for this year. TULIP is a tenant and users liability program where a member of the public who wishes to use one of FAIRA's member's facilities, and cannot provide a certificate of insurance for \$1 Million of Liability Insurance can go online and obtain the insurance.

The second change is related to Central County FPD who joined FAIRA effective July 1, 2016, that was approved by their board the day after FAIRA's annual board meeting. Their annual premium is \$36,065.

A MOTION was made to accept the final budget as presented by the General Manager

### **M/S/P Wood/Draper – Roll Call**

#### **5.2 FirePlus Update**

Thus far the relationship with FirePlus is going well. FAIRA is their largest client. Special handling instructions were provided to FirePlus. Our concern was that with any new program that it takes time to get traction. Ms. Le and Ms. Blankenburg have found the underwriting side to be very responsive. We haven't had very many claims, but enough to know if there were any problems (i.e. calls to advise that they are not being responsive and making claim payments have not been received). Now that FAIRA is with a new carrier, we need to consolidate all of the loss data for a 10 year period. The format in which the FirePlus loss data was received makes it easy to consolidate with our current historical loss data.

### **ITEM 6 – BOARD LIAISON OFFICERS' REPORT**

#### **6.1 Review of KCM Investments**

KCM Manages FAIRA's investments. Mr. Blacker uses a conservative 2% interest rate of return due to the western world's volatile financial market where interest rates may or may not go up resulting from a recent sizable stock market drop the previous Friday. Our investment policy with KCM is to buy short-term bonds which pay less interest and includes a premium, but are the safest route in the current marketplace. Mr. Paskle asked about a \$230k withdraw. Mr. Blacker answered that this is not uncommon, that KCM requests money be transferred from Schwab to buy more bonds. Ms. Blankenburg mentioned that this money can also be used to pay FAIRA bills if additional funds were needed. Blacker confirmed and added that all of FAIRA's money is in an account with Charles Schwab and KCM doesn't have the access to write/issue checks, check issuance is done by Board and FAIRA'S Accountant.

#### **6.2 Review of Accountant's Financial Statements**

Mr. Blacker stated that FAIRA has \$760k in the bank since we have not paid all of the

insurance premium due. We have a deal made to pay the first installment in August of 2016 and the second installment January 1, 2017. He noted that this statement is only a monthly statement, not the Annual Financial Report.

### **6.3 Update on Loss Control Visits**

Mr. Blacker has averaged one loss control visit per month. The format for the loss control visits has changed where as now there is a team of three individuals who conduct loss control visits. Mr. Blacker uses a form he gives to the Chief to go through like a check list and offers suggestions and provides info as needed/requested.

## **ITEM 7 – LOSS CONTROL CONSULTANT RICH BLACKER AND MARCO GUARDI**

### **7.1 Loss Control Plan for Fiscal Year 16/17**

Mr. Guardi wasn't available to call in so Ms. Blankenburg spoke in his absence. In addition to the Risk Management checklist, a new approach is being implemented and will be used by Mr. Blacker, with Mr. Marco Guardi of Gallagher and Mr. Scott Bryant a new loss control Consultant made available to us by FirePlus. The new approach is to review 10 years of loss data and identify trends. The plan is to have one member of loss control team visit the 12 identified districts, over the coming year. Mr. Blacker will focus on the Northern California Districts and Mr. Guardi will focus on the Southern California Districts - with Mr. Bryant joining on the visits whenever possible. Ms. Blankenburg explained that the handouts that will be used, that were emailed from Dale's office, show the losses by type for the 12 Districts who we identified as having either high frequency and/or large losses over a certain percentage. These are examples of what the loss control team will be discussing during district visits.

Ms. Blankenburg reached out to several Fire Districts collecting information to update the Risk Management Manual. Two pieces to start with will be: adding an Automobile Investigation section to the Fleet Safety Manual and an Anti-harassment and Anti-discrimination Investigation policy – that is new and will include a reference to the Fire Fighter Bill of Rights.

### **7.2 Special Projects**

Ms. Blankenburg stated that Scott Bryant will be spending a good portion of his time on FAIRA and will be given FAIRA Loss Control business cards. He is attending two webinars; a two day long program on Managing Fire Department Discipline; and the other on Fair Labor Standards Act.

### **7.3 Webinar Series**

Ms. Blankenburg stated that Mr. Guardi will be the 'gate keeper' of the webinars. The goal is to have four each year. For 2016/2017 we may only be able to have three webinars. Ms. Blankenburg said that the list of recommended webinars included the following topics: The Claims Process for EPLI Claims; Managing Fire Department Discipline; Best Practices for Accident Review; Overview of Risk Management Manual; Insurance Requirements in Contracts and potentially others.

**ITEM 8 – BROKER’S REPORT**

Ms. Loann Le has eight prospects. These are Districts who were unable to join while FAIRA was with VFIS, as they were current VFIS clients through local agents. They will be re-approached. We will also receive referrals from FirePlus throughout the year. Our marketing approach will be by making personal calls directly to the Fire Chiefs and providing quotes. The previous method used of sending flyers was unsuccessful. The few calls we received from the flyers were from prospects with adverse loss experience. The most successful prospects come from already established relationships. Ms. Le recommends seeking members who will generate a premium of \$10,000 and greater.

**ITEM 9 - ADJOURNMENT**

President Shadowens called for adjournment at 11:27 p.m.

**M/S/P Paskle/Howard**

Respectfully submitted,

Susan Blankenburg  
General Manager