



FIRE AGENCIES INSURANCE RISK AUTHORITY MINUTES OF THE BOARD AND EXECUTIVE BOARD MEETING

December 9, 2024 at 9:00 A.M.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

The meeting was held:

Via Microsoft Teams with all Directors attending the meeting virtually from their physical locations as posted in the Agenda.

Present: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Ken Musso (South Placer FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Staff: Susan Blankenburg (FAIRA); Tay Gonzalez (FAIRA); Natalie Bates (Gallagher); Zack Phillips (FAIRA)

Item 1 - CALL TO ORDER AND DETERMINATION OF A QUORUM

President Don Butz called the meeting to order at 9:00 a.m. Quorum was confirmed via roll call.

Item 2 – Confirmation of Agenda

A **motion** was made by **Mike Sims** to approve the agenda as presented in the Board packet. A second on the motion was provided by **George Nunez**.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Not Present at Time of Vote: Ken Musso (South Placer FPD)

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

There were no public comments, and no written requests or statements were received.

Item 4- Approval of the Minutes of the September 16, 2024, Board and Executive Board Meeting

The minutes from the September 16, 2024, meeting were presented for approval. A motion was made by **Brian Boggeln** and seconded by **Michael Golden**. The motion passed unanimously.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Ken Musso (South Placer FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Not Present at Time of Vote: Ken Musso (South Placer FPD)

Item 5.1- Website Streamline

FAIRA Staff introduced Streamline as a potential vendor for a new FAIRA website. Drew Woodruff of Streamline spoke briefly to the Board about the company.

Streamline specializes in website creation and maintenance for fire districts. They are a local and have a strong focus on customer service which is especially important to FAIRA. Staff reviewed the websites of Sacramento Metropolitan Fire and SDRMA, which were developed by Streamline, and found them to be user-friendly and functional.

President Butz asked if Streamline was aware of Brown Act requirements for public agencies. Mr. Woodruff assured the Board that they build into the website various tools to maintain compliance with Brown Act requirements as well as ADA requirements. They will also monitor and how these and other requirements develop over time.

The Board reviewed the proposal from Streamline as attached in the Board packet.

A motion was made by **Eric Walder** to approve engaging Streamline for their services as outlined in their proposal and seconded by **Mike Sims**.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Ken Musso (South Placer FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Item 5.2- Online Application Programming Update

General Manager Susan Blankenburg outlined the need to upgrade FAIRA's online application system, noting that the current system is outdated and lacks functionality for seamless member interaction. The update aims to modernize and improve efficiency by streamlining processes and enhancing user experience. The new system will allow for easier updates and data retrieval.

Chris Rink, the original developer of FAIRA's application site, provided a proposal to update FAIRA's annual renewal application. He has worked with FAIRA for many years and has successfully developed similar systems for other organizations. According to the proposal attached in the Board meeting packet, the project is set to begin December 16, 2024, with a cost of \$10,000 as a one-time charge, with an annual maintenance fee of \$2,500.

Staff compared costs with other providers, noting that Risk Partners charges \$40,000 annually just for maintenance, while Origami has similar pricing.

A motion was made by **Eric Walder** to approve engagement of Chris Rink to perform the work outlined within the proposal and seconded by **Ty Bailey**.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Ken Musso (South Placer FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Item 5.3 - Vendor Contracts

General Manager Susan Blankenburg provided an update on FAIRA's vendor contract review. Most agreements were already in compliance, but some needed updates. At the last Board meeting, three contracts were still outstanding. Since then, FAIRA finalized its contract with Bay Actuarial. However, Cuttone & Mastro, FAIRA's CPA firm, refused to sign an updated agreement and chose to end its relationship with FAIRA. The search for a new CPA firm is now underway.

Susan stressed the need for all vendors handling financial data to have proper insurance, including cyber liability. FAIRA had requested that Cuttone & Mastro obtain cyber liability coverage, as it is a standard requirement for those managing sensitive information. FAIRA even provided an affordable option through Gallagher, but the firm declined and decided to discontinue working with FAIRA.

The last remaining contract is with KCM, which typically uses its own agreement instead of FAIRA's standard contract. Discussions are ongoing, and Susan is hopeful an agreement will be reached. She reiterated that any vendor with access to FAIRA's financial data must carry general liability, professional errors and omissions, and cyber liability coverage. The Board discussed the importance of these protections and ensuring vendor agreements align with FAIRA's risk management standards.

No action

Item 5.4 - Change of Financial Auditor

FAIRA's long-standing financial auditor, Cuttone & Mastro CPAs, opted to end its 23-year relationship with FAIRA after declining to meet revised contract terms. General Manager Susan Blankenburg initiated a search for a new auditor. While a full RFP is not required, staff conducted an RFQ process to evaluate qualified firms.

Susan reached out to four firms to secure a new auditor and received several responses. Of the four firms contacted, Moss Adams has not responded, Gilbert & Associates declined due to capacity, and Marcino CPA is not taking on new business. Nigro & Nigro, which has extensive experience with fire districts, expressed strong interest and is willing to adjust its schedule to complete FAIRA's 2023-2024 audit.

Susan expects to finalize discussions with Nigro & Nigro shortly. Staff will seek approval to engage in an agreement with Nigro & Nigro at the next meeting of the Board.

No action

Item 5.5 - Claims Report

Zack Phillips provided an update on claims activity. As of the meeting date, eighteen claims were open under the current policy term. Since July 1, 2024, a total of twenty-five claims have been reported to George Hills. The breakdown of the claims is as follows: 8 liability claims, involving 5 member districts, with a total incurred amount of \$14,951; 9 auto physical damage claims, involving 10 member districts, with a total incurred amount of \$417,235; and 1 property claim, involving 1 member district, with a total incurred amount of \$18,000.

Zack assured the Board that the claims are being managed efficiently and that there are no outstanding concerns at this time. The Board discussed trends in claims activity and potential strategies for mitigating future risks.

No Action

Item 5.6 - Update on Staff Interaction with TPA

FAIRA Staff engaged with George Hills Claims Handling to ensure they understand FAIRA's new coverage structures. A follow-up call was conducted on October 21, 2024, to clarify processes and provide necessary documentation. Susan noted that future discussions with George Hills will be scheduled to ensure continued alignment with FAIRA's processes as needed. The Board acknowledged the importance of maintaining clear communication with FAIRA's third-party administrator.

No action

Item 5.7 - Fuel Management Survey

FAIRA conducted an initial Fuels Management Survey last year to assess Member District activities related to controlled burns and other fire mitigation efforts. The survey was prompted by concerns over districts conducting large-scale burns, sometimes beyond their jurisdiction, creating potential liability risks. Understanding the scope of these activities is essential for evaluating coverage options, setting appropriate deductibles, and developing standardized agreements. President Don Butz reiterated that unreported burns could pose significant financial risks to the pool. Tay Gonzalez then presented the updated survey, designed in Google Forms, which will aid in collecting data on district practices to help FAIRA analyze and mitigate exposure.

No action

Item 5.8 - Discretionary Authority - Resolution 2024-2

The Board discussed granting the General Manager discretionary authority to approve expenditures up to \$50,000 per fiscal year, with any expenditures beyond this amount

requiring Board approval. This resolution formalizes authority that has been exercised informally since FAIRA's inception, ensuring efficiency in handling necessary expenses. The Board emphasized the importance of maintaining fiscal oversight while providing operational flexibility. Susan confirmed that any expenditures within this limit would be reported to the Board at the next meeting for transparency.

A motion was made by **Eric Walder** to approve the resolution presented in the Board packet, as revised in the course of discussion, to give authority to the General Manager to utilize discretionary funds not to exceed \$50,000 per fiscal year. The motion was seconded by **Andy Lawler**.

The motion passed with approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Michael Golden (North Central FPD); Dustin Hail (Fresno FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA); George Nunez (Aromas Tri-County FPD)

Abstained: Ken Musso (South Placer FPD)

Item 6.1 - Prospecting Effort

Broker Natalie Bates provided an update on FAIRA's outreach efforts. The FDAC provided a list of their members, which FAIRA reviewed to identify prospective members for the pool.

Natalie mailed a brochure to approximately seventy-five prospects around November 10th. She plans to call Districts after the holidays and then send a second mailing sometime after that.

The Board discussed strategies for expanding membership and ensuring FAIRA's continued growth.

No action

Item 7.1 - Claims Payments Summary

Zack Phillips provided an overview of claims payments and noted that trust account balances are being managed efficiently. He assured the Board that there are no current financial concerns. Zack guided the Board through a review of financial and claims trends and discussed the importance of maintaining strong financial reserves.

No action

Item 7.2 - Confirmation of Premium Payments

General Manager Susan Blankenburg confirmed that all outstanding premium payments have been collected. The Board acknowledged the importance of ensuring timely premium collection to maintain financial stability. Susan stated that she will continue to monitor payment timelines closely.

No action

Item 8 – Correspondence

Item 8.1 - Notice of General Counsel's Retirement

The Board received notice from General Counsel Dale Bacigalupi announcing his retirement at the end of 2024. Nick Clair will assume the role of General Counsel January 1, 2025. The Board expressed appreciation for Dale's contributions to FAIRA and wished him well in his retirement.

No action

Item 9 – Adjournment

The meeting was adjourned at 10:06 a.m.