

NOTICE AGENDA OF THE EXECUTIVE BOARD MEETING
January 12, 2015 at 10:30 a.m.

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

The Fire Agencies Insurance Risk Authority ("FAIRA" or the "Authority") will hold an Executive Board Meeting Monday January 12, 2015 at 10:30 a.m. at the Offices of Arthur J. Gallagher, 1255 Battery Street, Suite 450, San Francisco CA 94111.

The Agenda for the Executive Board Meeting of FAIRA is:

- 1. Call to Order and Determination of a Quorum.**
- 2. Confirmation of Agenda.**
- 3. Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda.**

This portion of the Agenda may be utilized by any person to address the Board of Directors on any matter within the jurisdiction of FAIRA. However, depending on the subject matter, the Board may be unable to respond at this time or until the specific item is placed on the Agenda for a future meeting, as provided for by the Brown Act.

4. General Manager's Report.

- 4.1 The General Manager will update the Executive Board on the preparations for the Transition of Management responsibility to Arthur J. Gallagher on July 1, 2015.
- 4.2 Financial Report for November 30, 2014.
- 4.3 Review and Distribution of the FAIRA 25th Anniversary Note Books.
- 4.4 2014-2015 Budget Item 7100 Legal Fees Retainer Adjustment.
- 4.5 Bylaws Minor update.

5. Arthur J. Gallagher Report

- 5.1 Susan Blankenburg will report to the Executive Board on her and her staff's actions in preparation for management services to FAIRA after June 30, 2015, review the new Web Page and a discussion on the insurance market in general.

6. Correspondence and Informational Items.

7. Other Business

Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.

8. Adjournment.

I certify that this Authority Agenda was posted and sent by First Class United States Mail to all members of the Authority 72 hours before the noted meeting.

Richard Blacker
General Manager

Date: January 2, 2015

FAIRA, in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to disability, to please contact the General Manager at 415-898-6800 at least two (2) business days prior to the scheduled meeting to ensure that the Authority may assist you. Others with question concerning this Agenda please contact the General Manager at 415-898-6800.

1/12/15 9:47 AM

AGENDA ITEM 1

- 1. Call to Order and Determination of a Quorum.**

AGENDA ITEM 2

2. Confirmation of Agenda.

AGENDA ITEM 3

3. Oral Communications to the Board, Opportunity for Public Comment With Respect to Matters Not on the Agenda.

This portion of the Agenda may be utilized by any person to address the Board of Directors on any matter within the jurisdiction of FAIRA. However, depending on the subject matter, the Board may be unable to respond at this time or until the specific item is placed on the Agenda for a future meeting, as provided by the Brown Act.

4. General Manager's Report.

4.1 Update on the preparations for the Transition of Management responsibility to Arthur J. Gallagher on July 1, 2015.

Over the past several weeks I have come to the conclusion that, although the day-to-day operations of Managing FAIRA will be the responsibility of Gallagher after June 30, 2015, a small challenge has arisen to the timing of the plan.

It was overlooked by me, that in a nutshell I cannot shut down my office as of June 30th. Here is why. I have to stay fully operational until that last day taking care of business. After that, then I can wind down my office that includes the stripping of the thousands of documents from file cabinets and over 45 thick binders for scanning and transferring all electronic data to Gallagher. Gallagher is a non-paper organization all their records are kept in this electronic format. They have a full time staff of I.T. personnel on premise to oversee this. Also for the first few weeks I will be assisting with the 2015-2016 invoicing, using my computers to generally assist Gallagher, insuring a successful and smooth operation. Regardless, of all the notices we send out to our Districts it will still take some time for all of them to stop contacting me instead of Gallagher. All this and more will involve maintaining my office intact and help in fixing any roadblocks we run into.

My proposal extend my existing Management Agreement, at the 2014-2015 present rates, and retain Ruth's services for an additional 2 months. I think this would be prudent to insure that the many changes, to be accomplished for the transition to Gallagher, would go as planned during this critical time.

Cost of additional time for Managerial services:

Monthly fee: $\$13,658.58 \times 2 \text{ months} = \$27,317$

Ruth's fee: $\$2268 \times 2 \text{ months} = \$4,536$

Total Cost: $\$31,853$

I will to continue pay my own operational costs for the two months as follows:

Office Rent and taxes to Marin County:

$\$637 \times 2 \text{ months} = \$1,274$

Expenses: Web service, telephone, fax, equipment
maintenance and insurance.

$\$400 \times 2 = \800

Consideration and Possible Action.

We have been meeting with Susan and her new staff member, Jillian Stoorza, regularly, with Jillian coming to the office to shadow Ruth receiving and processing the updated annual applications. The brand new Web Page will be ready for Susan to roll out to the Board on the 12th. We have both spent a lot of time working with the developer to make this new version user friendly and useful.

I have been including Susan in the day-to- day operations of the office through emails and conversations.

Of course our main focus at this time are the renewal applications, Board Elections, underwriting and quotations for next year's insurance premiums.

4.2 Financial Report for November 30, 2014

CPA Financial Statement and Investment Report.

Receive and File.

4.3 Review and Distribution of FAIRA 25th Anniversary Note Books.

I will be bringing several of our 25th year anniversary notebook/calculator/pens for the Board to have. At some point in the near future they will be mailed to all the Districts.

4.4 2014-2015 Budget Item 7100 Legal Fees Retainer Adjustment to the Budget.

In the 2014-2015 Budget I estimated a cost of \$4,000 for annual legal fees. This year legal activity increased due to developing the management transition plan and agreements. As a result, the expenses for this item also increased. The CPA has requested that we amend the budget to reflect these additional expenses.

The excess spending so far this year is \$4,376 for a reported total of \$8,376. I am suggesting that we amend the Budget by \$6,376 to make up the deficit and provide up to \$2,000 additional funding, if necessary.

Consideration and Possible Action.

4.5 Bylaws Minor Update.

We also have a small housekeeping item to consider. The current 5th Amended Joint Powers Agreement of the Authority, as approved on October 22, 2007 by 63% of the Members, authorizes "the seating of 13 Board Members. One seat shall be reserved for the largest FAIRA Member Agency (as determined by premium paid in the last fiscal year) and one seat for a Member Agency located in the State of Nevada." I have recently discovered that the current written Bylaws in my binder actually state that FAIRA will have nine (9) Charter Members (subject to elections) and two (2) Members at large. Of course 9+2 only equals 11. The Board needs to authorize the General Manager to change the number (9) to the number (11) in the Bylaws.

I have a question into Dale regarding this. However, it is my opinion that the Executive Board has the authority to approve the very minor change to the actual verbiage in the present written Bylaws.

The JPA Article 31. Bylaws. "The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

Meetings of the Executive Board. Bylaws 304. Duties. 304.1 "The Executive Board may administer the business and activities of the authority, as authorized in the annual budget including the appointment of personnel and approval of contracts and shall be responsible for approving general liability and property claim settlements less than \$50,000."

As the JPA Agreement is the primary governing document I believe the Executive Board would be within its scope of

duties to approve a minor change to the wording of the Bylaws, as presently written, to comply with the 5th. Amended JPA.

Consideration and Possible Action.

AGENDA ITEM 5

- 5. Arthur J. Gallagher Report.**
 - 5.1 Susan Blankenburg will report to the Executive Board on her and her staff's actions in preparation for management services to FAIRA after June 30, 2015, review the new Web Page and a discussion on the insurance market in general.**

AGENDA ITEM 6

6. Correspondence and Informational Items.

7. Other Business.

Other business, as necessary, so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.

AGENDA ITEM 8

8. Adjournment.