City of Loma Linda Official Report

Floyd Petersen, Mayor
Karen Hansberger, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: October 14, 2003

TO: City Council

VIA: Dennis R. Halloway, City Manager

FROM: Pamela Byrnes-O'Camb, City Clerk

SUBJECT: Request from Southern California Association of Governments (SCAG) to join the California Joint Powers Insurance Authority (CJPIA)

RECOMMENDATION

It is recommended that the City Council approve membership of SCAG to the CJPIA.

AGENDA ITEM 8

CALIFORNIA JPIA

MEMBERSHIP APPLICATION

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REPORT OF INITIAL RISK MANAGEMENT EVALUATION

of the

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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I. RECOMMENDATION

It is recommended that the Southern California Association of Government's (SCAG) application for membership in the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY beginning November 1, 2003, be approved with an initial General Liability Program primary deposit of $119,084 and an initial Workers' Compensation Program deposit of $153,398 for participation in the $10,000 retention pool. SCAG will also pay $5,413 toward the Workers' Compensation Excess Pool.

II. GENERAL INFORMATION

A. Date of Survey: August 12, 2003

B. Participants in Survey:

1. For CALIFORNIA JPIA: Beth Lyons, Assistant Executive Director
   Allan Amico, Risk Manager

2. For SCAG: Mark Pisano, Executive Director
   Justine Block, Deputy Counsel
   Bert Becker, Chief Financial Officer
   Jim Gosnell, Deputy Executive Director
   Jim Sims, Director of Information Services
   Debbie Dillon, Human Resources
   Barbara Musselman, Human Resources
   Judy Owens, Executive Assistant
   Hasan Ikhrata, Director of Planning & Policy
   Samir Mehta, Manager of Contracts

C. Description of Applicant:

The Southern California Association of Governments incorporated in 1965 and is the largest regional planning agency in the nation. SCAG serves as the Metropolitan Planning Organization (an organization designated by the federal government and mandated to maintain a continuing, cooperative, and comprehensive transportation process) for over 17 million people in the six-county Southern California region of Ventura, Los Angeles, Orange, San Bernardino, Riverside, and Imperial.

SCAG is charged with developing long-term solutions for regional challenges such as transportation, air quality, housing, growth, hazardous waste and water quality. SCAG is also responsible for managing state-mandated programs such as the Regional Needs Assessment. Additionally, the agency provides mapping, forecasting and regional statistics and data for cities and counties.

Decision-making occurs through monthly meetings of SCAG's Regional Council, a governing body composed of 75 city and county elected officials and transportation commissioners. The policy-making process is guided by the work of three policy committees.

SCAG is funded through both state and federal grants, the largest of which is funded by CalTrans. Grant funding, however, can sometimes be uncertain. Such was the case three years ago when SCAG lost Rideshare grant money because the program was reorganized at a state level. The loss in revenue resulted in a decrease in staff of nearly 50%. During the past year SCAG has again downsized, restructured and reorganized, which resulted in a net loss of approximately 25 positions. The agency currently has 120 employees and a payroll of just under $10 million.

SCAG has offices in both Riverside and downtown Los Angeles. The Riverside offices are leased facilities that house two GIS modeling staff members. The downtown Los Angeles facility houses the rest of the staff and includes one and one-half floors of a building located at 818 West Seventh Street.

III. CURRENT INSURANCE PROGRAM

SCAG purchases general liability and excess liability coverage from Royal Sun Alliance. Coverage is provided to $11 million for a premium of approximately $16,000.

The Zenith provides SCAG's workers' compensation coverage for a premium of approximately $415,000.

VI. PHYSICAL INSPECTION AND COMMENTS

A. SCAG ADMINISTRATION OFFICES

SCAG leases office space for the main administrative office in downtown Los Angeles. The space has been improved to fit the needs of the agency and appears to be maintained in good condition. The facility includes state-of-the-art training and meeting facilities.

B. RIVERSIDE OFFICE

SCAG also leases office space in Riverside for two employees. This office was not visited.

VII. SUMMARY AND EVALUATION

SCAG staff displayed knowledge and concern for risk management issues. This attitude was reflected in the physical condition of the facilities as well as the policies and procedures SCAG is revising and developing. SCAG leadership understands and is committed to the concept of risk management and is aware that hazardous conditions need to be evaluated and addressed to reduce the agency's exposure to risk or loss.

It is the CALIFORNIA JPIA staff's conclusion that the physical inspection, committed leadership, favorable loss history, and interest expressed qualify SCAG for consideration for membership in the CALIFORNIA JPIA.

Membership will benefit SCAG by providing reliable and economical coverage. Training opportunities provided by the CALIFORNIA JPIA will also benefit SCAG. SCAG's membership will also be advantageous to the CALIFORNIA JPIA by increasing the ability to spread pooled losses and costs of the pool.

IV. EXPERIENCE AND LOSS DATA

General and Automobile Liability

SCAG has had six liability claims during the last 10 years. During this time there was one notable claim: a wrongful termination and retaliation claim filed in 1999 that cost over $900,000. Since that claim, SCAG hired a Human Resources consultant and has been developing an in-house Human Resources department to ensure that this type of exposure is properly addressed. Not including that claim, the average incurred loss of the other liability claims is approximately $16,400.

Workers' Compensation

Over the past ten years, SCAG experienced 33 workers' compensation claims. The average incurred loss for each claim is approximately $11,500.

V. APPLICATION FEE AND DEPOSIT COMPUTATIONS

A. Application Fee:

SCAG paid an application fee of $1,000. This fee may be applied towards the primary deposit if SCAG is approved as a member or refunded if membership is not approved.

B. General Liability Deposit:

The initial primary deposit covering the period November 1, 2003 through June 30, 2004 was established at $119,084. The deposit was established based upon a pro forma analysis of SCAG's claims history covering the period July 1, 1995 to June 30, 2002.

C. Workers' Compensation Deposit:

The initial deposit for the November 1, 2003 through June 30, 2004 coverage period was established at $153,398 at the $10,000 retention level. The deposit was established based upon a pro forma analysis of SCAG's claims history covering the period July 1, 1995 to June 30, 2002. SCAG will also pay $5,413 toward the Workers' Compensation Excess Pool.

Application for Membership

ALIFORNIA JOINT POWERS INSURANCE AUTHORIT
8081 Moody Street, La Palma, California 90623
(562) 467-8700 • FAX (562) 402-8692

CALIFORNIA J·P·I·A

Southern California Association of Governments

APPLICATION FOR MEMBERSHIP

INSTRUCTIONS: Please complete the following underwriting information. You may attach additional sheets, if necessary, to amplify your answers. The application should be signed by the General Manager. Please type your answers.

Date of Application: 8-5-03 Date of Incorporation: 10-28-65

AGENCY: SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS COUNTY OF: LOS ANGELES

ADDRESS: 818 W. 7th ST., 12th FLOOR, L.A., CA 90017

MAIN PHONE: 213-236-1800 MAIN FAX: 213-630-1493

WEBSITE: www.scag.ca.gov

APPLICATION COMPLETED BY: CHERYL DE SALVO PHONE: 213-236-1931

FUNCTION:	Salutation	Name	Actual Title	Phone	Email
General Manager:					
Finance Officer:					
Public Works Director:					
Parks & Rec Director:					
Planning Director:					
Clerk:					
Agency Attorney:					
Risk Manager:					
Police Chief:					
Fire Chief:					
Personnel Director:					

see attachment A

1. POPULATION SERVED: 15,000,000
2. AREA SERVED: L.A., ORANGE, SAN BERNARDINO, RIVERSIDE, VENTURA, & IMPERIAL COUNTIES
3. TOTAL OPERATING BUDGET (FY 2002-2003): $37,717,595.00
   (Please provide a copy of your adopted budget)

4. EMPLOYEE CENSUS:

		FT (Positions)	PT (FT Equiv)	VOL (People)	Gross Payroll for Calendar year 2002 (include non-taxable compensation & PT)
Clerical Office	(8810)	131	2	135	8,897,339.75
Municipal Non-Manual	(9410)	15	–	15	1,900,438.08
All Other Municipal	(9420)				
Fire Fighters	(7706)				
Volunteer Fire Fighters	(7707)				
Police Officers	(7720)				
Volunteer Police Officers	(7722)				
Bus Operators	(7382)				
Pilots	(7424)				
Animal Services	(8831)				
Water Works	(7520)				
Sanitation Employees	(7580)				
All Other	(9999)				
TOTAL EMPLOYEES & GROSS PAYROLL (Calendar year 2002)		146	2	150	10,797,777.83

5. CURRENT INSURANCE PROGRAM (or last insured year):
In addition, please submit the face sheets of all current policies.

A. GENERAL LIABILITY COVERAGE: (Claims made or occurrence, please speci

1. Primary Coverage:
Carrier: ROYAL SUN ALLIANCE
Policy Period: 6/26/03 - 6/26/06
Occurrence Limit: $ 1,000,000
Premium: $ 7,503.00
Deductible/Retention: $ 0
Claims Administrator: $ GREG NEWCOMER

EXCESS LIABILITY COVERAGE:

$ 10,000,000 Excess of $ 1,000,000
Carrier: ROYAL SUN ALLIANCE
Policy Period: 6/26/03 - 6/26/04
Premium: $ 8,214.00

$ _____ Excess of $ _____
$ _____
Carrier: _____
Policy Period: _____
Premium: $ _____

$ _____ Excess of $ _____
Carrier: _____
Policy Period: _____
Premium: $ _____

B. WORKERS' COMPENSATION COVERAGE:

1. Primary Coverage:

Carrier: THE ZENITH
Policy Period: 6/1/03 - 6/1/04
Premium: $ 417,662.00
Employers Liability Limit: $ 1,000,000.00
Deductible/Retention: $

Claims Administrator:

2. Excess Workers' Compensation Coverage:

$ Excess of $
Carrier:
Policy Period:
Premium: $

C. PROPERTY INSURANCE:

1. Coverage: (Replacement cost or other, please specify)

Insured values: $ 5,033,000.00
Buildings: $ 1,466,000.00 (Tenant Improvemen
Contents: $ 2,567,000.00
Vehicles: $
Other: Business Interruption $ 1,000,000.00
Total Values $ 1,466,000.00

Carrier: ROYAL SUN ALLIANCE
Policy Period: 6/26/03 - 6/26/06
Premium: $ 14,819.00

6. LOSS EXPERIENCE: (Past five completed years)

Additionally, please submit detailed claims information for the past ten years. See "Claims History" forms for more information.

A. GENERAL LIABILITY INCURRED LOSSES: See Attached

Year	Number of Losses	Amount of Losses

B. WORKERS' COMPENSATION INCURRED LOSSES:

Year	Number of Losses	Amount of Losses

C. INSURED PROPERTY INCURRED LOSSES:

Year	Number of Losses	Amount of Losses

7. GENERAL EXPOSURES:

	Number	Area
A. Waterfront Property:		
B. Cemeteries:		
C. Housing:		
D. Libraries and/or Museums:		
E. Developed Parks and Playgrounds:		
F. Auditoriums and/or Exhibition Halls:		
G. Community Centers:		
H. Buildings Leased to Others:		
I. Land Leased to Others:		
J. Buildings and/or Land Leased by Organization:	2	L.A. & RIVERSIDE
K. Motorpools/Garages:		
L. Underground Storage Tanks:		

8. VEHICLE EXPOSURES: N/A

A. General Vehicles:

	Number
Passenge Sedans (non-police):	
Motorcycles	
Pickups & other maintenance vehicles:	
Construction/Heavy Equipment:	
Other:	

Please describe "Other": _____

B. Emergency Vehicles:

Police:

Passenger:	
Motorcycles:	
Pickups/Vans:	

Fire:

Passenger:	
Pickups/Vans:	
Apparatus:	

C. Public Transit Vehicles:

Mini Buses/Vans:	
Buses:	

9. ROADWAY AND TRAFFIC EXPOSURES: N/A

A. City Streets: (miles) _____

B. County Roads: (miles) _____

C. State Highway: (miles) _____

D. Traffic Signals: (number) _____

E. Parking Lots: (number) _____

F. Parking Meters: (number) _____

G. Sidewalks: (miles) _____

10. POLICE SERVICES EXPOSURES: N/A

A. Number of Sworn Officers:

Full-time: _____

Part-time: _____

B. Number of Reserves:

Level I: _____

Level II: _____

C. Number of Police Stations: _____

D. Number of Jail Facilities: _____

Number of Cells: _____

E. Is there a Policy and Procedures Manual? _____

F. Is there a written Pursuit Policy? _____

G. Is there a written Policy on the use of Firearms? _____

H. Is there a written Policy on the use of Canines? _____

11. FIRE SERVICES EXPOSURES: N/A

A. Number of Sworn Fire Personnel:

Full-time: _____

Part-time: _____

Volunteers: _____

Paramedics: _____

B. Number of Fire Stations: _____

12. UTILITY SERVICES EXPOSURES: N/A

A. Water Department:

Please submit an inundation map showing location and describe each dam.

1. Number of Employees: _____

2. Average capacity/day:

Domestic: _____

Industrial: _____

3. Source of supply: _____

4. Dams:

Number: _____

Capacity: _____

Type: _____

5. Reservoirs:
   - Number: _____
   - Capacity: _____
   - Type: _____
6. Storage tanks:
   - Number: _____
   - Capacity: _____
   - Type: _____
7. Source of water supply: _____

B. Sanitary Sewer Service:
   - Number of employees: _____
   - Average capacity/day: _____
   - Level of treatment: _____
   - Effluent discharged to: _____

C. Service Suppliers:
   - Electrical Power: _____
   - Natural Gas: _____
   - Telephone: _____
   - Cable Television: _____
   - Water (if private): _____
   - Solid Waste Disposal: _____

13. Please include material information not requested on this form.

ACKNOWLEDGEMENT (To be completed by General Manager):

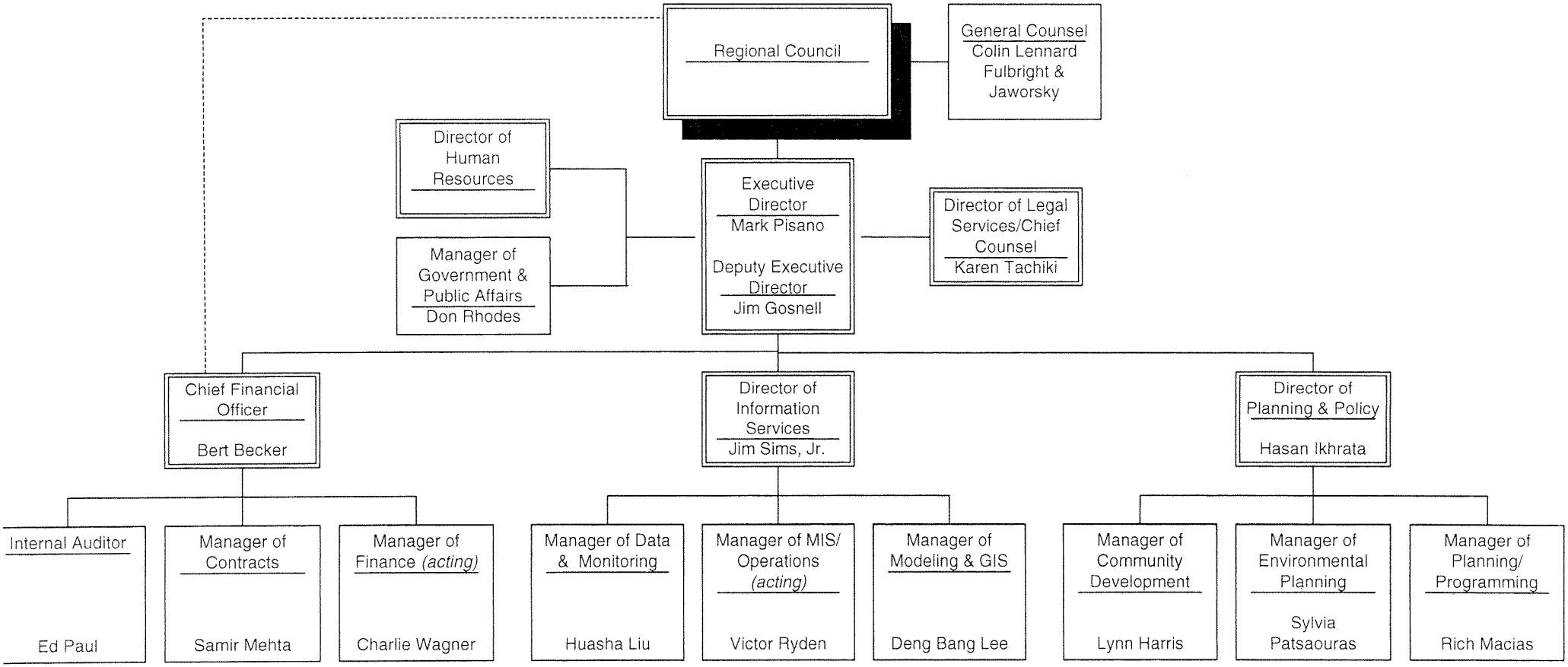
All of the above information, including attachments, has been fully disclosed. The CALIFORNIA JPIA may rely on these answers, including attachments, when considering this application for membership.

NAME: Mark A. Pisano, Executive Director

DATE: 8/21/03

SIGNATURE: [signature]

Organizational Chart



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

7/1/03

Southern California Association of Governments

Budget and Payroll History

Please email the requested information, if possible, to beth@cjpia.org.

Please provide the information requested for each fiscal year from July 1, 1993 to the present. It is not essential that this exact form be used. If the required information is available in this general format on computer printouts, the printouts may be substituted. The form may be duplicated and completed by hand or typewriter, or it can be recreated.

	Total Budget	Total Payroll	Sworn Police Payroll
1993-94		$ 4,858,259.00	N/A
1994-95		$ 5,176,588.00	N/A
1995-96		$ 8,166,701.00	N/A
1996-97		$ 7,898,857.00	N/A
1997-98		$ 7,659,085.00	N/A
1998-99		$ 9,106,537.00	N/A
1999-00		$ 8,598,759.00	N/A
2000-01		$ 9,746,131.00	N/A
2001-02		$ 10,826,924.00	N/A
2002-03		$ 12,932,998.00	N/A
2003-04 (projected)		$ 9,000,000.00	N/A