STRATEGIC PLANNING WORKSHOP
January 11, 2018 at 9:00 A.M.
The Oceanfront Hotel, 10 Washington Street, Oakland, CA 94607
Room – Spinnaker 1

MINUTES

Attendees:

Tracy Robinson, *City of Lafayette, President, Executive Committee*
Gary Napper, *City of Clayton*, *Vice President, Executive Committee*
Joe Kriskovich, *City of Manteca, Past-President, Executive Committee*
Mike Chandler, *City of Martinez, Member-at-Large, Executive Committee*
Reina Schwartz, *City of San Pablo, Member-at-Large, Treasurer, Executive Committee*
Nickie Mastay, *City of Antioch, Member of the Board of Directors*
Sukari Beshears, *City of Brentwood, Member of the Board of Directors*
Kristen Cunningham, *City of El Cerrito, Member of the Board of Directors*
Rob Ewing, *Town of Danville, Member of the Board of Directors*
LeeAnn McPhillips, *City of Gilroy, Member of the Board of Directors*
Lori Martin, *City of Hercules, Member of the Board of Directors*
Deborah Sultan*, City of Oakley, Member of the Board of Directors*
Paul Rankin, *City of Orinda, Member of the Board of Directors*
Lorenzo Hines, *City of Pacifica, Member of the Board of Directors*
Michelle Fitzer, *City of Pinole, Member of the Board of Directors*
Brad Farmer, *City of Pittsburg, Member of the Board of Directors*
Ericka Mitchell*, City of Pleasant Hill, Member of the Board of Directors*
Eva Phelps, *City of San Ramon, Member of the Board of Directors*
Fran Robustelli, City of Walnut Creek, Member of the Board of Directors
Linda Cox*, Chief Administrative Officer*, *MPA*
Erwin Chang, *Liability Claims Manager, MPA*
Barbara Esquivel, *Workers' Compensation Claims Manager, MPA*
Frank Williamson, *Finance Manager, MPA*
Victoria Thomas, *Administrative Services Supervisor/Board Clerk, MPA*
Jasmin Intravaia, *Administrative Assistant, MPA*
Michael Pattenaude, *Risk Analyst, MPA*
Lauren Brandt, *Public Financial Management*
Lesley Murphy, *Public Financial Management*
Mike Harrington, *Bickmore Risk Services*
Jeff Johnston, *Bickmore Risk Services*
Henri Castro, *Bickmore Risk Services*
Kellie Murphy, *Johnston Schacter & Lewis*
Gerard Lenahan, *Lenahan, Lee, Slater & Pearse*
Tiffany Corona, *Lenahan, Lee, Slater & Pearse*
Ben Oram, *Lenahan, Lee, Slater & Pearse*
Adam Ambrozy, *Lenahan, Lee, Slater & Pearse*
Jessica Valenti, *Lenahan, Lee, Slater & Pearse*

Meeting began at 9:03am

Introductions were conducted.

Board President, Tracy Robinson, welcomed everyone to the workshop.

MPA CAO, Linda Cox, presented the mission statement and offered suggestions for change. Cox then spoke on the schedule for the day and workshop agenda topics.

Topic 1 - Workers' Compensation – IDR Process – Presented by Gerard Lenahan, Lenahan, Lee, Slater & Pearse

Lenahan began by informing attendees that CalPERS issued a Circular Letter 200-018-17 on March 30, 2017 to all public agencies. The Circular Letter is about Industrial Disability Retirements (IDR). Employers are legally responsible for initiating the IDR for employees.

Advanced Disability Pension Payments (ADPP) are payments made to an employee after the employee has applied and before CalPERS commences payment. Eligibility is for safety members for Labor Code 4850 benefits who has submitted an application for IDR. The employer shall make the ADPP payments unless: a physician determines no discernable injury or illness, incontrovertibly outside the course of his or her employment duties when injured, and proof of fraud associated with the filing of the claim (Circular Letter 200-077-13 issued 12-17-13).

Lenahan stressed that the sequence of steps is important when initiating an IDR. The process begins within 30 days from the last issuance of wages, salary, sick leave, or Labor Code 4850 benefits, after the employee has filed an application for IDR and at least 60 days have elapsed, when the employee has fully cooperated in providing medical information is attending all statutorily required medical examinations and evaluations set by the employer, and when the employee has fully cooperated with the evaluation process established by the retirement plan (CalPERS evaluation and release of personnel records). Types of medical records provided are: those generated in the last year of actual work/service through present and continuous disability. There must be medical substantiation on file from the last date of physical work to present, with no gaps in medical treatment records for more than six months.

There are various ways the employer can compel in providing medical information, attending medical evaluations and executing releases: "Tolling" provision – the 30 day period for commencement of payments shall be "tolled' by whatever period of time is directly related to the employee's failure to comply with the cooperation obligation and the 3rd District Court of Appeal has held that ADPP constitute compensation under the Labor Code and that the WCAB therefore has jurisdiction to award penalties.

Employer must include in its resolution or determination the employee's eligibility for the requested IDR that: determination was made based on a competent medical opinion, statement under penalty of perjury that IDR was not used as a substitute for the disciplinary process, a finding that the member is found substantially incapacitated from the performance of the usual duties of his or her position, statement confirming whether or not the workers' compensation claim was filed, and if accepted, a finding by the employer that the disability is industrial. Statements made by the employer are: document showing member's last day on payroll, whether or not there is a possibility of a third party liability, identifying the disabling conditions of any body part(s) approved, disability is expected to be permanent or last at least 12 consecutive months from the date of the application or that it will result in death, and whether or not any ADPP had been paid or will be paid to the member (include the monthly amount and the beginning date and an address to which the reimbursement check should be mailed).

Employers are required to provide CalPERS with a member's personnel record when: there is a disciplinary process underway prior to the member's separation from employment, the member was terminated for cause, the member resigned in lieu of termination, the member signed an agreement to waive his or her reinstatement rights as part of the legal settlement, and/or the member has been convicted of or is being investigated for a work related felony.

Should the member need proof to establish entitlement to an IDR they need to be in a state of incapacity for performance of duty, inability to perform the usual and customary duties of the member's position. The inability to perform must be actual and present, and the disability must be permanent or extended for an uncertain duration.

Once the employee is retired and granted an IDR there is an obligation for the employer to periodically re-evaluate the member's eligibility by conducting regular re-evaluations of determinations for disability retirees who are under voluntary service retirement age. The purpose of the re-evaluations is to verify whether the recipient remains physically or mentally disabled from the position which they retired from. Should a member refuse to cooperate with a re-evaluation, either the pension portions or the full disability allowance may be discontinued.

Should a doctor find the member not substantially incapacitated then the employee must return to work in their usual occupation with back pay. If the employer disagrees with the CalPERS determination it must seek judicial review of the Retirement Board's decision. If the employer fails to return the employee back to work it could result in liability for back pay and benefits.

Topic 2 – Annual Report FY 2016-17– Presented by Michael Pattenaude and Frank Williamson, MPA

Liability Program provides coverage for bodily injury, property damage, personal injury, errors and omissions, and employment practice. Nineteen Members participate in this program. Per occurrence limit of liability for 2016-17 is $29M for each Member with Member deductibles ranges from $5,000 - $100,000. MPA provides $1M in primary coverage that includes the Members deductible with CARMA excess pool providing $28M and ERMA excess pool providing $2M (subject to Member's SIR).

Dividends - $1,117,648 was received from ERMA, CARMA and CJPRMA, but no dividends were distributed to Members due to high claim count/cost.

Equity decreased by $577,000 this year to $3,042,000. In an attempt to increase the equity, the confidence level was increased from 70% to 80% in FY 16/17.

Reserves show a decrease after two years of significant increases. FY 16/17 shows slightly under $6M.

Comparing the number of claims by department (Admin, Auto, Police and Public Works) in a five year period (2013-2017) have all increased. 2013-2015 were fairly level within the different departments. 2016 had a significant increase in police claims and 2017 had a significant increase in public works claims, driving up the liability claims cost.

Question from attendee: what constitutes an Admin claim? Answer: claims revolving around civil rights, land use, errors and omissions, defamation, permits being issued, etc.

Erwin Chang added that a big factor in the significant increase from 2016 to 2017 ($1,743,762 to $4,804,558) was due to heavy rains and landslides.

Excess Liability – CARMA renewed its program with a nominal 1.3% rate increase, which was achieved through a restructuring of points and carriers involved in their program. Cox added that CARMA performed very well. MPA's high volume of claims drives CARMA's costs. MPA's claims (especially police claims) are approximately 50% of CARMA claim costs. While premiums do carry the share, the excess is causing the rate increase. Staff should have final numbers in April. The numbers presented in this report are estimates from last year. More will be shared at the Board of Directors meeting the following day.

Question from attendee: Are there any conversations at the CARMA Board level on restructuring the experience modification calculations. Answer: Yes, at the last Board meeting there was discussion on reviewing Members separately as opposed to as a Pool. Cox did try to discourage this during the meeting as it would hurt primarily the smaller agencies in the Pool. The topic was tabled.

Question from attendee: If CARMA is paying money out in dividends as well could they keep it as an asset and increase the layer they are providing without purchase… cost versus pertaining it internally? Answer: The dividend policy has to do with years that have closed out and that are more than five years old. MPA created a mid-layer Pool for part of the dividend that will be received.

Workers' Compensation serves eighteen Members in this program, covering 4,767 employees with a total payroll of $314.57M. Members share exposure within a $500,000 per occurrence retention, with excess losses covered by participation in the CSAC Excess Insurance.

MPA has programs in place designed to control costs: maximum utilization of existing programs, identify new and/or alternative programs and effective benchmarking within the public entity community.

Equity increased by $1,830,000 this year to $5,770,000. In an attempt to increase the equity, the confidence level was increased from 70% to 80% in FY 16/17.

Reserves include paid to date open and reported reserves and loss development. Claim payments have risen due to the escalating severity in police cases.

Excess Workers' Compensation – After years of steadily increasing rates due to poor loss activity, Members are experiencing some relief through multi-year refinement of the EIA rating methodologies. MPA's allocated share of the premium has risen over the past few years, but contributing to greater equity of cost among the EIA membership makes the overall rates continue to be extremely competitive. Cox added that EIA changed their allocation process and readjusted the layers with regards to police. If an agency's experience modification is higher than the specified number the agency is placed into a second level Pool. If the experience modification stays below the specified number, then the agency remains at a lower level. MPA is still slightly under the bar and remains in the lower level. The level is driven by salary and police.

Property – MPA purchases its property insurance through Alliant Property Insurance. 2017 had a rate decrease. The program will likely be facing premium increases due to recent catastrophic events: hurricanes, earthquakes in Mexico and fires in California, all of which were significant events and will push global property rates up.

Finance – As of June 30, 2017 there are $55.7M in assets of which the Workers' Compensation and General Liability programs present $54.2M and the other MPA programs make up the remaining $1.5M in assets.

MPA's cash holdings increased $7.9M over the past two years with 38% held in checking/LAIF and 62% managed by PFM.

No dividends were distributed in 2017 for Workers' Compensation and General Liability Programs, which helped increase the net position/equity. Total General Liability claims have increased $6.6M over the past two years – from $38.5M to $45.1M.

The annual report will be mailed to Members.

Topic 3 – Safety Programs and Best Practices of Other JPAs – Presented by Jeff Johnston and Henri Castro, Bickmore Risk Services

Strategies for Mitigating Losses –
MPA's primary loss drivers are: Workers' Compensation cumulative trauma claims and General Liability police civil rights, drainage, landslide, inverse condemnation and infrastructure exposures.
MPA's current program activities are:

- WC – injury and illness prevention and ergonomics program
- GL – sidewalks, streets, trees, design immunity, and police use of force
- Member specific risk control services to address assessment recommendations and Member requests
- Monthly ergonomic evaluation days
- Police Risk Management Committee
- Risk Control Council
- Wellness Program

Injury & Illness Prevention Program (IIPP) – Henri complimented MPA and its Members for enforcing the IIPP and keeping all 8 elements in the program as a foundation for safety as they will make the safety program legally effective and reduce losses. She added that the IIPP carries over to the liability exposures assisting with reducing claims.

Cox asked the Members if they want to focus on risk assessment efforts as a Pool or individualize by Member based on what Bickmore discovers through the safety assessments. McPhillips said that she likes looking at individual losses and try to focus efforts on how to reduce Gilroy's losses as her city's loss experience will be different than another Member's city. Robustelli agreed that her city, Walnut Creek, would prefer individual focus on risk assessments. Fitzer agreed as well and added that if each Member focused on their city's risk assessment experiences and made suggested improvements it helps the Pool as a whole with losses.

Robinson agreed that individual focus was good for the upcoming year as experiences came out of the risk assessments for each city. She asked that going forward create a safety committee that meets monthly or quarterly to focus on one primary loss that each Member experienced. It was asked that the Risk Control Committee be brought back. An attendee added that if the Committee was brought back it should be a more proactive Committee than in the past.

Given the high claim count in Public Works, it was asked if a Committee for Public Works could also be created.

<u>Topic 4 – General Liability What Constitutes a Claim – Presented by Kellie Murphy, Johnson Schachter & Lewis and Erwin Chang, MPA</u>

Tort Claims Act is set up in four categories: Liability and immunities of public entities, liability and immunities of public employees, payment obligations, and required procedures for total claims and actions against public entities and public employees.

Tort Claim Procedures are important as they apply to any state law claim for money or damages against a public entity or public employee. Unless expressly excluded, they are mandatory, and unless a claimant has satisfied or been relieved from the claim, presentation requires that claimant loses their right to recover for the injuries and damages.

All public entities are required to maintain a current filing of the entity's Statement of Facts Roster of Public Agencies Filing with the Secretary of the State and the County Clerk in each county the public entity maintains an office. A current Statement of Facts must be on file and every time there is a change the public entity is required to file again within 10 days of the change. A change in the Statement of Facts would be anytime an election has resulted in a change of the members of its governing body, or there is a change in officers for any reason. Failure to maintain current information could result in loss of the protections of the Tort Claims Act. Public entities are also vulnerable to losing the protections of the Tort Claims Act if the information on file is inaccurate or incomplete. A City's City Clerk is generally responsible for filings.

Information required on the Statement of Facts: the full legal name, official mailing address of each member of the governing body, name, title and residence or business address of the chairman, president or other presiding officer, and clerk or secretary of the governing body.

Required elements on a Tort Claim: names and addresses of the claimant and the person to whom notices are to be set, state the date, place and other circumstance of the occurrence or transaction, a description of the indebtedness, obligation, injury, damage, or loss incurred as far as they are known when the total claim is presented, name of the public employee who caused the injury, amount claimed, if less than $10,000. If more than $10,000 no dollar amount is to be included, but must state whether the claim is to be a limited civil case. Tort claim must be signed by claimant or by someone else on their behalf.

Tort claims relating to causes of action for death, injury to person, injury to personal property, or injury to growing crops must be filed within 6 months after a cause of action accrues. Tort claims relating to any other cause of action; e.g., damage to real property and most actions for breach of contract must be filed within 1 year after accrual. A single occurrence or transaction could result in both 6 month and 1 year tort claims. A tort that damages both personal and real property would generate a 6 month claim and a 1 year claim. Failure to send a timely notice of return of untimely claim results in a waiver of the timeliness defense.

A tort claim is deemed presented when the claimant deposits it in the mail in a properly addressed postage paid sealed envelope. It was recommended to keep the tort claim with the envelope as the postmark will determine the date of presentation. The tort claim can be mailed to Clerk, Secretary, Auditor, or the governing body or hand delivered to the clerk, secretary or auditor.

A notice of an untimely claim must always be served before 45 days has passed since the claim was presented or the defense is waived. A tort claim is only rejected by operation of law after the 45th day has passed since the claim was presented.

Action on a Tort Claim:
The governing body or public entity is authorized within 45 days to:

- Reject the claim entirely
- Allow it in full
- Allow it in part and reject the balance
- Compromise it
- Do nothing, and allow the claim to be denied by operation of the law on the 45th day after the claim is presented

Steps to do once tort claim is presented:

- Take steps immediately to preserve the information/evidence, including written notification
- Document all steps to preserve information and evidence
- Notify MPA as soon as possible of the relevant facts, key individuals, and sources of information
- Transmit any letters, demands, claim forms, etc. received immediately
- Be ready to send additional information and evidence preserved and gathered above

<u>Topic 5 – Premiums – Cash Flow Analysis – Presented by Lauren Brant, PFM Asset Management</u>

MPA's Investment Program is broken down into three parts: LAIF, Operating Reserve Portfolio and Long-Term Portfolio.

- The LAIF Program currently has $31,540,088 in the fund. LAIF is a high degree of liquidity, competitive yield and suitable for operations cash needs. There is no benchmark.
- The Operating Reserve Portfolio Program currently has $24,144,220 in the fund. The Operating Reserve Portfolio complements LAIF, is invested to match near-term claims liabilities and provides cash to pay losses. Benchmark: Bank of America/Merrill Lynch 1-3 Year US Treasury Index.
- The Long-Term Portfolio Program currently has $7,294,466 in the fund. It is an asset growth portfolio to offset inflation, available for longer dated claims, may not exceed 25% of the Authority's total assets. Benchmark: Bank of America/Merrill Lynch 3-5 Year US Treasury Index.

MPA Portfolio Balance – Since declining in 2011, MPA's balances have stabilized in recent years; however, LAIF balances show significant seasonal volatility, hitting low points in July and August 2017.

MPA LAIF Balance – LAIF balances have recently reached all-time highs; however, large payments made to reinsurers in July significantly reduced investable balances.

Options for Maximizing Investable Funds – MPA's LAIF balances fluctuate between $30M and $5M, making long-term investing for these funds challenging; however, there are several ways in which MPA can maximize the investment of these funds:

- Option 1 – Consider aligning member premium payment dates with industry-standard practices, so that MPA receives those funds before payments are made to reinsurers.
- Option 2 – If adjusting the member premium due dates is not viable, consider establishing a short-term portfolio in late summer/early fall with maturities laddered to meet outflows.

Page 8 – Industry Standard Practices. The spreadsheet shows what other Pools are doing with premium payment due dates and late fee polices. Cox reported that this was included as some Members are paying their premiums late and said that the topic is on the Board meeting agenda for the following day.

There was a lengthy discussion on the date which premiums should be paid and if they should be paid in several payments or one payment. It was also discussed whether late charges on delinquent premiums policy should be enforced. It was asked what the penalty is. A late charge is equal to the current LAIF + 1% to be assessed to Members net 45 days delinquent, but invoices will remain due net 30 days. Enforcing this would be in addition to stabilizing the funds so that money can move more timely.

An attendee asked if there was a policy or whose decision it was to determine how much is in the operating reserve versus the long term portfolio. It asked if reserves were moved more to the long term portfolio without risking cash flow will this be positive. Brandt answered that there is an Investment Policy and in it the long term portfolio may not exceed 25% of the overall assets.

An attendee asked why Members were not paying on time. The attendee added that it's easier for their Finance Department to issue one check for all premiums due. Williamson answered that one City mentioned that the late payment was due to high employee turnover; another Member said they choose to incur the penalty because of the time they receive their funds to make the premium payment.

<u>Topic 6– Premiums – Calculation Formula and Options for Change – Presented by Mike Harrington, Bickmore</u>

Mike reviewed the General Liability and Workers' Compensation Program cost allocations plan and provided options for the Board's consideration.

Currently, a portion of the total contribution allocated to each Member is based on a weighted average of the percent of loss experience and the percent on exposure for each Member. Current methodology utilizes three past years of incurred losses and payroll. Incurred losses are limited to $100,000 per occurrence (GL has an additional $150,000 for inverse condemnation claims), giving 75% weight to loss experience for the largest Member and the other Members weights adjusted down accordingly.

The Workers' Compensation Program calculates the experience modification factor (ex-mod) for Members with safety separate from the Members without safety. (Experience rating modifications for Danville, Lafayette, and Orinda, include an additional adjustment because these cities do not have a Police Department; making for less exposure.)

Mike explained to use Member loss experience in the premium allocation plan, an ex-mod is calculated for each Member. The ex-mod represents the relationship between the experience of the Member and the experience of the Pool.

- A factor greater than 1.00 indicates that the Member's <u>expected</u> loss rate is worse than the Pool average.
- A factor less than 1.00 indicates that the Member's <u>expected</u> loss rate is better than the Pool average.
- Loss rate = historical losses/historical exposure

Example

X-Mod

Equals

$$\frac{\textbf{Member Losses}}{\textbf{Member Exposure}} \times \textbf{Experience Weight}$$

Plus

$$\frac{\textbf{Pool Losses}}{\textbf{Pool Exposure}} \times (\mathbf{1.00} - \textbf{Experience Weight})$$

Weight to Member experience: Higher weight implies more bearing than sharing, penalizing bad experience with higher premiums and rewarding good experience with lower premiums. Typical maximum is 30% - 75%

Mike presented six options for a cost allocation methodology change.

1. Increase the years of incurred losses and payroll from three years to five years
2. Decrease the weight to loss experience for the largest Member to 65%
3. Increase the weight to loss experience for the largest Member to 85%
4. Decrease the loss cap from $100,000 to $50,000
5. Increase the loss cap from $100,000 to $200,000
6. Calculate the GL x-mod for Members with safety separate from the Members without safety

A lower cap emphasizes frequency and a higher cap makes Members more accountable for large losses.

<u>Workers' Compensation</u>
Option 1 has the highest variability. Changing number of years has significant impact. Changing loss cap has moderate variability. Changing max loss weight has moderate variability.

<u>General Liability</u>
Option 6 has the highest variability - Big changes for 3 members without safety - Big changes for all members with safety
Option 1 has next highest variability - Changing number of years has significant impact
Changing loss cap has moderate variability
Changing max loss weight has moderate variability

Other potential modifications to the x-mod plan include:
1. Cap annual change in x-mod (minimum/maximum)
2. Set minimum and maximum x-mod
3. Paid versus Incurred Losses
4. Historical versus Projected Exposure
5. Apply X-Mods only to Loss Portion of Premium
6. Differ Allocation Base by Premium Component
7. Fixed versus Variable Expenses
8. Adjust WC Exposure with WCIRB Class Rates
9. Minimum Premiums

Historically, the actuarial reports are not done until March/April and then presented to the Board for discussion/consideration. Cox requested Bickmore generate the reports earlier to allow the Board more time to discuss and consider options.

Topic 7– Dividends

Staff presented to the Board dividends received from the excess coverage pools: CARMA, ERMA and CJPRMA totaling $1,117,648.

The topic of dividend distribution has been placed on the agenda for the Board of Directors meeting the following day.

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January 12, 2018 Follow Up Discussion

Board discussion prior to the meeting being called to order.

Follow up discussion of a presentation was given at the Workshop on Board's Roles and Responsibilities. Schwartz asked if the Board could schedule an additional meeting to review MPA's mission statement and develop the Board's role and a vision on how to continuously improve.

Schwartz continued that a mission statement should include core business, why the Authority exist, who the Authority is and said vision statement should talk about future growth plans. Schwartz added that MPA's current mission statement could be revised to include vision statement and not be as long as it is.

Cox read the current mission statement 'Partnering to protect the human and financial resources of our Member Cities, thereby allowing Members to continually improve their level of community services.' It was suggested that the mission statement end after 'Cities'. Napper suggested adding the word 'enhance' to the mission statement after 'protect'. With a new mission statement to read 'Partnering to protect and enhance the human and financial resources of our Member Cities.' McPhillips suggested having the bullet points that follow as a vision statement, but in sentence form.

Robinson suggested including a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis at a separate Board meeting. Robinson added that this type of strategic planning technique allows a Board to be more proactive when determining what is done well and what potential threats are that should be worked on.

Cox suggested scheduling a half-day In Service Day and adding the SWOT analysis to the agenda. Fitzer agreed of the importance of this, specifically with membership growth within the Pool. The board agreed that having a discussion on ex-mods and what kind of Pool is desired for the future will better assist Members understanding of "bearer or sharer" and when recruiting MPA's philosophy would be better described.

McPhillips suggested that a discussion on risk management be added to the In Service Day topics to decide what Bickmore should focus on.

Farmer asked if there is a sub-committee that discusses PFM's investment options that are presented. Schwartz replied that the Treasurer, CAO, Finance Manager, and investment advisor meet to review all options and then give recommendations.

McPhillips reminded the Board that other discussions from the Workshop to follow up on were: creating a Public Works Committee and bringing the Risk Council Committee back. Cox replied that MPA could bring back a safety committee and it should mirror what member cities are doing. Kriskovich explained that the safety committee would focus on Workers' Compensation and General Liability and added that there was a disconnect with the information delivery in that the person running the committee didn't always inform the entire Board of the discussions. Castro suggested that instead of creating a committee, Castro could work directly with the member cities employee. Bickmore can develop a best practice in risk management for the Pool and then work with individual member cities. Doing this would show Members what the driving forces are in rate increases.

Staff provided the CAO's goals and objectives at the October 2017 Board of Directors meeting and asked the Board to approve and bring back to the January meeting. Cox asked if there was anything the Board wanted to add to the list. Cox read the given goals and objectives:

1. Technology – continue to review software and determine costs and connect RFP for IT services if it is determined that MPA needs to go in that direction
2. Review MPA's building
3. Update internal policies
4. Personnel reorganization (this was completed in 2016)
5. Networking services with the Members

Cox said that the given goals were internal staff goals and don't include anything for the Pool. Cox added that it would be beneficial to have goals that are in line with the Board's vision; e.g., membership growth in the Pool a 2-5 year plan, etc. Farmer replied that he would like to see the membership grow, allowing the risk to be spread more. Cox reminded the Board that more members would require more staff at MPA. Robinson said that if there is a desire to grow it should be determined how many more members can be in the Pool. Robinson added there is a benefit to being in a smaller Pool as the Authority is able to give more attention to each Member.

Robustelli asked if research had been done that shows an economy of scales greater than the current size of the Pool and what the tipping point would be. Cox replied that she would ask Mike Harrington of Bickmore and will report back to the Board.

Napper suggested once the mission and vision statements were created MPA should create marketing brochures sharing some success stories and who the Pool is. He asked if MPA should have a booth at the League of California Cities annual conference and added that other Pools market in this way.

Robinson said that the lengthy discussion on many different topics proves that there is a need for an In Service Day and asked Staff to schedule one.