

**MINUTES OF THE
CSURMA EXECUTIVE COMMITTEE MEETING**

OCTOBER 27, 2017

**CSU CHANCELLOR'S OFFICE, ANACAPA ROOM
401 GOLDEN SHORE • LONG BEACH, CA**

9:00 AM

MEMBERS PRESENT

Scott Apel, California State University Long Beach
Dwayne Brummett (AORMA Vice-Chair), Associated Students, Inc. at San Luis Obispo
Lisa Chavez (Vice-Chair), California State University Los Angeles
Thom Davis, California State University, Bakersfield
Robert Eaton (Treasurer), California State University, Office of the Chancellor
Mike Lee (Chair), California State University, Sacramento
Frank Mumford (AORMA Chair), CSU Fullerton Auxiliary Services Corporation
Jody Van Leuven, California State University, San Bernardino (*arrived at 9:03am*)

MEMBERS ABSENT

Kevin Saunders, California State University, Monterey Bay

STAFF, GUESTS & CONSULTANTS

Michael Beatty, San Francisco State University
Zachary Gifford (CSURMA Secretary/Auditor), CSU Office of the Chancellor
Jacki Graf, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSURMA General Counsel, CSU Office of the Chancellor
Sedong John, CSU Office of the Chancellor, CSURMA Accounting (*arrived at 9:07am*)
Alice Kim, CSU Office of the Chancellor, CSURMA Accounting
Rob Leong, Alliant Insurance Services, Inc.
Amy Lightner, Alliant Insurance Services, Inc.
Tevea Him, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
Jessica Liu, CSU Office of the Chancellor, CSURMA Accounting
David Olsen, GUEST
Christopher Ray, KPMG
Liezl Sangalang, KPMG
Ann Sherman, San Francisco State University

A. CALL TO ORDER

The meeting was called to order by the Chair, Mike Lee at 9:00 AM.

A1. Approval of the Agenda

A motion was made to approve the order of the agenda.

Motion: Lisa Chavez
 Second: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

B. PUBLIC COMMENTS

There were no comments from members of the public.

C. CONSENT CALENDAR

- C1. Approval of Minutes – September 8, 2017**
- C2a. Financial Report – Treasurer’s Report**
- C2b. Financial Report – Draft Financial Statement at September 30, 2017**
- C3. Cancellation of the December 8, 2017 CSURMA Executive Committee Meeting**

A motion was made to approve all of the items on the consent calendar.

Motion: Jody Van Leuven
 Second: Dwayne Brummett

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			

Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

D. GENERAL ADMINISTRATION

D1. Report on Independent Auditor’s Financial Audit as of June 30, 2017

Alice Kim introduced Christopher Ray, KPMG’s Systemwide Engagement Partner, and Liezl Sangalang, KPMG’s Engagement Senior Manager. Ray stated that the Independent’s Auditors Report includes an unmodified opinion on the financial statements as well as the supplementary information. Ray noted that the areas of the audit emphasis were the member contribution revenues, investments, insurance premiums, dividend distributions, and claims liability for losses & loss adjustments expenses, as well as claims losses and loss adjustment expenses, which are reviewed by KPMG’s actuary.

A motion was made to accept the audited financial report ending June 30, 2017 and recommend approval to the Board of Directors.

Motion: Thom Davis
 Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

D2. Development of CSURMA Earthquake Coverage Program

Daniel Howell stated the CSURMA’s long range plan included directing staff to evaluate the potential for CSURMA to launch an earthquake insurance program using non-traditional approaches. At the September CSURMA Executive Committee meeting the EC took action to delegate authority to the CSURMA Treasurer and Secretary-Auditor to bind coverage with SwissRe provided the CSU Senior Executive Vice Chancellor of Business and Finance concurred with the action. Coverage has been bound effective October 1, 2017 at a premium of \$1,550,000, which is a reduction from the indicated pricing of \$1,625,000 to \$1,700,000. The insurer has paid

Alliant a commission of 7.5% on the placement, which is the same amount Alliant has been paid for similar placements.

The cost of earthquake coverage will be allocated to the campus and AORMA property funds and premiums for the upcoming FY 18/19 will include a charge for coverage.

A motion was made to ratify decision to purchase Earthquake coverage.

Motion: Frank Mumford
 Second: Robert Eaton

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

D3. Policy and Procedure No. 10 – Member Loan Policy

In response to direction provided by the Executive Committee in previous meetings, Policy and Procedure No. 10 – Member Loans, was revised to provide clarity to those Members wishing to seek a loan from CSURMA. The revisions aim to provide a clear description of the types of risk management projects that may be approved.

A motion was made to approve the revisions to Policy and Procedure No. 10.

Motion: Robert Eaton
 Second: Jody Van Leuven

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			

Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

E. OTHER PROGRAMS

E1. AORMA Programs Update

Dwayne Brummett, the AORMA Committee Co-Chair, reported on the recent activities of the AORMA Committee.

E2. AIME Programs Update

Jody Van Leuven reported on the activities of the AIME Committee.

F. CLOSED SESSION

1. **Sargent v. CSU (Sonoma State)**
2. **Benjamin v. CSU (Sonoma State)**
3. **SF State Science Building Coverage Claim**
4. **HSU Appeal re: CalPERS**
5. **Apodaca v. ASI and CSU (San Marcos)**
6. **Garcia v. ASC**

A motion was made to enter closed session at 9:28 AM.

Motion: Thom Davis
Second: Lisa Chavez

NAME	AYE	ABSTAIN	NAY	ABSENT
Scott Apel	X			
Dwayne Brummett	X			
Lisa Chavez	X			
Thom Davis	X			
Robert Eaton	X			
Mike Lee	X			
Frank Mumford	X			
Kevin Saunders				X
Jody Van Leuven	X			

MOTION CARRIED

The Committee came out of closed session 10:22 PM. The Chair reported that no action was taken during the closed session.

G. INFORMATION ITEMS

- G1. Review of FY 2017/2018 Long Range Planning Goals**
- G2. CSURMA Administrative Service Calendar**
- G3. 2017 CSURMA Meeting Calendar**
- G4. CSURMA Executive Committee & Staff Contact List**

H. ADJOURNMENT

The meeting was adjourned at 10:23 PM.