

**MINUTES OF THE CSURMA AORMA COMMITTEE MEETING
DECEMBER 5, 2013**

**TELECONFERENCE MEETING
10:00 AM**

MEMBERS PRESENT

Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo
Melinda Coil, San Diego State University Research Foundation
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Gigi Kiama, University Corporation, CSU Monterey Bay
Keith Kompsi, Fresno Association, Inc., CSU Fresno
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton (*left meeting between 10:27 AM and 11:21 AM*)
Brian Nowlin, CSULB Foundation, CSU Long Beach
Patricia Worley, Associated Students Inc., Sacramento State University

MEMBER ABSENT

Kurt Borsting, Associated Students, Inc., CSU Fullerton
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Haleh Minakary, The Cal Poly Pomona Foundation, Inc., Cal Poly Pomona

STAFF, GUESTS AND CONSULTANTS

Zach Gifford, CSU Office of Systemwide Risk Management
Daniel Howell, Alliant Insurance Services, Inc.
Mimi Long, Alliant Insurance Services, Inc.
William Hsu, CSU Office of General Counsel
Lorena Penaloza, CSU Office of General Counsel
Trish Daniels, Sedgwick CMS
Katie Brandt, Sedgwick CMS

A. CALL TO ORDER

The meeting was called to order by the Chair, Dwayne Brummett at 10:03 AM.

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

C1. Approval of the Agenda

A motion was made to approve the December 5, 2013 agenda.

MOTION: Gigi Kiama
SECOND: Robert de Wit

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

C2. Approval of Minutes – November 6, 2013

A motion was made to approve the minutes from the November 6, 2013 meeting.

MOTION: Pat Worley
SECOND: Gigi Kiama

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			

Haleh Minakary				X
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

D. CLOSED SESSION

A motion was made to enter closed session.

MOTION: Brian Nowlin

SECOND: Leslie Davis

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

The chair reported that action was taken in closed session.

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Mimi Long let the committee know that the Programs Committee had not met since the last AORMA Committee meeting, so there is no new information to report.

E2. Member Services, Loss Control and Training Committee Report

Melinda Coil, the Chair of the MSLCTC, provided a summary of the committee's last meeting. The MSLCTC approved the 2013 Long Range Action plan, and spent a significant amount of

time discussing the “Audit of HR and Payroll Function” item. The committee members felt that this item should be forwarded to the AOA HR Committee for discussion. The item will remain on the LRP but only to be apprised of decisions made by the AOA HR Committee. The committee also worked on firming up the Risk Reduction Matching Grant Program criteria. After reviewing the purpose and criteria of the grant program, the committee members provided the following thoughts:

- ✓ The grant should be for future projects only; no reimbursement for projects already completed
- ✓ No funding for high risk activities
- ✓ The grant can fund optional training, but not required training
- ✓ The grant must fit within the focus for that year

The committee discussed the idea of suggesting a few grant projects annually that the members could apply for, i.e., shoes for crews, slip resistant tape, back belts, etc. Based on AORMA’s losses, Brent Escoubas and Mimi Long will suggest three or four grant projects for FY 14/15. The committee will review these at their next meeting in February, 2014.

The committee also discussed a Shoes for Crews program. The committee suggested that Shoes for Crews become an AOA Business Partner and set up a booth at the AOA conference. The committee members directed staff to send out information to the auxiliaries regarding the Shoes for Crews program in order to generate some interest.

Next, the committee discussed the Praesidium contract for managing the risk of minors on campus. The committee felt this contract needs to be negotiated at the campus level. There would need to be some type of campus mandate in order for the contract to be successful. The time involved in gathering the information necessary to complete the self-assessment is significant. The Praesidium contract is expensive and without campus support, the committee felt it would not get utilized as robustly as it should in order to make it cost-effective. The committee directed staff to negotiate a one year contract with Praesidium for the on-line self assessment tool and the corresponding training, with a per program cost and a not to exceed cost of \$50,000.

E3. AOA Executive Committee Report

Pat Worley, attended the AOA EC meeting in November, and let the committee know that Jerri Cuomo has left the CSU system and the AOA EC past president position will remain vacant until the 2014 AOA President appoints a past president for the 2014 term.

F1. Policy and Procedure L-7 – Employment Practices Liability (EPL) Deductible Options

Mimi Long explained that Policy and Procedure L-7 was revised to include language which reaffirms that the EPL deductible calculated per Policy and Procedure L-7 is a minimum deductible. If the formula for determining the minimum EPL deductible results in a deductible

level higher than the EPL deductible level elected by the Member, the Member’s EPL deductible will increase to the deductible level determined by the formula.

Section 3, of Policy and Procedure L-7, was amended to add the language in blue.

“Should a Member elect an EPL deductible in excess of the minimum EPL deductible, then that Member will be required to maintain the same EPL deductible for three full program years (July 1st to June 30th) before selecting a new EPL deductible. EPL deductibles can only be changed at the beginning of the coverage term – July 1st of each year. **If, however, the formula for determining the minimum EPL deductible results in a deductible level higher than the EPL deductible level elected by the Member, the Member’s EPL deductible will increase to the deductible level determined by the formula.** Because the election of higher EPL deductibles can only be changed once per every three full program years, CSURMA AORMA strongly recommends a review of prior years’ claims and consultation with the JPA Program Administrator before making any decisions regarding these higher EPL deductibles.”

A motion was made to approve the revisions to Policy and Procedure L-7.

MOTION: Pat Worley
SECOND: Robert de Wit

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford				X
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

F2. AORMA Liability Program – Memorandum of Coverage

Mimi Long explained that staff is proposing that the AORMA Liability Program Memorandum of Coverage be modified to include “blanket” coverage for any employee pension or welfare

benefit trust. By adding this blanket coverage, these types of trusts will not need to be separately underwritten or approved in order for coverage to apply.

The Liability Program Memorandum of Coverage was amended to include as a “Covered Party” the following:

“Any employee pension benefits or employee welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a Member participates, provided the trust only serves auxiliary organizations who are Members.

The Board of Trustees of the employee pension benefits or employee welfare benefits trust are covered parties, when acting solely within the scope of their duties, office, or employment for the trust.

Coverage provided by this Memorandum with respect to covered trusts will not extend to any third party service provider to the covered trust.”

The fiduciary liability endorsement within the Liability Program Memorandum of Coverage was also amended to expand the definition of Trust as follows:

“Trust(s) means charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, **or any employee pension benefits or employee welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a Member participates, provided the trust only serves auxiliary organizations who are Members.**”

A few additional changes were made to the fiduciary liability endorsement so that the primary and excess fiduciary liability coverage would utilize the same language. Staff noted that the VEBA trust or any other trust covered under this MOC change would not be charged an additional premium.

A motion was made to approve the revisions to the Liability Program Memorandum of Coverage.

MOTION: Gigi Kiama
SECOND: Leslie Davis

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford				X

Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

F3. Praesidium Contract – Managing the Risk of Minors on Campus

Mimi Long explained that the MSLCTC discussed the Praesidium contract at its meeting on November 18th. The MSLCTC felt that this contract needed to be negotiated at the campus level as campus support would be vital for a successful outcome. As directed by the MSLCTC, staff negotiated a one year contract for the on-line self assessment tool and the corresponding training. As provided by Praesidium in its revised proposal, the cost for each youth program would be \$2,000 and the agreement would include a maximum annual cost of \$50,000. Each program would have access to three on-line courses. In exchange for keeping the cost as low as possible, Praesidium has asked for assistance in marketing its services to the campuses and auxiliaries with youth programs. Willy Hsu mentioned that the CSU cannot officially endorse Praesidium’s product.

The MSLCTC also wondered if this type of self-assessment tool now opens the members up to additional liability as they would now have defined policies, procedures and practices regarding youth programs. Willy Hsu noted that it is always a better defense to have a formal policy, procedure and training for employees engaged in youth programs rather than doing nothing at all and pleading ignorance. Choosing to take action is always a better argument.

The AORMA Committee members asked about the cost allocation for this contract. Mimi stated that there is money in the FY 13/14 CSURMA budget for the Praesidium contract; however, the allocation of the costs between the auxiliaries and the campuses would need to be finalized.

The AORMA Committee members also wondered if the Mandated Reporter training available on-line through the campus program with LawRoom is sufficient. Zack Gifford mentioned that the feedback on this training was positive.

The AORMA Committee members all agreed that campus support is necessary and that the CSURMA EC needs to be involved in the Praesidium contract negotiations. Daniel Howell suggested that the AORMA Committee grant authority to Zach Gifford to negotiate the terms of the Praesidium contract with the CSURMA Executive Committee on behalf of the AORMA Committee.

A motion was made to grant authority to Zach Gifford to negotiate the terms of the Praesidium contract with the CSURMA Executive Committee on behalf of the AORMA Committee.

MOTION: Pat Worley
SECOND: Keith Kompsi

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			
Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford		X		
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X

G. INFORMATION ITEMS

The information items were presented for review. There was no discussion regarding these items.

- G1. CSURMA AORMA 2014 Meeting Calendar**
- G2. CSURMA AORMA Service Calendar**
- G3. CSURMA AORMA Program Administrator's Contact Lists**
- G4. AORMA's Travel Reimbursement Policy**
- G5. AORMA Committee Member – Effective 7/01/13**
- G6. FY 13/14 AORMA Long Range Action Plan**

H. ADJOURNMENT

The meeting was adjourned at 11:39 AM.

MOTION: Pat Worley
SECOND: Keith Kompsi

MOTION CARRIED

NAME	AYE	ABSTAIN	NAY	ABSENT
Dwayne Brummett	X			



California State University Risk Management Authority
Auxiliary Organizations Risk Management Alliance

APPROVED

Robert de Wit	X			
Brian Nowlin	X			
Frank Mumford	X			
Gigi Kiama	X			
Guy Dalpe				X
Keith Kompsi	X			
Leslie Davis	X			
Melinda Coil	X			
Haleh Minakary				X
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Pat Worley - Alternate	X			
Kurt Borsting - Alternate				X