

**MINUTES OF THE
CSURMA AORMA COMMITTEE MEETING
MAY 7, 2015
CSU CHANCELLOR'S OFFICE, MUNITZ ROOM
401 Golden Shore • Long Beach, CA**

10:00 AM

MEMBERS PRESENT

Kurt Borsting, Associated Students, Inc., CSU Fullerton
Melinda Coil, San Diego State University Research Foundation
Guy Dalpe, Cesar Chaves Student Center, San Francisco State University
Leslie Davis, University Union Operation of CSUS, Inc., Sacramento State University
Robert de Wit, Forty-Niner Shops, Inc., CSU Long Beach
Frank Mumford, CSU Fullerton Auxiliary Services Corporation, CSU Fullerton
Keith Kompasi, Fresno Association, Inc., CSU Fresno
Gigi Kiama, University Corporation, CSU Monterey Bay (*via Teleconference*)
Brian Nowlin, CSULB Foundation, CSU Long Beach

MEMBERS ABSENT

Haleh Minakary, The Cal Poly Pomona Foundation, Inc., Cal Poly Pomona
Dwayne Brummett, Associated Students, Cal Poly San Luis Obispo

STAFF, GUESTS AND CONSULTANTS

Melissa Diaz, Alliant Insurance Services, Inc.
Brent Escoubas, Alliant Insurance Services, Inc.
Zachary Gifford, CSU Office of the Chancellor – Systemwide Risk Management
Jacki Graf, Alliant Insurance Services, Inc.
Daniel Howell, Alliant Insurance Services, Inc.
William Hsu, CSU Office of the Chancellor – Office of General Counsel
Mimi Long, Alliant Insurance Services, Inc.
Mauri McGuire, Carl Warren & Company

A. CALL TO ORDER

The meeting was called to order by the AORMA Chair, Robert de Wit at 10:00 AM.

A1. Approval of the Agenda

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

MOTION: Brian Nowlin

SECOND: Leslie Davis

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

MOTION CARRIED

B. PUBLIC COMMENTS

There were no public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – March 19, 2015

The Committee reviewed the minutes from their last meeting.

A motion was made to approve the minutes from the March 19, 2014 meeting.

MOTION: Frank Mumford

SECOND: Brian Nowlin

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe	X			
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			

Haleh Minakary				X
Frank Mumford	X			
Brian Nowlin	X			
AORMA Committee Alternates				
Vote Only When Committee Members are Absent				
Kurt Borsting – Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

D. CLOSED SESSION

A motion was made to enter closed session at 10:03 AM.

MOTION: Frank Mumford

SECOND: Leslie Davis

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

MOTION CARRIED

1. Marsh v. Associated Students of CSU, Chico
2. Moore v. Associated Students, Inc., Cal Poly Pomona
3. CSURMA / CSU Fullerton Auxiliary Services Corporation vs. CNA Insurance Company
4. Hubbard v. University Auxiliary and Research Services Corporation, San Marcos
5. Brown v. San Diego State University Research Foundation
6. Trapper v. Associated Students, California State University, Long Beach
7. Torres v. University Student Union of California State University, Northridge
8. Calderon v. Cesar Chavez Student Center, San Francisco State University
9. Lyons v. The CSU Chico Research Foundation

10. Arce v. Associated Students, California State University, Northridge, Inc.
11. Cahuilla Band of Indians v. San Diego State University Research Foundation

The AORMA Chair reported that action had been taken during closed session.

E. STANDING COMMITTEE REPORTS

E1. Programs Committee Report

Guy Dalpe the Chair of the Programs Committee let the AORMA Committee know that the Programs Committee had not meet since the last AORMA Committee meeting and therefore no report of recent activities was provided.

E2. Member Services, Loss Control and Training Committee Report

Melinda Coil the Chair of the Member Services, Loss Control and Training Committee noted that the MSLCTC met on April 20, 2015. The MSLCTC reviewed the loss control budget items. The Committee reviewed the FY 15/16 Alliant Risk Control Consulting proposal and will be recommending approval at today's meeting. David Krevella from the Chancellor's Office updated the MSLCTC on the progress of uploading the Auxiliary members into the AORMA hub. The Committee reviewed the proposal from Target Solutions for a one-year contract extension and will be recommending approval at today's meeting. The MSLCTC reviewed a risk reduction grant application for the purchase of slip resistant shoes. The Committee did not approve the contract. The Committee agreed to send out an AORMA bulletin which explains the grant program and gives examples of the types of grant programs that will not be approved as well as the types of projects that will be approved. Coil noted that the MSLCTC is working on putting together a Keeping Minors Safe While on Campus Manual. Due to the size and scope of the project, the MSLCTC decided to break the project down into segments. The first two sections of the manual that Brent Escoubas will provide are – (1) Traveling with Minors and (2) Overnight Trips with Minors. Coil noted that Brent Escoubas completed the Real Property Acquisitions Checklist. The AORMA Committee will be asked to approve the checklist at today's meeting.

E3. AOA Executive Committee Report

Robert de Wit noted that he was unable to attend the last AOA EC meeting because it coincided with the AORMA Committee meeting. De Wit did provide an update of the recent AOA EC activities. Kim Clark was appointed as the Past Chair to replace Taren Mulhause who retired this year. Wells Fargo Insurance Services provided an update at the last AOA EC meeting. The AOA EC is in the process of issuing a set of model procedures or guidelines for auxiliaries to adopt in their implementation of the Seymour Act. The AOA EC signed a three-year contract with Richard Bromley for labor counsel. Bromley offered the same \$20,000 annual retainer price. The AOA Salary Survey is almost complete.

F. GENERAL ADMINISTRATION

F1. Update of Excess Insurance Renewals

Daniel Howell provided an update to the AORMA Committee.

1. *Liability - Reinsurance Agreement w/ Genesis (\$4,650,000 excess of \$350,000).* Genesis provided a renewal proposal with a 5% increase in premium due to claims activity within the reinsurance layer. In addition, Howell anticipates that their SIR will likely increase in FY 16/17. The reinsurance premium for FY 15/16 will be \$1,071,000; the FY 14/15 premium was \$1,020,000. This increase is within the budgeted AORMA reinsurance premium for FY 15/16.
2. *Excess Liability (\$15,000,000 excess of \$5,000,000).* Ironshore, the lead excess insurer confirmed its ability to maintain the expiring self-insured retention and has indicated terms with an increase of 5% over expiring. Alliant is now negotiating the terms for the excess liability tower and believes it will be able to replace CV Starr's participation which is necessitated by Starr's exit from the California municipal liability insurance market. Howell expects to obtain terms for the entire renewal within a 3% to 4% increase over expiring. The liability program is being marketed extensively.
3. *Crime.* The campus and auxiliary crime programs have had losses; however, Howell still is expecting a flat rate renewal overall for the programs. We will discuss in detail with the underwriters the first week of June, 2015.
4. *Excess Workers' Compensation.* Effective January 1, 2015, CSURMA joined CSAC EIA for the reinsurance of its workers' compensation program. This locked-in the pricing for 18-months.
5. *Property.* CSU and the auxiliary organizations have had excellent property loss results in recent years; however, CSU Los Angeles has just had a significant loss (\$8MM) which will impact future renewals. The property market remains soft. Howell expects the renewal rates to remain stable following last year's sizeable decrease.

F2. Review of CSURMA Operational Review Report

Daniel Howell summarized this item. At its September 2014 meeting, the CSURMA Executive Committee determined that it would have a consultant perform an operational review along the lines of a California Association of Joint Powers Authorities (CAJPA) accreditation review. It has been three years since the last review, and the Executive Committee's practice has been to perform the review every three years, as if CSURMA were seeking CAJPA accreditation. The Executive Committee determined that the scope of this year's review would be limited to an operational review of the Program Administration and would not include CSURMA accounting services since those services are already audited on an annual basis. Robin Johnson was retained

to perform the review and presented a report to the Executive Committee at their March 20, 2015 meeting. The CSURMA Board reviewed the Operational Review Report and the recommendations within the report. The CSURMA Board took action to amend the Joint Exercise of Powers Agreement and Bylaws at its meeting on April 20, 2015 as recommended within the report.

The Operational Review Report recommended changes to a few of AORMA's contracts. The Committee will be asked to review and approve those revisions at today's meeting.

F3. Alliant Risk Control Consulting Renewal Contract Proposal for FY 15/16

Mimi Long noted that the current contract with Alliant Risk Control Consulting is due to expire on June 30, 2015. ARCC has proposed a one-year contract effective July 1, 2015 to June 30, 2016 with an annual fee of \$87,000. The renewal contract will include 60 annual safety days. The safety days may be used for any risk management or safety related topic.

The following section has been added to the contract in compliance with Policy and Procedure W-3.

ARCC will review the workers' compensation losses for those AORMA members with an experience modification factor of between 1.10 and 1.25 and provide recommendations as how to best reduce future losses. For those AORMA members with an experience modification in excess of 1.25, ARCC will meet with the AORMA member and assist in creating an experience modification reduction plan.

The sections within the contract regarding the Risk Reduction Matching Grant Program have been deleted as the grant program guidelines have been revised and no longer include ARCC's mandatory project recommendation or oversight.

The Operational Review of CSURMA's contracts resulted in the following findings regarding this contract:

The contract with Alliant for loss control services seems to be more of a proposal rather than a contract. Perhaps the administration agreement could be amended to include the loss control services or a separate contract should be drafted.

Long noted that Staff will work with Alliant Risk Control Consulting as well as the CSURMA Secretary-Auditor and CSURMA Legal Counsel to finalize the contract wording.

The Member Services, Loss Control and Training Committee has reviewed the renewal proposal at its meeting on April 20, 2015, and is recommending approval of the FY 15/16 contract.

A motion was made to approve the FY 15/16 ARCC contract and to delegate authority to the CSURMA Secretary-Auditor and CSURMA Legal Counsel to finalize the contract wording.

MOTION: Keith Kompsi

SECOND: Leslie Davis

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

MOTION CARRIED

F4. TargetSolutions Contract Extension for FY 15/16 and Discussion of Future Utilization of SkillSoft / LawRoom

Mimi Long noted that the current contract with TargetSolutions for on-line safety training is due to expire on June 30, 2015. TargetSolutions offered a one-year extension of the existing contract. In order for the auxiliary organizations to begin using the campus online training provided by SkillSoft and LawRoom, all of the auxiliary staff need to be loaded into the PeopleSoft AORMA hub. Campus IT staff has begun the process, but the majority of campuses have not completed the upload. Because of this, it does not appear that the auxiliary's use of SkillPort / LawRoom effective July 1, 2015, is a realistic goal. Therefore, the MSLCTC is recommending that the AORMA Committee approve the renewal of the TargetSolutions contract for one additional year. Long also noted that custom activities can be uploaded onto the PeopleSoft platform. Raven Tyson volunteered to have ASI's custom training reviewed by Chancellor's Office IT to verify that it can be uploaded onto the PeopleSoft platform.

A motion was made to approve the renewal extension of the TargetSolutions contract for the term July 1, 2015 to June 30, 2016.

MOTION: Frank Mumford

SECOND: Leslie Davis

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

MOTION CARRIED

F5. Praesidium Contract for Prevention of Sexual Abuse of Minors

Melissa Diaz summarized this item. The current contract with Praesidium for prevention of sexual abuse of minors will expire on June 30, 2015. Praesidium has proposed two renewal options. The first option includes the same services as the expiring contract. The second option includes expanded services such as On-Site Training and Presentations to Senior Leadership. The AORMA Committee reviewed the utilization report provided by Praesidium as well as the renewal proposal options. A decision was made to defer to the CSURMA Executive Committee with regard to utilization of this contract. The Committee members felt that for the contract to be successful, campus support is necessary.

F6. CSURMA AORMA Committee Election Results

Robert de Wit let the Committee know that the Brian Nowlin, Gigi Kiama and Melinda Coil have all been elected for an additional two-year term. Jim Reinhart and Cheree Suarez Aguilar have been elected for the first two-year term.

F7. Policy and Procedure L-2 – Liability Claims Administration & Litigation Management

Mimi Long reviewed the proposed changes to Policy and Procedure L-2. The amendments gives the Liability Claims Administrator claims settlement authority of up to \$25,000 per occurrence, or per claimant, if more than one claimant is involved in the occurrence. The definition of Occurrence was added and the definition of Memorandum of Coverage was modified to be consistent with AORMA’s other Policies and Procedures.

A motion was made to approve the changes to Policy and Procedure L-2 as presented.

MOTION: Frank Mumford

SECOND: Keith Kompsi

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

MOTION CARRIED

F8. Carl Warren & Company, Third Party Liability Claims Administration Contract Revisions

Mimi Long summarized the proposed amendments to the Carl Warren & Company third party liability administration contract. In response to the recommendations within Operational Review of CSURMA’s contracts, Staff has proposed amendments to the contract as suggested in the Operational Review. The mutual indemnification wording was deleted and replaced with a one-way hold harmless agreement which requires Carl Warren & Company to indemnify CSURMA for all losses except when caused by CSURMA’s sole negligence or willful misconduct. Standard insurance requirements were added to the contract. The Conflict of Interest was amended and the definition of the Program was amended to tie back to the AORMA Liability Program Memorandum of Coverage. Staff recommends that the Committee delegate authority to the CSURMA Secretary-Auditor and CSURMA JPA Legal Counsel to negotiate and finalize the terms of the contract amendments.

A motion was made to delegate authority to the CSURMA Secretary-Auditor and CSURMA JPA Legal Counsel to negotiate and finalize the terms of the Carl Warren & Company contract amendments.

MOTION: Guy Dalpe

SECOND: Brian Nowlin

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

MOTION CARRIED

F9. Real Property Acquisitions Checklist

Brent Escoubas provided a summary of the Real Property Acquisitions checklist prepared by Alliant Risk Control Consulting. It was noted that the CSU Seismic Requirements should be included in the checklist. Escoubas also noted that the checklist is a resource and not a requirement therefore he will revise the checklist introduction.

A motion was made to accept the Real Property Acquisitions Checklist with the modifications as discussed.

MOTION: Frank Mumford

SECOND: Robert de Wit

NAME	AYE	ABSTAIN	NAY	ABSENT
Melinda Coil	X			
Guy Dalpe		X		
Leslie Davis	X			
Mark Day	X			
Robert de Wit	X			
Gigi Kiama		X		
Keith Kompsi	X			
Haleh Minakary				X
Frank Mumford	X			

Brian Nowlin	X			
AORMA Committee Alternates Vote Only When Committee Members are Absent				
Kurt Borsting - Alternate	X			
Dwayne Brummett - Alternate				X

MOTION CARRIED

G. INFORMATION ITEMS

The Committee Members reviewed the following information items:

- G1. CSURMA AORMA 2015 Meeting Calendar**
- G2. AORMA Long Range Action Plan**
- G3. AORMA Service Calendar**
- G4. CSURMA AORMA Program Administrator’s Contact Lists**
- G5. AORMA Committee Members - Effective 7/1/14**
- G6. Policy & Procedure A-7 – CSURMA Travel Reimbursement Policy**

F. ADJOURNMENT

The meeting was adjourned at 12:54 PM.