



# The Town of Barnstable

## Comprehensive Financial Advisory Committee (CFAC)

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### CFAC Committee:

#### Chairman:

John Curtis, Chair

#### Members:

Bill Brower  
Laura Cronin  
Stanley Hodkinson  
Ralph Krau  
Tom Michael  
Jim Sproul

#### Staff Liaison:

Mark Milne  
Deb Childs

#### Councilor Liaison:

Richard Barry

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### CFAC MEETING MINUTES

1.05.09

7:00 PM

Growth Management Conference Room

CFAC Members Present: Bill Brower, Laura Cronin, John Curtis, Stanley Hodkinson, Ralph Krau, Tom Michael, Jim Sproul

CFAC Members Absent: None

Councilors Present: None

Staff Present: Mark Milne , Deb Childs, David Anthony

#### 1. Call to Order

Upon a quorum duly present, Bill Brower called the CFAC meeting to order at 7:06 PM in the Selectman's Conference Room.

#### 2. Staff Communications

Mark Milne introduced and welcomed staff member David Anthony. David is the Chief Procurement Officer and Risk Manager for the town. As requested by the committee, he is in attendance to provide a presentation on the towns insurance policies and programs.

#### 3. Act on Minutes

A motion was made and seconded to accept the minutes of the 12.15.08 meeting.

Vote: Unanimous

#### 4. Old Business

##### Review of Town Financial and Management Policies

Laura Cronin will be forwarding an electronic copy of the recommended updates to the FY10 budget instructions and policies for the committees final review, evaluation and feedback.

Bill B. requested any comments be forwarded prior to the next meeting. Bill will prepare a draft cover letter to accompany the document when it is finalized and forwarded onto Town Manager John Klimm.

Bill B. provided excel spreadsheets that encompass the details of all FY10 CIP Requests to facilitate each committee members review. Discussion will be started at the next meeting.

#### 2. New business

David Anthony will provide an overview and discussion on the various insurance policies and programs currently held by the Town. (See attachment)

The town currently utilizes three main carriers - RFM, Old Cape Cod and Dowling & O'Neil ( D & O) with D & O carrying 80% of the policies.

The town participates in the Argonaut program which allows for pooling coverage with approx. 190 other municipalities resulting in lower premium costs. The town is also able to take advantage of various training and loss control experts through this program.

David explained that there is a fixed budget for insurance which can limit the available options. Each annual renewal process attempts to gain the broadest coverage at the minimum premium cost.

##### Commercial Auto

Deductible comes directly from departments individual budget therefore deductible maintained at \$500 versus \$1000.

Tom M. inquired how many vehicles currently operate near runways - this policy does not cover vehicles on a runway. David A. indicated approximately ten.

##### Commercial Fire and Property Coverage

David A. shared the building listing which outlines the buildings, locations, various insurance data ( sprinkler system, flood zone, type construction etc.), the building value and contents value.

Laura C. questioned the coding for Flood Zones, i.e. what does C versus AE indicate? David A. will follow up with information.

David A. noted the town does not carry flood insurance as it will disqualify the town from receiving assistance from MEMA or FEMA ( Massachusetts & Federal Emergency Management Assistance).

Laura C. inquired about the Sprinkler column and the Yes/No ratings. David A. noted that buildings that have not been renovated are not required to meet current code. Once a section of the building is renovated, the entire building must meet current code requirements. This is a factor in many school projects as the cost to bring whole buildings up to code may be exorbitant. Example: Hyannis West Elementary.

Stan H. inquired about the Protection Class rating scale. Is it a 1 to 5 scale and is 5 the highest rating? David confirmed yes it is a 1 to 5 scale with 1 the lowest and 5 the highest.

Tom M. and Ralph K. both inquired how frequently we need to maintain and review the values.

David A. noted the last review of building values was completed in 2001 by a loss core program through the Argonaut program. Any building valued over \$500K was assessed for current value. Since then, the values have been increased by 5% annually. Content value has been increased at the same rate unless specific contents are identified.

Ralph K. questioned if the contents values for some may be understated (ex. equipment inside pump houses at water supply stations). David indicated that type of equipment would be covered separately under the Boiler and Machinery policy.

Laura C. asked about computer software coverage. David indicated the IS department stores software backup at a separate location as part of their risk management procedures.

Ralph K. inquired about surge protectors. Would there be any savings/discount if surge protectors were mandatory and supplied on all computers/electronic equipment? David A. will research.

#### Inland Marine

No specific comments.

#### Boiler and Machinery

No specific comments.

#### General Liability & Umbrella/Excess Risk

John C. inquired how we determine the level of coverage required, do we have a history of losses and lawsuits. David A. provided some example cases.

Mark M. review the fixed dollar budget constraint that may limit the ability to choose level of coverage.

Tom M. , Ralph K., and John C. each had questions on the level of coverage for volunteers of the town. David A. reviewed several “what if” situations to explain based on circumstances, various policies may or may not cover the volunteer.

Bill B. recommended each department be required to show evidence of training for volunteers and document processes for volunteer responsibilities.

Mark M. agreed with Bill B. that policy training should be provided to volunteers.

John C. suggested that some towns require certain licensing for various “volunteer” roles such as coaching where the licensing carries it’s own liability coverage.

Ralph K. inquired about more specific events ( ex. Hyannis Stroll ) that may not necessarily be a town sponsored event but benefit the community. Who is responsible for coverage? David A. reviewed some examples events where sponsors are required to have one day event insurance or other proof of insurance. David A. will research the policies further and get back to the committee.

#### Public Officials Liability Coverage

David noted this coverage is to protect the Town’s interest and not the individual’s interest.

#### School Board Legal Liability

No specific comments.

#### Athlete Field Trip Coverage

No specific comments.

#### Student Accident Coverage

No specific comments.

Law Enforcement Coverage

No specific comments.

Police and Accident And Health

Laura C. questioned if the \$25,000 cap was sufficient. David A. indicated yes as past history indicates most cases have not approached that limit. If the severity of the injury did approach that cost, the officer would normally move to disability which would then take over the coverage.

Commercial Ocean Marine

No specific comments.

Airport Specialty

No specific comments.

Workers Compensation Coverage

David A. review the pros and cons of self insurance. The current policy allows the Town to hire temporary or replacement help until the employee can return to work as the insurance is paying the injured workers salary.

Laura C. had questions on who works with the employee to insure they get back to work as timely as possible. David A. indicated Human Resources along with the third party administrator coordinate the employees return.

There is a modification rating associated with this category based on number of cases and severity. Barnstable's current rating is 0.97. David A. indicated anything under 1 was good. Ratings over 1 are subject to a penalty.

Next meeting is scheduled for Tuesday January 20<sup>th</sup>, 2009 in the Growth Management conference room.

Meeting adjourned at 9:00 PM.