

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

**MINUTES OF THE BOARD OF DIRECTORS  
MEETING OF JUNE 12, 2018**

A regular meeting of the Board of Directors of ERMA was held on June 12, 2018, at the Bickmore office in Sacramento, CA.

**BOARD MEMBERS PRESENT:** Scott Ellerbrock, President, PERMA  
John Gillison, Vice President, PARSAC  
Truc Dever, Treasurer, VCJPA  
Stuart Schillinger, BCJPIA  
Robert Thompson, CalTIP  
Sean Scully, CSJRMA  
Don White, ERMAC  
Linda Cox, MPA (*arrived at 9:39 a.m.*)  
Artesia Dupree, Oakland Housing Authority  
John Duckett, SCORE

**BOARD MEMBERS ABSENT:** Charlene Calica, Housing Authority of the County of  
Contra Costa  
Jamie Goldstein, MBASIA

**ALTERNATE MEMBERS PRESENT:** Joanne Rennie, PARSAC  
Shannon Esenwein, CSJVRMA  
Brett Miller, MBASIA (*arrived at 9:13 a.m.*)

**ALTERNATE MEMBERS ABSENT:** Kerry Trost, PERMA  
Jamie Scott, VCJPA  
Todd Cusimano, BCJPIA  
George Fink, CalTIP  
Joseph Villarreal, Housing Authority of the County of  
Contra Costa  
Tracy Robinson, MPA  
Drew Felder, Oakland Housing Authority  
Roger Carroll, SCORE

**OTHERS PRESENT:** Jennifer Jobe, Executive Director  
Nancy Broadhurst, Finance Manager  
Greg O'Dea, General Counsel  
Kathy Maylin, Litigation Manager  
Julia Byrd, Litigation Analyst  
Joyce DeVries, Bickmore  
Seth Cole, Alliant Insurance Services  
Rob Kramer, BCJPIA  
Jaesa McCulligan, BCJPIA  
Jeanette Workman, CSJVRMA  
Chrissy Mack, CSJVRMA & VCJPA  
Micheon Balmer, CalTIP

Marcus Beverly, SCORE & ERMAC  
Michael Christian, Jackson Lewis  
Geoffrey Sheldon, Liebert Cassidy Whitmore  
(arrived at 9:03 a.m.)

1. CALL TO ORDER

The June 12, 2018, Board of Directors meeting was called to order at 9:01 a.m. by President Scott Ellerbrock.

2. INTRODUCTIONS

A majority of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**John Gillison, PARSAC, moved to approve the agenda as posted; seconded by John Duckett, SCORE. The motion passed unanimously.**

4. PUBLIC COMMENTS

None

5. CONSENT CALENDAR

President Ellerbrock reported that there is one addition to the Consent Calendar, Item 5.E, Memorandum of Coverage (MOC) for the 2018/19 Program Year. Previously, the Livermore/Pleasanton Fire Department had asked to be endorsed under the City of Pleasanton. The Board granted the request for Program Years 2015/16, 2016/17, and 2017/18. The Livermore/Pleasanton Fire Department has since decided not to participate in ERMA and, in consultation with General Counsel, Staff added language stating no coverage under the Memorandum is afforded to the Livermore/Pleasanton Fire Department. Inclusion of this language will negate any reason for ambiguity moving forward.

**John Gillison moved to approve/accept the following items: A) Minutes of May 1, 2018, Board of Directors' Meeting and Summary of Action Items; B) General Warrants from April 16, 2018, through May 31, 2018; C) Claims Payments from April 16, 2018, through May 31, 2018; D) Petty Cash Statement from April 16, 2018, through May 31, 2018; E) Memorandum of Coverage for the 2018/19 Program Year, as amended; F) Biennial Review of the Conflict of Interest Code; seconded by Artesia Dupree, Oakland Housing Authority. The motion passed unanimously.**

6. ADMINISTRATIVE MATTERS

A. 2018/19 Goals and Objectives Update

Ms. Jennifer Jobe, Executive Director, reviewed the Goals and Objectives established by the Board at the February meeting. The first goal was to develop a budgetary control policy. Ms. Nancy Broadhurst, Finance Manager, developed and presented a control policy which was approved by the Board at the May meeting.

The second goal was to identify an anonymous reporting application option. ERMA has a toll-free reporting number and, in addition, the members have access to online reporting via the *in2vate* website. Staff was charged with looking into options to augment existing sources. Staff will research web-based applications, with an emphasis on those who specifically serve public entities.

The third goal was to identify targeted human resource training opportunities. Staff was successful in developing a slate of trainings for the 2018/19 Program Year. Three of the seven trainings have an emphasis on human resource-related matters. Staff is working to finalize trainings scheduled for the year and has received positive feedback as to the topics presented. Two additional Board members joined the Ad Hoc Training Committee, specifically charged with the task of identifying, developing, and implementing additional Human Resources training programs. The final goal was to develop and implement the secondary phase to the policy review initiative that would possibly develop targeted employment practices training for Agency high-level management, such as City Managers, City Attorneys, and Finance Directors.

B. Proposed Draft Resolution No. 2017-8 Establishing Criteria for Approval of Investigators

Ms. Kathy Maylin, Litigation Manager, reported the Resolution Establishing Criteria for Approval of Investigators was initiated in 2008; at that time, there was an hourly cap set at \$195 per hour for any investigator. In June 2015, Board-approved edits were made to the Resolution that included a distinction between attorney and non-attorney investigators with rate caps of \$210 for attorney investigators and \$195 for non-attorney investigators.

Ms. Maylin highlighted the difference between standard attorney investigators and non-attorney investigator rates and what ERMA currently pays. Ms. Maylin recommended the Board approve a rate increase for attorney investigators to \$250 per hour and non-attorney investigators to \$165 per hour.

**Truc Dever, VCJPA, moved to approve the Resolution No. 2017-8 Establishing Criteria for Approval of Investigators; seconded by Don White, ERMAC. The motion passed unanimously.**

7. MEMBERSHIP MATTERS

A. Prospective New Member – The City of San Jacinto (PERMA)

President Ellerbrock reported the Underwriting Committee met and recommends the Board of Directors approve the City of San Jacinto's application for participation in ERMA with a \$25,000 SIR, effective July 1, 2018.

**John Gillison moved to approve the City of San Jacinto's application for participation in ERMA with a \$25,000 SIR, effective July 1, 2018; seconded by Truc Dever. The motion passed unanimously.**

8. COVERAGE MATTERS

A. Discussion and Action Regarding Excess Coverage for the 2018/19 Program Year

Mr. Seth Cole, Alliant, presented the proposal for the optional excess coverage which renews on July 1, 2018. Currently, ERMA's incumbent carrier, RSUI, provides a \$1 million for each claim per member limit with a \$2 million per member aggregate and a program aggregate of \$10 million. Staff recommends the Board approve a renewal to include increased per claim per member limits. Staff reviewed with the Board the rates and subsequent premium differentials of the proposed increased policy limits. Given the heightened awareness and several points made in previous discussions, investigations and claims are on the rise. Staff recommended the Board consider increased coverage limits as follows: \$2M per claim/\$4M per member and \$10M policy aggregate.

**Artesia Dupree moved to approve excess coverage with RSUI for the 2018/19 Program Year of \$2M per claim/\$4M per member aggregate/\$10M policy aggregate; seconded by John Duckett. The motion passed unanimously.**

B. Request from the City of McFarland (CSJVRMA) to Reduce Self-Insured Retention

Ms. Maylin reported the City of McFarland (City) has requested a reduction of their self-insured retention (SIR) from \$75,000 to \$50,000. The City recently underwent a risk assessment due to recent claims activity. Ms. Maylin stated two of the claims have been resolved and a third claim is in the process of being resolved. Ms. Maylin recommended no further action be taken relative to the assessment. Ms. Jobe stated the City's payroll is just under \$3 million, and as such, may be considered for a \$25,000 SIR.

**Artesia Dupree moved to approve the request from the City of McFarland to reduce their self-insured retention from \$75,000 to \$50,000, effective July 1, 2018; seconded by Stuart Schillinger, BCJPIA. The motion passed unanimously.**

9. Training/Loss Prevention Matters

A. Risk Assessment Updates – Cities of McFarland, Pittsburg and West Hollywood

Ms. Maylin stated the City of McFarland was discussed under the previous agenda item. Ms. Maylin reported the risk assessment for the City of Pittsburg was as a result of the number of reported claims. The City of West Hollywood recently underwent a risk assessment and, as a result, and at the City's own preference, their SIR was increased from \$100,000 to \$250,000.

10. FINANCIAL MATTERS

A. Proposed Administrative and Operating Budget for the 2018/19 Program Year

Ms. Broadhurst reviewed the 2018/19 Proposed Operating Budget and reported the Proposed Budget represents an overall increase of 8.1%, or \$539,041, over the 2017/18 Approved Budget due to an increase in payroll of 3.4% and increase in the funding rate of 4.2%. The two Budget changes from that which was presented in May include the addition of the City of San Jacinto (PERMA) and the decrease in SIR for the City of McFarland from \$75,000 to \$50,000; both of these items were included in the presented Budget.

**John Gillison moved to approve the 2018/19 Proposed Operating Budget at an 80% Confidence Level, to include the optional excess coverage of \$2 Million X \$1 Million; seconded by Truc Dever. The motion passed unanimously.**

B. Approval of the California Asset Management Program (CAMP) as an Alternative to the Local Agency Investment Fund (LAIF)

Ms. Broadhurst reported ERMA is currently a member of the CAMP JPA. CAMP was established in 1989 to provide California public agencies with professional investment services. Staff recommends the Board of Directors approve enrollment in the CAMP program to be used as an alternative liquid investment option to LAIF. The difference between CAMP and LAIF is the weighted average maturity for the CAMP liquid pool is much shorter than LAIF. Ms. Broadhurst also noted the interest from CAMP is paid monthly rather than quarterly. Following some consideration, the Board tabled further discussion until the November meeting, allowing for additional information to be presented regarding the decision to approve CAMP as an alternative to the LAIF.

11. CLAIMS MATTERS

A. Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 10:08 a.m. to discuss the following claims:

- Armstrong v. City of Pleasant Hill
- Borja/Moore/Cordero v. City of Adelanto
- Carter/Riley v. City of Barstow
- Villareal v. Oakland Housing Authority
- Santana v. City of Wasco

B. Report from Closed Session

The Board reconvened to open session at 10:31 a.m. The Board met to discuss the claims listed above. With regard to Armstrong v. City of Pleasant Hill, Carter/Riley v. City of Barstow, and Santana v. City of Wasco, the Board voted unanimously to extend settlement authority to the Litigation Manager. With regard to Borja/Moore/Cordero v. City of Adelanto, no action was taken.

12. CLOSING COMMENTS

A. Board of Directors

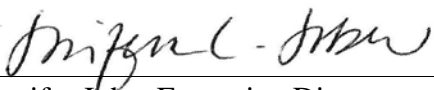
None

B. Staff

None

14. ADJOURNMENT

The June 12, 2018, ERMA Board of Directors meeting adjourned at 10:32 a.m. by general consent.

  
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Jennifer Jobe, Executive Director