



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
SPECIAL MEETING OF THE BOARD OF DIRECTORS
AMENDED AGENDA**

Wednesday, December 12, 2018 ~ 10:00 a.m.

Teleconference
Dial: (321) 209-8157
PIN: 901197#

All or portions of this meeting will be conducted by teleconference in accordance with Government Code Section 54953(b). The teleconferencing locations are as follows:

York, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA
PERMA, 36-951 Cook Street, Suite 101, Palm Desert, CA
City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, CA
Greater LA VCD, 12545 Florence Avenue, Santa Fe Springs, CA
City of Brisbane, 50 Park Place, Brisbane, CA
Housing Authority of the County of Contra Costa, 3133 Estudillo Street, Martinez, CA
MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA
Oakland Housing Authority, 1619 Harrison Street, Oakland, CA
PARSAC, 1525 Response Road, Suite 1, Sacramento, CA
City of Shasta Lake, 1650 Stanton Drive, Shasta Lake, CA
City of Hollister, 375 Fifth Street, Hollister, CA
City of Hughson, 7018 Pine Street, Hughson, CA
City of Laguna Hills, 24035 El Toro Road, Laguna Hills, CA

Each location is accessible to the public, and members of the public may address the Board from any teleconference location.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Jennifer Jobe at (916) 244-1141 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the ERMA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA. The documents will also be available on the agency's website at www.ermaipa.org.

Page

- 1. CALL TO ORDER**
- 2. INTRODUCTIONS**
- 3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

**ERMA Special Meeting of the Board of Directors
December 12, 2018**

4. **PUBLIC COMMENTS** - This time is reserved for members of the public to address the Board relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.
5. **CONSENT CALENDAR** - If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.
- 4 *A. Minutes of November 5, 2018, Board of Directors Meeting and Summary of Action Items
 Recommendation: Approval of the Consent Calendar.
6. **COVERAGE MATTERS**
- 13 A. City of Adelanto (PERMA) Update
 Recommendation: None
7. **MEMBERSHIP MATTERS**
- 16 *A. Review of Prospective New Member Application – City of Santa Maria (ERMAC)
 Recommendation: The Underwriting Committee recommends approval of the City of Santa Maria as an underlying member of ERMAC at a \$500,000 SIR, effective January 1, 2019, with the caveat that any EPL claims are to be defended by an approved member of ERMA's defense panel.
- 23 *B. Review of Prospective New Member Application – Central Marin Fire Authority (BCJPIA)
 Recommendation: Staff recommends the board approve Central Marin Fire Authority as an underlying member of BCJPIA at a \$250,000 SIR, effective January 1, 2019.
8. **FINANCIAL MATTERS**
- 29 *A. Update Regarding the Local Agency Investment Fund (LAIF)
 Recommendation: None
9. **CLOSING COMMENTS**
This time is reserved for comments by the Board members and staff and to identify matters for future Board business.
- A. Board
 B. Staff

10. ADJOURNMENT

NOTICES:

The next meetings of the Board of Directors will be held:

- Thursday, February 7, 2019, 11:00 a.m. – Annual Workshop, Wine & Roses, Lodi, CA
- Friday, February 8, 2019, 9:00 a.m. – Board Meeting, Wine & Roses, Lodi, CA
- Tuesday, April 30, 2019, 9:00 a.m. – TBD
- Tuesday, June 11, 2019, 9:00 a.m. – TBD

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

RECOMMENDATION:

Approval of the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- *A. Minutes of November 5, 2018, Board of Directors Meeting and Summary of Action Items

Agenda Item 5.A.

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF NOVEMBER 5, 2018

A regular meeting of the Board of Directors of ERMA was held on November 5, 2018, at the Bickmore office in Sacramento, CA.

BOARD MEMBERS PRESENT: Scott Ellerbrock, President, PERMA
John Gillison, Vice President, PARSAC (*left at 12:05 p.m.*)
Truc Dever, Treasurer, VCJPA
Stuart Schillinger, BCJPIA (*arrived at 10:31 a.m.*)
Robert Thompson, CalTIP
Sean Scully, CSJVRMA (*left at 12:40 p.m.*)
Don White, ERMAC
Brett Miller, MBASIA
Linda Cox, MPA
Artesia Dupree, Oakland Housing Authority
John Duckett, SCORE

BOARD MEMBERS ABSENT: Charlene Calica, Contra Costa County Housing Authority

ALTERNATE MEMBERS PRESENT: Shannon Esenwein, CSJVRMA
Nataline Jindoian, Contra Costa County Housing Authority
Joanne Rennie, PARSAC (*left at 12:05 p.m.*)

ALTERNATE MEMBERS ABSENT: Todd Cusimano, BCJPIA
George Fink, CalTIP
Jamie Goldstein, MBSIA
Tracy Robinson, MPA
Kerry Trost, PERMA
Drew Felder, Oakland Housing Authority
Roger Carroll, SCORE
Jamie Scott, VCJPA

OTHERS PRESENT: Jennifer Jobe, Executive Director
Kathy Maylin, Litigation Manager
Nancy Broadhurst, Finance Manager
Greg O'Dea, General Counsel
Chee Xiong, Bickmore
Julia Byrd, Bickmore
Molly McClure, Bickmore
Will Portello, Bickmore
Yahaira Martinez, Bickmore
Jaesa McCulligan, BCJPIA
Chrissy Mack, CalTIP/VCJPA
Michael Christian, Jackson Lewis

Geoffrey Sheldon, Liebert Cassidy Whitmore
Lesley Murphy, PFM (*telephonic participation for Item 8.C*)
Allison Gregg, Sampson, Sampson & Patterson
(*telephonic participation for Item 8.A.*)

1. CALL TO ORDER

The November 5, 2018, Board of Directors meeting was called to order at 10:02 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 moved to approve the agenda as amended. Seconded by Sean Scully. The motion passed unanimously.

4. PUBLIC COMMENTS

None

5. CONSENT CALENDAR

Truc Dever moved to approve the following items: A) Minutes of June 12, 2018, Board of Directors Meeting and Summary of Action Items; B) General Warrants from June 1, 2018, through September 30, 2018; C) Claims Payments from June 1, 2018, through September 30, 2018; D) Petty Cash Statements from June 1, 2018, through September 30, 2018; E) Treasurer's Report as of June 30, 2018; F) PFM Quarter Ended June 30, 2018 Review of Investment Portfolio; G) Conflict of Interest Code Biennial Notice to FPPC; H) Bylaws, As Amended Effective April 18, 2016; and I) EPL Excess Policy and Invoice. Seconded by John Gillison. The motion passed unanimously.

6. 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 10:05 a.m. to discuss the following claims for the payment of employment practices liability incurred by the joint powers authority:

- De La Torre, Romano; Gutierrez, Apolonio; Peltier, Steven; Tisdale, Amber; Watkins, Gregory v. City of Adelanto

- Carter, Margaret; Riley, Anthony v. City of Barstow
- Buera, Michael v. City of Manteca
- Armstrong, Shanae v. City of Pleasant Hill
- Cardenas, Patricia v. City of Rancho Cucamonga

B. Report from Closed Session

The Board reconvened to Open Session at 10:41 a.m. Mr. Greg O'Dea, General Counsel, reported the Board met to discuss the claims listed. With respect to the Armstrong, Shanae v. City of Pleasant Hill matter, the Board voted unanimously to extend settlement authority to the Litigation Manager.

7. COVERAGE MATTERS

A. Discussion Regarding the City of Adelanto's (PERMA) Termination of Participation as a Member of ERMA

Ms. Jennifer Jobe, Executive Director, reported staff conducts an annual analysis of target ratio calculations based upon each member's loss history. As a result of the City of Adelanto's (PERMA) loss history for the 2015/16 Program Year, as of June 30, 2017, the City significantly exceeded the maximums allowed for the three parameters tracked by ERMA; claim severity, claim frequency and loss ratio. In cases such as this, risk assessments are recommended in order to identify the cause of a member's poor loss history and provide assistance to improve overall performance. She further stated Ms. Kathy Maylin, Litigation Manager, was directed to conduct a risk assessment for the City and provide a report to the Board at the June 2018 meeting.

Ms. Jobe provided an overview of the timeline of events related to the City's risk assessment noting on May 1, 2018, a letter was sent to Adelanto City Attorney, Ruben Duran, regarding the Board's approval of an SIR increase to \$250,000, effective July 1, 2018, and notice of the Board's review of the City's continued ERMA participation at their November 5, 2018, meeting.

In response to a question, Ms. Jobe advised the Board has the option to rescind its notice of termination to the City prior to June 30, 2019.

Upon discussion, the Board agreed a letter of termination from ERMA effective July 1, 2019, should be sent to the City. The Board also agreed another SIR increase, from \$250,000 to \$500,000, should be instituted; therefore, staff was directed to agendize the matter for a future Board meeting.

Don White moved to approve the issuance of a notice of termination of participation in ERMA be issued to the City of Adelanto, effective July 1, 2019; seconded by Truc Dever. The motion passed unanimously.

8. FINANCIAL MATTERS

A. Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2018

Ms. Allison Gregg, Sampson, Sampson & Patterson, LLP, was in attendance telephonically to review the draft audited financial statements for the Fiscal Year ended June 30, 2018. Ms. Gregg reviewed the audit parameters, and the program and financial highlights from the 2017/18 Program Year. She briefly discussed the changes in revenues, expenses, assets, and liabilities, noting total revenues increased 7.8% over the prior year; and expenses increased by 14.4% due to the increase in claims expense and an increase in the utilization of Capital Contribution Funds. Ms. Gregg also noted assets decreased 2.4%, and liabilities increased 6%.

Ms. Gregg reviewed the Statement of Net Position, presented in comparison format for the current and prior year. The deposit premium was \$6.8 million, which was an increase of 7.8% over the prior year. This was due to payroll increases of 5.4%, the pooling rate increase of 1.5%, and new members added during the 2017/18 Program Year.

Ms. Gregg noted there were no deficiencies in ERMA's internal controls.

Truc Dever moved to accept and file the ERMA Audited Financial Statements for the Fiscal Year Ended June 30, 2018; seconded by Brett Miller. The motion passed unanimously.

B. Financial Status Report for the Fiscal Year Ended June 30, 2018

Ms. Nancy Broadhurst, Finance Manager, stated typically the Internal Financial Statements are placed on the Consent Calendar for Board approval. However, annually, at the November Board meeting, the Internal Financial Statements and the JPA Performance Report as of the recent year-end are reviewed with the Board.

Ms. Broadhurst reviewed highlights of the Income Statement, which is more detailed than that of the audit. Ms. Broadhurst noted the Retained Earnings from the prior years are \$11.8 million, and the Retained Earnings from the Capital Fund is a designated fund currently at \$763,107.

Ms. Broadhurst discussed the JPA Performance Report, a detailed historical report which has been presented since the inception of the ERMA program. She noted the report shows the Balance Sheet and Statement of Operations for each open Program Year with a breakdown of assessments and dividends that have been levied for each Program Year. Ms. Broadhurst stated the report is continuously updated and is an excellent resource, and offered to send the full report showing all Program Years to Board members upon request.

Sean Scully moved to approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2018, and JPA Performance Report, as of June 30, 2018; seconded by Artesia Dupree. The motion passed unanimously.

C. Discussion Regarding the California Asset Management Program (CAMP) as an Alternative to the Local Agency Investment Fund (LAIF)

Ms. Broadhurst reported at the June 2018 Board meeting, staff presented an alternative to the Local Agency Investment Fund (LAIF) account through the California Asset Management Program (CAMP). She advised ERMA currently keeps a high balance in LAIF in order to have access to liquid cash to pay settlements rather than moving funds the PFM investment portfolio. At the time, staff was asked to bring back the item for further discussion to the next Board meeting with additional information: 1) A list of participating agencies, 2) the average or typical deposit amounts, and 3) amount of assets in the Pool.

Ms. Lesley Murphy, PFM Asset Management, provided an overview on CAMP stating it is a JPA established in 1989 to provide California public agencies with professional investment services at a reasonable cost. She advised some of the cash reserve portfolio benefits include same-day liquidity; competitive yield; interest paid monthly; unlimited transactions via wire, ACH, or check. Ms. Murphy directed the Board to the Listing of Shareholders with account balances in excess of \$200,000 as of September 30, 2018, provided in her presentation included in the agenda. She noted only public agencies in California are permitted to invest in CAMP.

Ms. Murphy provided a comparison of CAMP and LAIF noting CAMP is S&P rated AAAM, whereas LAIF is not. Additionally, as of September 30, 2018, CAMP has a weighted average maturity of 31 days and pays interest monthly, whereas LAIF has a weighted average maturity of 193 days and pays interest on a quarterly basis. She reported since the economy is in a current rising rate environment, CAMP will be more competitive and deliver higher yields than LAIF.

Further, Ms. Murphy stated there is no account size; no transaction minimums or maximums; and the average account deposit is \$26.6 million. She stated the total fund net assets in the cash reserve portfolio as of September 30, 2018, are \$3,594,299,355.

A discussion ensued regarding the fund balances that should be kept in each account, and the Board agreed to transfer 50% of ERMA's funds from LAIF into CAMP, and the amount maintained in CAMP at any given point should never exceed 50% of ERMA's liquid funds. Ms. Broadhurst advised she will work closely with Ms. Truc Dever, Treasurer, to determine the exact amount of funds that should be kept in each account.

Lastly, a question arose regarding whether LAIF and CAMP guarantees of principal funds and staff advised detailed information would be brought back at a future meeting.

Artesia Dupree moved to approve placing 50% of ERMA's LAIF funds into CAMP, with the caveat that CAMP funds not exceed 50% of ERMA's liquid funds at any given time; seconded by Linda Cox. The motion passed unanimously.

9. ADMINISTRATIVE MATTERS

A. Review of 19th Annual Workshop Agenda

Ms. Jobe reported the 19th Annual Workshop will be held February 7-8, 2019, at Wine & Roses in Lodi, California. She advised the Workshop was moved to a new location due to construction occurring at last year's venue, the Dream Inn in Santa Cruz, during the time the Workshop is to be held in 2019.

The Board reviewed a draft of the 19th Annual Workshop and Board meeting agenda. Upon review, the Board agreed under the section titled PLANNING AND PROJECTED OVERVIEW FOR 2019/20 AND BEYOND, Item 3.A., Financial, should be moved after Item 3.D., Training, as discussing financials last would allow that section to flow better since the preceding items affect the financials. Ms. Jobe stated staff would make the change and continue to work with President Ellerbrock to finalize the meeting agenda.

B. Revisions to the Master Program Document for the Pooled Employment Practices Liability Program

Ms. Jobe reported in a review of ERMA's Master Program Document (MPD), the following necessary amendments were noted:

- Page 19: Language was added to Article V, Participation, Section B.2.(b) – Payments of Premiums and Other Charges, *“A Member may be billed an additional amount because of Assessments to bring a Program Year into a state of actuarial soundness, or amounts due for other items.”*
- Page 19: Section B.2.(e) of Article V, Participation is deleted.

Ms. Jobe advised further changes to the MPD will be brought forth at the Annual Workshop; however, staff clarified language with regard to billings to match current practice.

Linda Cox moved to approve the revisions as presented to the Master Program Document for the Pooled Employment Practices Liability Program, effective November 5, 2018; seconded by Truc Dever. The motion passed unanimously.

At 11:43 a.m. the Board recessed for a break and reconvened at 12:03 p.m.

10. LEGAL UPDATE

A. Update from Geoff Sheldon, Liebert Cassidy Whitmore

Mr. Geoff Sheldon, Liebert Cassidy Whitmore, provided the Board with an overview of the new bills approved by Governor Jerry Brown related to workplace harassment, gender discrimination, and retaliation claims inspired by the #MeToo and #TimesUp movements as follow:

- SB 1300 (Amendments to the California Fair Employment and Housing Act, FEHA)
- SB 820 (Settlements of Sexual Harassment Claims)
- AB 3109 (Confidentiality Clauses in Settlement Agreements)
- SB 1343 (Sexual Harassment Training Expanded)
- SB 224 (Expansion of Definition of Sexual Harassment)
- AB 1619 (Increased Statute of Limitations for Sexual Assault)

The Bills, which take effect on January 1, 2019, will greatly impact the litigation of FEHA claims, employer-employee agreements and will expand the requirements for employer training. Mr. Sheldon concluded his presentation by stating the changes to the Bills are not retroactive and should not affect existing litigation.

11. LITIGATION MANAGEMENT

A. Report from Kathy Maylin, Litigation Manager

Ms. Kathy Maylin, Litigation Manager, provided an update on claims activity and litigation management issues noting that over the last two years there has been a 22% increase in claims, while the percentage in litigated claims has dropped from 54% to 29%. Ms. Maylin believes this is due to more members reporting incidents in a timely manner as doing so provides the opportunity for defense counsel and staff to become involved and assist the member in keeping incidents from becoming litigated.

Ms. Maylin advised members should focus on training employees to assist in changing the workplace environment and in return reducing the amount of incidents before they happen. She encourages members to incorporate trainings, not mandated by law, as mandatory trainings within the member agencies as she believes these will help improve the work environments. Ms. Maylin recommended two trainings she believes every agency should make mandatory as follows:

- Management 101 for new and existing managers. She noted several new managers come into their role with no understanding of what it means to be an effective manager. She noted this training is already offered through ERMA.
- City Council training that provides an overview of the scope of Council duties and responsibilities along with the consequences of stepping outside of those duties. Ms. Maylin noted staff will be looking into including this training online in the suite of ERMA trainings.

12. TRAINING/LOSS PREVENTION MATTERS

A. Ad Hoc Training Committee Update

At the Annual Workshop held in February 2018, staff was directed to work with the Ad Hoc Committee to implement a second phase of the policy review initiative. The secondary phase includes the development of high-level management training, as well as introductory supervisor and leadership training.

Ms. Jobe reported the Ad Hoc Committee, comprised of President Scott Ellerbrock, Vice President John Gillison, and Board Members Stuart Schillinger and Linda Cox, and staff outlined objectives to achieve the development of the two identified training programs. Some of the tasks the Committee is currently working on are outlining the training costs for the high and introductory level management trainings, establishing a library of best practices policies as recommended by attorney partners, and identifying the availability of funds for “high priority” members based upon the results of the policy review surveys. Ms. Jobe stated while some members did not have many issues with their policies, there were other members who had old or bad policies in place and will require more assistance. Lastly, she stated the Committee also discussed the possibility of utilizing funds from the Capital Contribution Fund to cover the cost of management and city council trainings for members recommended for a risk assessment, and to require the agency to complete the trainings.

B. 2018 Target Risk Appraisal Recommendations

Ms. Broadhurst reported that annually staff reviews member’s loss performance to aid in determining which members will be recommended for a risk assessment. She noted staff analyzes each Program Year individually to determine frequency, severity, and loss ratio for each member and in aggregate by using payroll, premium, number of claims, and ERMA total incurred data. ERMA’s ratios are then compared to each individual ERMA member. If a member’s ratio exceeds two times ERMA’s ratio in any of the three categories, they are listed for the Litigation Manager’s comments and reviewed for a possible risk assessment.

Ms. Broadhurst stated that once the target ratio calculation summary is completed, it is sent to Ms. Maylin to review and provide comments. Ms. Maylin determines which entities warrant an assessment and provides a report to the Board accordingly.

Ms. Maylin explained her rationale for recommending assessments and noted she will conduct an assessment for the Oakland Housing Authority and provide a report at the June 2019 meeting.

Artesia Dupree moved to approve the Litigation Manager, Kathy Maylin, to conduct a risk assessment for the Oakland Housing Authority; seconded by John Duckett. The motion passed unanimously.

13. CLOSING COMMENTS

A. Board

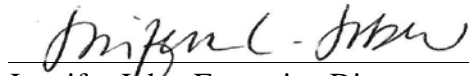
None

B. Staff

Ms. Jobe advised there are two agencies that have made application to ERMA and the Underwriting Committee will be meeting on November 15th to review the applications. She advised staff will be scheduling a special Board meeting in early December for this purpose, and will also add the City of Adelanto SIR increase as an item to that agenda.

14. ADJOURNMENT

The November 5, 2018, ERMA Board of Directors meeting adjourned at 1:02 p.m. by general consent.

A handwritten signature in black ink, appearing to read "Jennifer Jobe", is written over a horizontal line.

Jennifer Jobe, Executive Director

COVERAGE MATTERS

SUBJECT: City of Adelanto (PERMA) Update

BACKGROUND AND STATUS:

Staff will provide an update regarding the City of Adelanto's participation in ERMA.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- Notice of Termination of Membership, dated November 8, 2018

Agenda Item 6.A.



November 8, 2018

Mr. Jessie Flores
City Manager
City of Adelanto
11600 Air Expressway
Adelanto, CA 92301
jflores@ci.adelanto.ca.us

Re: Notice of Termination of Membership

Dear Mr. Flores:

On May 1, 2018, ERMA advised the City of Adelanto ("City") of its decision to increase the City's self-insured retention ("SIR") from \$100,000 to \$250,000 per occurrence, effective July 1, 2018. At that time, the City was also advised that because of the issues identified in the loss history analysis and related concerns, the Board requested the matter of the City's continued participation in ERMA be placed on the agenda for the November 5, 2018, Board meeting.

This letter is to notify the City that pursuant to Article V. Section D. 3.(f) and (g) of the ERMA Master Program Document (outlined below), the ERMA Board of Directors has exercised its right to terminate the City's membership, effective July 1, 2019.

"D. TERMINATION OF PARTICIPATION

3. The Executive Committee or *Board of Directors* may terminate future participation by a *Member* for the following reasons:

- (a) Termination as a member of *ERMA*;
- (b) Declination to cover the *Member* by the organization;
- (c) Nonpayment of past billings, *Assessments*, *Equity Allocation Adjustments*, or other charges;
- (d) Habitual late payment of billings, *Assessments*, retrospective adjustments, and/or other charges, or habitual late response in submitting data required by the PEPLP;
- (e) Failure to provide underwriting information;
- (f) Development of an extraordinary poor loss history;
- (g) A substantial change in exposures which are not acceptable in this program;
- (h) Financial impairment that is likely to jeopardize this program's ability to collect amounts due in the future;
- (i) Failure to comply with loss control services, training or compliance auditing programs adopted by *ERMA*;
- (j) Conduct detrimental to *ERMA*; and/or

1750 Creekside Oaks Drive, Suite 200
Sacramento, California 95833
800.541.4591 Fax 916.244.1199



- (k) Termination of the *Member* by its primary joint powers authority.”

This letter shall serve as written notice of termination from the Board of Directors to the City, effective July 1, 2019, pursuant to Article V. Section D. 1. of the ERMA Master Program Document (outlined below).

“1. A *Member* in one *Program Year* shall participate in the next *Program Year* unless, at least six months before the next *Program Year*:

- (a) a written request to terminate participation is received from the *Member*, or
- (b) a written termination notice from the Executive Committee or *Board of Directors* has been sent to the *Member*.”

The Board unanimously voted to terminate the City’s participation in ERMA on the basis of the City’s loss history, information from the risk assessment including information regarding the City’s management and organization, causes of claims and the substantial increase in claims.

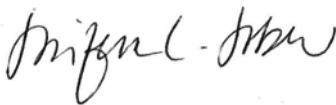
Additionally, please be aware that the City will still be required to fulfill all obligations outlined in the applicable ERMA governing documents and specifically, Article V. Section D. 2. of the ERMA Master Program Document.

“D. TERMINATION OF PARTICIPATION

- 2. Termination of participation in future *Program Years* does not relieve the terminated *Member* of any benefits or obligations of those *Program Years* in which the *Member* participated. These obligations include payment of *Assessments*, *Equity Allocation Adjustments*, wrap-up costs, or any other amounts due and payable.”

If you have any questions, please contact me at (916) 244-1141.

Sincerely,



Jennifer L. Jobe
ERMA Executive Director

cc: Scott Ellerbrock, ERMA President
ERMA Board of Directors
Gregory P. O’Dea, ERMA Board Counsel
Kathy Maylin, ERMA Litigation Manager

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective New Member Application – City of Santa Maria (ERMAC)

BACKGROUND AND STATUS:

The City of Santa Maria is re-applying for membership in ERMA through ERMAC and has requested a \$250,000 self-insured retention (SIR). The City previously applied and was approved for membership and participation in ERMA at a \$500,000 SIR at the June 13, 2016, Board of Directors meeting. Following approval by the Board, the City rescinded its application. The City currently reports payroll of \$47,947,627, an approximate 18% increase from the reported 2016 payroll of \$40,716,921.

The City reports 466 full-time and 70 part-time employees. The information provided in the application indicates the City has written personnel policies and procedures and legal counsel regularly reviews and updates the policies. Per the application, the City has incurred five EPL-related claims within the previous seven fiscal years, with a total incurred of \$2,840,712. This data reflects two additional losses since the City's application in 2016. However, it reflects a reduction in total incurred of \$1,072,296 due to a loss which is no longer contemplated as part of the loss history. There were also recognized recoveries on another loss.

Staff will provide the Board with detailed loss history information. The application states the City is in compliance with AB 1825 training requirements.

The Underwriting Committee met on November 15, 2018, and reviewed the City's application and the enclosed reference materials. Given the size of the City's payroll, coupled with recent loss experience, the Underwriting Committee and staff recommend the Board consider approval of membership in ERMA at a \$500,000 SIR, effective January 1, 2019, with the express condition that any EPL claims are to be defended by an approved member of ERMA's defense panel.

RECOMMENDATION:

The Underwriting Committee recommends approval of the City of Santa Maria as an underlying member of ERMAC at a \$500,000 SIR, effective January 1, 2019, with the caveat that any EPL claims are to be defended by an approved member of ERMA's defense panel.

REFERENCE MATERIALS ATTACHED:

- City of Santa Maria Completed Potential New Member Application
- City of Santa Maria Premium Indication
- Target Ratio Analysis

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

LIABILITY COVERAGE APPLICATION

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

ENTITY NAME: <u>City of Santa Maria</u>		Date: <u>3/21/18</u>
EMPLOYMENT PRACTICES INFORMATION		
A. Policies and Procedures		
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. 15	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No not all of these
4.	Are the following policies or procedures included in the manual? Check all that apply:	
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination <input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave <input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline <input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Anti-Harassment Policies
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees	
	<input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure	
5. 6	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No not all of them
	If no, when was the manual or rules last reviewed?	
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <small>some by council others by city manager</small>
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>If you answered no to any of the above, please use this space to provide more information:</i>		

B. Employee Information						
1.	Number of Full Time Employees: 466					
2.	Number of Part time Employees: 70					
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?					
	2013	9	%	2014	9	%
	2015	15	%	2016	4	%
	2017	6	%			
4.	How many involuntary employment terminations have occurred in the past two years?					
	2016	5			2014	4

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>	
	5.	Percentage of Employees with salaries less than \$100,000 91 %	Should = 100%
	6.	Percentage of Employees with salaries greater than \$100,000 9 %	

C. Employment Practices Claims Handling		
1.	Who in the Entity has been designated to handle claims? City Attorney Office	
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(b) Do you require written claims for EEO-related complaints?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: Provided in Harassment policy and grievance section	
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the DFEH, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?	
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please describe handling of this function:	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 training records:	
7.	Does your entity provide AB 1825 training for non-supervisory employees (i.e., "top to bottom" training)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8.	Are elected officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. DESIRED SELF-INSURED RETENTION						
<input type="checkbox"/> \$25K	<input type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input type="checkbox"/> \$100K	<input checked="" type="checkbox"/> \$250K	<input checked="" type="checkbox"/> \$500K	
<p><i>Please attach the following:</i></p> <ul style="list-style-type: none"> • <i>Member application fee of \$2,500 for prospective JPAs. (Upon approval and completion of the first year of membership, a credit in the amount equal to the fee remitted upon application will be issued in the form of a premium credit.)</i> • <i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i> • <i>Payroll information for the previous 7 completed calendar years;</i> • <i>Completed resolution authorizing participation in ERMA;</i> • <i>Completed intent to participate; and</i> • <i>Most Recent Financial Audit.</i> 						

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

City of Santa Maria
Agency or Entity Name

Melissa Guerrero
Applicant's Name (please print)

Management Analyst
Title

[Signature]
Applicant's Signature

3/28/18
Date

EMPLOYMENT RISK MANAGEMENT AUTHORITY PREMIUM INDICATION

ERMAC

Name of Entity	City of Santa Maria
2017 Payroll	\$42,388,293
Coverage Period	July 1, 2018 to June 30, 2019

CALCULATION

Member Retained Limit Options		\$100,000	\$250,000	\$500,000
Retained Limit Factor		0.82	0.48	0.19
Retained Limit Rate		0.391	0.229	0.091
Defense & Indemnity: Pooled Funding		\$165,798	\$97,052	\$38,417
Administration	0.0550	23,307	23,307	23,307
Loss Prevention & Training	0.0068	2,871	2,871	2,871
Subtotal		\$191,976	\$123,231	\$64,595
JPA Participation Credit	6.65%	(\$12,765)	(\$8,194)	(\$4,295)
Individual Experience Mod Factor *		1.000		
Off-Balance Factor		0.853		
TOTAL ERMA PREMIUM **		\$152,911	\$98,155	\$51,451

* New members are assigned an experience modification factor of 1.000 their first year in ERMA.

** Premium prorated based on date of inception of coverage.

2018 ERMA Target Ratio Calculation
City of Santa Maria

Program Year	Data Used In Calculations				Target Ratios		
	6 Total Incurred *	7 # of Claims	8 Payroll	9 Deposit Premium	10 Frequency (7 / 8/100,000)	11 Severity (6 / 8/100,000)	12 Loss Ratio (6 / 9)
2012/2013	\$2,154,177	3	\$33,206,225		0.90%	648.73%	N/A
2013/2014	\$436,377	2	\$32,695,659		0.61%	133.47%	N/A
2014/2015	\$0	0	\$37,637,536		0.00%	0.00%	N/A
2015/2016	\$0	1	\$40,297,590		0.25%	0.00%	N/A
2016/2017	\$170,404	1	\$45,394,644		0.22%	37.54%	N/A

2012/2013			2013/2014			2014/2015			2015/2016			2016/2017		
Target Ratios			Target Ratios			Target Ratios			Target Ratios			Target Ratios		
Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio
2.49%	106%	80%	3.04%	169%	80%	2.06%	139%	80%	2.29%	109%	80%	2.40%	27%	80%
0.90%	648.73%	N/A	0.61%	133.47%	N/A	0.00%	0.00%	N/A	0.25%	0.00%	N/A	0.22%	37.54%	N/A

* Each individual claim over \$25,000

ERMA's Target
One parameter exceeded
Two parameters exceeded
Three parameters exceeded

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective New Member Application – Central Marin Fire Authority (BCJPIA)

BACKGROUND AND STATUS:

The Central Marin Fire Authority is a joint powers authority, consisting of the City of Larkspur and the Town of Corte Madera. The Central Marin Fire Authority is applying for membership in ERMA through BCJPIA and has requested a \$100,000 self-insured retention (SIR). The Authority reports payroll of \$5,874,158.

The information provided on the Authority's application indicates that although the Authority has written policies and procedures in place which have not been reviewed within the previous five years, further revisions are planned for December 2018.

The Authority reports 37 full-time employees, has incurred no EPL-related claims within the previous seven fiscal years and issued a letter attesting to "No Known Losses".

The Underwriting Committee met on November 15, 2018, and reviewed the Authority's application with the enclosed reference materials. Upon review, the Committee agreed the Authority would be a good fit as a member of ERMA.

Following the November 15, 2018 Underwriting Committee meeting, the Central Marin Fire Authority advised staff that due to various issues involved with the formation of a new entity, they would like coverage effective January 1, 2019 at a \$250,000 SIR. The Authority further advised they will seek to reduce their SIR to \$100,000 at the start of the 2019/20 Program Year.

RECOMMENDATION:

Staff recommends the Board approve Central Marin Fire Authority as an underlying member of BCJPIA at a \$250,000 SIR, effective January 1, 2019.

REFERENCE MATERIALS ATTACHED:

- Central Marin Fire Authority Completed Potential New Member Application
- Central Marin Fire Authority Premium Indication

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

LIABILITY COVERAGE APPLICATION

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

ENTITY NAME: Central Marin Fire Authority	Date: 10/30/2018	
EMPLOYMENT PRACTICES INFORMATION		
A. Policies and Procedures		
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. 5.4	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	Are the following policies or procedures included in the manual? Check all that apply:	
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination <input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave <input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline <input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Anti-Harassment Policies
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees	
	<input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure	
5. 2.7	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, when was the manual or rules last reviewed? To be approved by Fire Council December/2018	
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If you answered no to any of the above, please use this space to provide more information:</i>	

B. Employee Information					
1.	Number of Full Time Employees: 37				
2.	Number of Part time Employees: 0				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?				
	2018	0	%	2017	5.4 %
	2016	5.4	%	2015	2.7 %
	2014	2.7	%		
4.	How many involuntary employment terminations have occurred in the past two years?				
	2018	0	2017		0

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>	
	5.	Percentage of Employees with salaries less than \$100,000 18.92 %	Should = 100%
	6.	Percentage of Employees with salaries greater than \$100,000 81.08 %	

C. Employment Practices Claims Handling	
1.	Who in the Entity has been designated to handle claims? Fire Chief Scott Shurtz
2.	<div> (a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <div> (b) Do you require written claims for EEO-related complaints? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div>
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: See Attached Policy.
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the DFEH, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please describe handling of this function:	
2. 5.4	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 training records:	
7.	Does your entity provide AB 1825 training for non-supervisory employees (i.e., "top to bottom" training)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. DESIRED SELF-INSURED RETENTION						
<input type="checkbox"/> \$25K	<input type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input checked="" type="checkbox"/> \$100K	<input type="checkbox"/> \$250K	<input type="checkbox"/> \$500K	
Please attach the following:						
<ul style="list-style-type: none"> • <i>Member application fee of \$2,500 for prospective JPAs. (Upon approval and completion of the first year of membership, a credit in the amount equal to the fee remitted upon application will be issued in the form of a premium credit.)</i> • <i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i> • <i>Payroll information for the previous 7 completed calendar years;</i> • <i>Completed resolution authorizing participation in ERMA;</i> • <i>Completed intent to participate; and</i> • <i>Most Recent Financial Audit.</i> 						

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

Central Marin Fire Authority

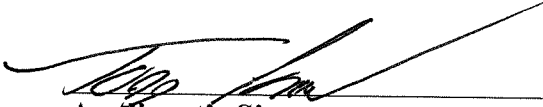
Agency or Entity Name

Todd Cusimano

Executive Manager

Applicant's Name (please print)

Title



Applicant's Signature

10/30/2018

Date

EMPLOYMENT RISK MANAGEMENT AUTHORITY PREMIUM INDICATION

BCJPIA

Name of Entity	Central Marin Fire Authority
2017/2018 Payroll	\$5,874,158
Coverage Period	July 1, 2018 to June 30, 2019

CALCULATION

Member Retained Limit Options		\$50,000	\$75,000	\$100,000
Retained Limit Factor		1.00	0.90	0.82
Retained Limit Rate		0.477	0.429	0.391
Defense & Indemnity: Pooled Funding		\$28,020	\$25,218	\$22,976
Administration	0.0566	3,324	3,324	3,324
Loss Prevention & Training	0.0070	409	409	409
Subtotal		\$31,753	\$28,951	\$26,709
JPA Participation Credit	4.85%	(\$1,541)	(\$1,405)	(\$1,296)
Individual Experience Mod Factor *		1.000		
Off-Balance Factor		0.930		
TOTAL ERMA PREMIUM **		\$28,093	\$25,614	\$23,631

* New members are assigned an experience modification factor of 1.000 their first year in ERMA.

** Premium prorated based on date of inception of coverage.

FINANCIAL MATTERS

SUBJECT: Update Regarding the Local Agency Investment Fund (LAIF)

BACKGROUND AND STATUS:

At the November 5, 2018, meeting, the Board requested information as to whether the Local Agency Investment Fund (LAIF) provides a guarantee of principal funds.

Ms. Kim McCorstin, LAIF Administrator, advised that LAIF currently does not have a written guarantee regarding the protection of principal funds, but in Ms. McCorstin's experience, she has never known of a program participant to lose principal.

Enclosed for the Board's reference, is a copy of the relevant FAQ excerpt from LAIF's Information Digest.

RECOMMENDATION

None

REFERENCE MATERIAS ATTACHED:

- LAIF Information Digest – Pages 28-30

THE LOCAL AGENCY INVESTMENT FUND INFORMATION DIGEST



A VOLUNTARY INVESTMENT PROGRAM FOR CALIFORNIA LOCAL GOVERNMENTS
ADMINISTERED BY THE CALIFORNIA STATE TREASURER

JOHN CHIANG

September 30, 2018



Interest

What's the current interest rate on the Pool?

For current interest rates on the Pool, go to http://www.treasurer.ca.gov/pmia-laif/performance/PMIA-LAIF_perform.pdf

What methodology is used to calculate interest (simple maturity, yield to maturity, etc.)?

Interest is calculated on a dollar-day basis to guarantee equitable distribution among all member funds.

How frequently is interest paid?

Interest is paid quarterly and is posted to the LAIF accounts on the 15th of the month, or previous business day if the 15th is a non-working day, after the quarter end (i.e., January 15, April 15, July 15 and October 15).

How are gains and/or losses reported (factored monthly or only when realized)?

Gains and/or losses are reported when realized.

Reporting

How often is the portfolio yield reported to participants?

The portfolio yield is updated weekly. See "PMIA/LAIF Performance" at http://www.treasurer.ca.gov/pmia-laif/performance/pmia-laif_perform.pdf. To receive weekly electronic performance updates, please contact LAIF staff at 916-653-3001 to be added to the subscriber list.

Are administrative fees of the Pool deducted before quoting the yield?

No. The yield is quoted prior to deduction of administrative fees.

Where can I find reporting documents for the Pool?

The following reports can be found at <http://www.treasurer.ca.gov/pmia-laif/pmia/index.asp> under "Reporting Documents": Disclosure Statements, Market Valuation, Maturity Schedule, Monthly Reports, Quarterly Reports, Annual Reports, and Independent Auditor's Report by Bureau of State Audits.

Is the Pool insured?

No. However, due to the portfolio's characteristics, credit risk is minimal.

Securities

Does the Pool provide a written statement of the PMIA Investment Policy?

Yes. A written statement of the PMIA Investment Policy can be found at www.treasurer.ca.gov/pmia-laif/answer/policy.pdf. The policy includes a description of authorized securities, credit standards of investments, allowable maturity range of investments, the maximum allowable dollar weighted average portfolio maturity, the limits of portfolio concentration permitted for each type of security, and the policy on reverse repos.

Is the Pool rated?

No. The Pool is not rated.

Security

What are the safekeeping practices of the Pool?

The Treasurer may place and maintain for safekeeping as a trust deposit with any qualified trust company, other than the depositor bank, or with the federal reserve bank or any branch thereof any securities that have been received by the Treasurer. (Government Code Section 16551) The Treasurer utilizes a custodian bank.

Is the Pool subject to audit by an independent auditor?

Yes. The Pool is audited annually by the Bureau of State Audits and the resulting report is posted to the website at www.treasurer.ca.gov/pmia-laif/reports/bsa.pdf.

Who makes the portfolio decisions?

Investment decisions are made by the State Treasurer and the Investment Division staff of the State Treasurer's Office.

How do the investment managers monitor the credit risk of the securities in the Pool?

A written statement of portfolio management goals, objectives and policies, along with independent market valuations, are used to monitor the credit risk of the securities in the Pool.

How is the Pool monitored?

The Pool is monitored by the Pooled Money Investment Board, Local Investment Advisory Board and the Bureau of State Audits to ensure compliance with written policies.

How often are the portfolio's market and securities value reported?

These values are reported quarterly and can be found at www.treasurer.ca.gov/pmia-laif/reports/quarterly.asp.

What method is used to value the portfolio?

The amortized cost and current value methods are used to value the portfolio.

Does the pool distribute detailed reports of its holdings?

Yes. These reports are distributed on a monthly basis and can be found at www.treasurer.ca.gov/pmia-laif/reports/monthly.asp.