



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

**Monday, November 4, 2019
10:00 a.m.**

**PARSAC
1525 Response Road, Suite 1
Sacramento, CA 95815
(916) 927-7727**

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Mona Hedin at (916) 290-4645 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 at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

<u>Page</u>	1. CALL TO ORDER
	2. INTRODUCTIONS
	3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)
	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.
5	*A. Minutes of May 17, 2019, Special Board of Directors Meeting and Summary of Action Items
7	*B. Minutes of June 11, 2019, Board of Directors Meeting and Summary of Action Items
15	*C. General Warrants from June 1, 2019, through September 30, 2019
16	*D. Claims Payments from June 1, 2019, through September 30, 2019

- 18 *E. Petty Cash Statement from June 1, 2019, through September 30, 2019
- 19 *F. Treasurer's Report as of June 30, 2019
- 49 *G. PFM Quarter Ended June 30, 2019 Review of Investment Portfolio
- 87 *H. Sedgwick Acquisition of York
- 89 *I. Murphy, Campbell, Alliston & Quinn Legal Services Agreement
- 92 *J. AGRiP Fall Forum Report
- 93 *K. EPL Excess Invoice and Policy

Recommendation: Approval of the Consent Calendar.

6. FINANCIAL MATTERS

- 112 *A. Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019
Recommendation: Staff recommends the Board of Directors accept and file the ERMA Audited Financial Statements for the Fiscal Year Ended June 30, 2019.
- 148 *B. Financial Status Report for the Fiscal Year Ended June 30, 2019
Recommendation: Staff recommends the Board of Directors approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2019, and IPA Performance Report, as of June 30, 2019.

7. ADMINISTRATIVE MATTERS

- 162 A. Appointment of Mona Hedin as Board Secretary
Recommendation: Staff recommends the Board of Directors appoint Mona Hedin as Board Secretary, effective November 4, 2019.
- 163 *B. Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law
Recommendation: Staff recommends the Board of Directors approve Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law.
- 166 *C. Review of 20th Annual Workshop Agenda
Recommendation: Staff recommends the Board of Directors direct staff to work with the President to finalize the agenda for the workshop.

8. MEMBERSHIP MATTERS

- 169 *A. Review of Prospective New Member Application – City of Rancho Mirage (PERMA)
Recommendation: The Underwriting Committee recommends the Board of Directors approve the City of Rancho Mirage as an underlying member of PERMA at a \$50,000 SIR, effective January 1, 2019.

9. COVERAGE MATTERS

- 175** *A. City of Hayward (ERMAC) Appeal of Denial of Coverage
 Recommendation: Staff recommends the Board of Directors provide direction as necessary.
- 181** *B. City of El Cerrito (MPA) Appeal of Denial of Coverage
 Recommendation: Staff recommends the Board of Directors provide direction as necessary.

10. TRAINING/LOSS PREVENTION MATTERS

- 192** *A. 2019 Target Risk Appraisal Recommendations
 Recommendation: Based upon the outcome of the 2019 ratio calculations, staff has not identified any member agencies for a targeted risk assessment.

11. CLAIMS MATTERS

- 195** A. Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:
- Guzman v. City of Brentwood
 - Stoll v. City of Meniffee
 - Stordahl v. City of Rialto
 - Martinez v. City of Watsonville
- B. Report from Closed Session
- Pursuant to Government Code 54957.1, the Board of Directors must report in open session any action, or lack thereof, taken in closed session.

12. CLOSING COMMENTS

This time is reserved for comments by the Board of Directors members and staff and to identify matters for future Board of Directors business.

- A. Board of Directors
- B. Staff

13. ADJOURNMENT

NOTICES:

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

- Thursday, February 6, 2020, 11:00 a.m. – Annual Workshop, Dream Inn, Santa Cruz, CA
- Friday, February 7, 2020, 9:00 a.m. – Board Meeting, Dream Inn, Santa Cruz, CA
- Tuesday, April 28, 2020, 9:00 a.m. – Sacramento, CA
- Tuesday, June 9, 2020, 9:00 a.m. – Sacramento, CA

* Reference materials enclosed with staff report.

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and typically require no discussion. Should the Board wish 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 May 17, 2019, Special Board of Directors Meeting and Summary of Action Items
- B. Minutes of June 11, 2019, Board of Directors Meeting and Summary of Action Items
- C. General Warrants from June 1, 2019, through September 30, 2019
- D. Claims Payments from June 1, 2019, through September 30, 2019
- E. Petty Cash Statement from June 1, 2019, through September 30, 2019
- F. Treasurer's Report as of June 30, 2019
- G. PFM Quarter Ended June 30, 2019 Review of Investment Portfolio
- H. Sedgwick Acquisition of York
Jeff Johnston, Vice President, Pooling, will be in attendance to answer any questions from the Board of Directors regarding Sedgwick's acquisition of York.
- I. Murphy, Campbell, Alliston & Quinn Legal Services Agreement
Following the issuance of a Request for Proposals for Board and Coverage Counsel Services, the Ad Hoc Committee comprised of President John Gillison, Vice President Truc Dever, Treasurer Stuart Schillinger and Past President Scott Ellerbrock, reviewed the received proposals and conducted in-person interviews with four candidates. The Committee recommends the Board of Directors approve engaging Doug Alliston, Murphy, Campbell, Alliston & Quinn, effective November 1, 2019 via the attached Agreement.
- J. AGRiP Fall Forum Report
Artesia Dupree, Oakland Housing Authority, attended the AGRiP Fall Forum, October 6-9, 2019. Ms. Dupree will be in attendance to answer any questions from the Board of Directors.
- K. EPL Excess Invoice and Policy

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
MINUTES OF THE SPECIAL BOARD OF DIRECTORS
MEETING OF MAY 17, 2019**

A special meeting of the Board of Directors of ERMA was held on May 17, 2019, via teleconference.

BOARD MEMBERS PRESENT: Scott Ellerbrock, President, PERMA
John Gillison, Vice President PARSAC
Truc Dever, Treasurer, VCJPA
Stuart Schillinger, BCJPIA
Sean Scully, CSJVRMA
Rob Thompson, CalTIP
Don White, ERMA
Linda Cox, MPA
Brett Miller, MBASIA
John Duckett, SCORE
Charlene Calica, HA of Contra Costa Co.
Artesia DuPree, Oakland Housing Authority

BOARD MEMBERS ABSENT: None

ALTERNATE MEMBERS PRESENT: Deneen Proctor, CSJVRMA

ALTERNATE MEMBERS ABSENT: Todd Cusimano, BCJPIA
George Fink, CalTIP
Tracy Robinson, MPA
Nataline Jidoinan, HA of Contra Costa Co.
Kerry Trost, PERMA
Jamie Goldstein, MBASIA
Roger Carroll, SCORE
Jamie Scott, VCJPA

OTHERS PRESENT: Jennifer Jobe, Executive Director
Kathy Maylin, Litigation Manager

1. CALL TO ORDER

The May 17, 2019, Special Board of Directors meeting was called to order at 9:01 a.m. by President Scott Ellerbrock.

2. INTRODUCTIONS

A roll call was taken and it was determined a quorum was established.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

John Gillison, PARSAC, moved to approve the amended agenda as posted. Seconded by Brett Miller, MBASIA. Motion passed by unanimous roll call vote.

4. PUBLIC COMMENTS

None.

5. COVERAGE MATTERS

A. City of Parlier's (CSJVRMA) Request for Arbitration or Withdrawal from Participation in ERMA

Following ERMA's October 2, 2018, denial of coverage regarding Case File No. E-CSJVRMA-2018-001, the City of Parlier (City) presented an appeal at the February 8, 2019 Board of Directors meeting. After hearing the appeal, the Board affirmed the coverage denial and notice of such was provided to the City on February 11, 2019.

In accordance with ERMA's Memorandum of Coverage, a member, once having exhausted all rights to appeal as established by the Bylaws, may contest the Board's decision by submitting a written request for binding arbitration within (90) ninety days of written notice of the Board's decision.

On May 9, 2019, the City submitted a written request for arbitration or consideration of immediate withdrawal from participation in ERMA.

Staff presented and discussed with the Board of Directors the various considerations relative to the withdrawal provisions of ERMA's governing documents.

Linda Cox moved to approve the City of Parlier's request for withdrawal from participation in ERMA, effective June 30, 2019. Seconded by Don White. The motion passed by unanimous roll call vote.

6. CLOSING COMMENTS

A. Board

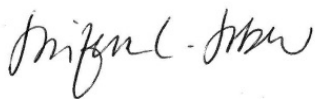
None.

B. Staff

None.

7. ADJOURNMENT

The May 17, 2019, Special ERMA Board of Directors meeting adjourned at 9:16 a.m. by general consent.



Jennifer Jobe, Executive Director

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF JUNE 11, 2019

A regular meeting of the Board of Directors of ERMA was held on June 11, 2019, at the PARSAC 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, CSJVRMA
Brett Miller, MBASIA
John Duckett, SCORE
Charlene Calica, CCCHA
Artesia Dupree, OHA

BOARD MEMBERS ABSENT: Don White, ERMAC
Linda Cox, MPA

ALTERNATE MEMBERS PRESENT: Kin Ong, PARSAC

ALTERNATE MEMBERS ABSENT: Kerry Trost, PERMA
Jamie Scott, VCJPA
Todd Cusimano, BCJPIA
George Fink, CalTIP
Deneen Proctor, CSJVRMA
Jamie Goldstein, MBASIA
Tracy Robinson, MPA
Drew Felder, OHA
Roger Carroll, SCORE
Nataline Jindoian, CCCHA

OTHERS PRESENT: Jennifer Jobe, Executive Director
Nancy Broadhurst, Finance Manager
Kathy Maylin, Litigation Manager
Mona Nicolae, Litigation Analyst
Greg O'Dea, General Counsel
Mike Christian, Jackson Lewis
Suzanne Solomon, Liebert Cassidy Whitmore
Jaesa McCulligan, BCJPIA
Chrissy Mack, CalTIP/VCJPA
Jeanette Workman, CSJVRMA
Mike Simmons, Alliant Insurance Services
Tim Farley, Farley Consulting Services
Alana Theiss, York

Katie Achterberg, York
Katie O'Brien, York
Jeff Johnston, York

1. CALL TO ORDER

The June 11, 2019, Board of Directors meeting was called to order at 10:00 a.m., by President Scott Ellerbrock.

2. INTRODUCTIONS

A majority of the members were present constituting a quorum.

3. STAFFING UPDATE

Jennifer Jobe, Executive Director, advised a new Analyst & Training Coordinator, Mona Hedin, will be joining ERMA staff, effective Monday, June 17, 2019. Ms. Jobe also stated Nancy Broadhurst will be retiring June 15, 2019, and Alana Theiss will replace

Ms. Broadhurst as ERMA's Finance Manager, effective immediately.

4. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

John Gillison moved to approve the agenda as posted; seconded by Brett Miller. The motion passed unanimously.

5. PUBLIC COMMENTS

None.

6. CONSENT CALENDAR

Truc Dever moved to approve the following items A) Minutes of April 30, 2019 Board of Directors Meeting and Summary of Actions; B) General Warrants from April 16, 2019, through May 31, 2019; C) Claims Payments from April 16, 2019, through May 31, 2019; D) Petty Cash Statements from April 16, 2019, through May 31, 2019; E) Treasurer's Report as of March 31, 2019; F) Internal Financial Statements as of March 31, 2019; G) AGRiP Governance & Leadership Conference Report; H) Memorandum of Coverage for the 2019/20 Program Year; seconded by Brett Miller. The motion passed unanimously.

7. 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 10:03 a.m. to discuss the following claims:

- Aldoud v. City of Adelanto
- Tisdale v. City of Adelanto
- Newman v. City Of Rialto

B. Report from Closed Session

The Board reconvened to open session at 10:11 a.m. The Board met to discuss the claims listed above.

8. ELECTION OF OFFICERS FOR THE 2019/20 and 2020/21 PROGRAM YEARS

Ms. Jobe advised the current terms for the President, Vice President and Treasurer will expire June 30, 2019. Ms. Jobe stated President Scott Ellerbrock has elected to step down and as such, a recommendation for the succeeding slate of Officers was presented to include the following:

John Gillison, President; Truc Dever, Vice President; and Stuart Schillinger, Treasurer.

Sean Scully moved to elect John Gillison as President, Truc Dever as Vice President and Stuart Schillinger as Treasurer for a two-year term, effective July 1, 2019; seconded by John Duckett. The motion passed unanimously.

9. ADMINISTRATIVE MATTERS

A. 2019/20 Goals and Objectives Update

Ms. Jobe provided an update regarding the goals and objectives established by the Board at the February workshop.

1. Ad Hoc Training Committee to focus upon tasks identified by the Board relative to:
 - Management, distribution and addition of Capital Contribution Fund monies.
 - Development of guidelines to identify and aid member agencies with personnel policy updates and human resources training.
 - Development and implementation of an ERMA Management Academy.

Ms. Jobe advised the ad hoc committee met with staff on May 23, 2019, and will provide an update under a later agenda item.

2. Complete proposed revisions and amendments to ERMA governing

documents.

Ms. Jobe advised a comprehensive review and analysis was completed of the Memorandum of Coverage (MOC), Master Program Document and various resolutions at the February Board meeting. These documents were included on the Consent Calendar and therefore approved with the agenda item.

3. Identify eDiscovery vendor options

Ms. Jobe confirmed this goal is in progress. Staff will research vendor options and provide a report at the November meeting.

B. Claims Audit Prepared by Tim Farley

Tim Farley, Farley Consulting, provided a summary of the Claims Audit report. Mr. Farley conducted an audit employment liability claims incurred by ERMA members. Mr. Farley reported minor deficiencies with diary maintenance and status updates on some claims. Overall, the report shows claims are in excellent condition. Despite significant recent staffing changes, Mr. Farley believes the claims are properly staffed.

Mr. Farley reviewed his background and methodology for the claims selection. The audit was conducted at the York Risk Services office in Sacramento, California on April 9-10, 2019. Mona Nicolae, Litigation Analyst and Kathy Maylin, Litigation Manager, served as Mr. Farley's contacts and provided additional communication on April 12, 2019, and April 15, 2019.

Mr. Farley explained ERMA has a unique process for case reserves which he believes to be appropriate. The separate reserve category, termed Self-Insured Retention (SIR), tracks deterioration of claims and allows Mr. Farley to see how claims are affecting ERMA's layer. No inaccurate reserves were discovered in the audit.

Mr. Farley utilized Resolution No. 2017-8, Establishing Criteria for the Approval of Investigators, during the claims investigations. He reiterated the program's unique qualities and deemed it appropriate that both investigators are attorneys. The audit of the forty claims found no claims investigation deficiencies.

Mr. Farley utilized Resolution No. 2018-1, Establishing a Litigation Management Program, to assist in evaluating litigation management performance. Mr. Farley noted every claim involved litigation, which he deemed appropriate for the program. He noted of the forty claims, four were deficient in showing status updates from defense counsel.

Ms. Maylin responded to the deficiencies found in the audit.

Ms. Maylin agreed that three of the four open claims lacked timely status reports from defense counsel. Ms. Maylin advised procedures have been implemented to ensure

compliance from defense counsel with regard to timely status reports.

Ms. Maylin also commented on inappropriate diary notation. The claim in question was pending defense counsel's response, requiring them to wait to close the claim due to billing needs.

Mr. Ellerbrock stated the deficiencies were minor and believed the audit results were very good.

Truc Dever moved to accept and file the Employment Practices Liability Claims Audit Report; seconded by Artesia Dupree. The motion passed unanimously.

C. Request for Proposal for Board and Coverage Counsel Services

Ms. Jobe stated ERMA has engaged the services of Greg O'Dea, Longyear, O'Dea & Lavra, LLP, for Board and Coverage Counsel since September 2013. As a matter of due diligence, staff recommended the Board of Directors review and determine the need for ERMA to issue a Request for Proposal (RFP) for such services. An outline of the RFP process and timeline and list of suggested recipients was provided to the Board for review and consideration.

Discussion ensued regarding pursuit of an RFP. A determination was made to issue an RFP that clearly outlines ERMA's expectations within the scope. An ad hoc committee, comprised of John Gillison, Truc Dever, Stuart Schillinger, and Scott Ellerbrock was established to work with staff to manage the RFP process.

John Duckett moved to issue a Request for Proposal for Board Coverage and Counsel Services; seconded by Artesia Dupree. The motion passed unanimously.

10. COVERAGE MATTERS

A. Discussion and Action Regarding Excess Coverage for the 2019/20 Program Year

Mike Simmons, Alliant, presented a renewal proposal for ERMA's optional Excess Employment Practices Liability program, effective July 1, 2019. Mr. Simmons noted as a result of the positive, long-standing relationship with the excess carrier, RSUI, the renewal was presented under the same terms and limits as expiring.

Artesia Dupree moved to authorize binding excess coverage with RSUI for the 2019/20 Program Year with the same terms and limits as expiring; seconded by Brett Miller. The motion passed unanimously.

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

Mr. Ellerbrock confirmed the City of Adelanto will terminate participation in PERMA,

effective June 30, 2019. As the City will terminate its participation in PERMA, they will cease as members of ERMA.

C. Request from the Central Marin Fire Authority (BCJPIA) to Reduce Self-Insured Retention

Ms. Jobe advised the Central Marin Fire Authority (CMFA), a member since January 1, 2019, has requested an SIR reduction from \$250,000 to \$100,000, effective July 1, 2019. She stated in November 2018, CMFA provided a letter attesting to “No Known Losses” and have not reported any losses since joining ERMA.

John Gillison moved to approve the request from the Central Marin Fire Authority to reduce their self-insured retention from \$250,000 to \$100,000, effective July 1, 2019; seconded by Truc Dever. The motion passed unanimously.

11. FINANCIAL MATTERS

A. Proposed Administrative and Operating Budget for the 2019/20 Program Year

Nancy Broadhurst, Finance Manager, reviewed the Proposed 2019/20 Budget featuring funding at the 80% confidence level (CL), the same CL used in the 2018/19 Approved Budget. Ms. Broadhurst advised the 2019/20 Budget represents an overall increase of 8.6%, or \$615,221 over the 2018/19 Approved Budget. She noted two primary drivers to the overall increase; 6.2% increase in payroll and 5.4% increase in the funding rate. There is a 40.2% increase in the Loss Prevention and Training portion due to 20 new trainings recently approved.

Ms. Broadhurst reviewed various administration line items, which resulted in a 1.3% increase in the Administration portion of the budget.

Brett Miller moved to approve the 2019/20 Proposed Operating Budget at the 80% Confidence Level; seconded by Artesia Dupree. The motion passed unanimously.

B. Review of Annual Retrospective Adjustment Calculation

Ms. Broadhurst reviewed the financial position of ERMA and confirmed the program is funded well above the 90% confidence level (CL) and further stated as of March 31, 2019, ERMA’s surplus is \$14,075,239 at the expected CL. Ms. Broadhurst noted based on the March 31, 2019, retained earnings balances, total equity at the 90% CL for all program years result in a surplus of \$8,642,769.

Ms. Broadhurst went on to discuss the Board’s ability to consider issuing dividends for the years 2011/2012 through 2013/2014 and provided a recommendation to the Board to approve a dividend release in the amount of \$3.0M.

Artesia Dupree moved to approve a dividend release in the amount of \$3,000,000 and formally close Program Year 2011/12; seconded by Truc Dever. The motion passed unanimously.

12. TRAINING/LOSS PREVENTION MATTERS

A. Risk Assessment Update – Oakland Housing Authority

Ms. Maylin stated as reported at the April Board meeting, the Oakland Housing Authority (Authority) exceeded parameters of ERMA's Target Ratio Calculations and recommends a risk assessment would be beneficial for the Authority.

Ms. Maylin reported the high frequency of claims were a result of dysfunction within a particular department. The manager is no longer at the department and all claims have been resolved.

The Authority has implemented the following steps to better manage their claims:

- Human Resources (HR) is a more utilized and accessible resource;
- Launched a Management University to assist with managing risk in individual agencies;
- Hired an HR Director to address complaints; and
- Updated EEO policies.

B. Ad Hoc Training Committee Update

Ms. Jobe stated the ad hoc committee met with staff at the end of May to outline objectives for the purpose of achieving ERMA's training goals and objectives identified by the Board of Directors.

The Committee developed the following objectives:

- Utilize the survey response data collected by *in2vate*. This data will assist in identifying common issues across the membership. Model policies will be developed to address common issues as well as a catalog of HR and employment related issues;
- Utilize existing resources to leverage training courses;
- Determine a methodology to allocate risk management funds; and
- Develop scope with legal partners for high level executive training.

13. CLOSING COMMENTS

A. Board of Directors

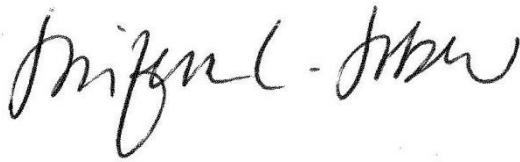
None

B. Staff

None

14. ADJOURNMENT

The June 11, 2019, ERMA Board of Directors meeting adjourned at 11:19 a.m. by general consent.

A handwritten signature in black ink, appearing to read "Jennifer Jobe", written in a cursive style.

Jennifer Jobe, Executive Director

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	6/1/2019
Vendor ID	First	Last	Checkbook ID	CBT GENERAL
Vendor Name	First	Last		CBT GENERAL

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000094	AG100	in2vate, LLC	6/10/2019	CBT GENERAL	PMCHK00000647	\$18,000.00
EFT000095	JA100 EFT	Jackson Lewis P.C.	6/10/2019	CBT GENERAL	PMCHK00000647	\$2,150.00
EFT000096	YO110	York Risk Services Group, Inc.	6/10/2019	CBT GENERAL	PMCHK00000647	\$179,670.50
EFT000098	DR100	Alliant Insurance Services, In	7/17/2019	CBT GENERAL	PMCHK00000656	\$312,822.00
EFT000099	LO120	Longyear, O'Dea, & Lavra, LLP	7/17/2019	CBT GENERAL	PMCHK00000656	\$12,776.29
EFT000100	YO110	York Risk Services Group, Inc.	7/17/2019	CBT GENERAL	PMCHK00000656	\$9,149.34
EFT000102	CS100	CSJVRMA	8/19/2019	CBT GENERAL	PMCHK00000659	\$30.00
EFT000103	JA100 EFT	Jackson Lewis P.C.	8/19/2019	CBT GENERAL	PMCHK00000659	\$6,450.00
EFT000104	LO120	Longyear, O'Dea, & Lavra, LLP	8/19/2019	CBT GENERAL	PMCHK00000659	\$4,283.40
EFT000105	YO110	York Risk Services Group, Inc.	8/19/2019	CBT GENERAL	PMCHK00000659	\$1,994.58
EFT000106	AG100	in2vate, LLC	9/16/2019	CBT GENERAL	PMCHK00000666	\$10,296.00
* EFT000107	DR100	Alliant Insurance Services, In	9/16/2019	CBT GENERAL	PMCHK00000666	\$3,029.04
EFT000108	JA100 EFT	Jackson Lewis P.C.	9/16/2019	CBT GENERAL	PMCHK00000666	\$2,150.00
EFT000109	LO120	Longyear & Lavra, LLP	9/16/2019	CBT GENERAL	PMCHK00000666	\$1,423.70
EFT000110	YO110	York Risk Services Group, Inc.	9/16/2019	CBT GENERAL	PMCHK00000666	\$183,246.75
G 003210	JI105	Nataline Jindoian	6/10/2019	CBT GENERAL	PMCHK00000648	\$74.01
G 003211	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT GENERAL	PMCHK00000648	\$7,525.00
G 003212	RA100	City of Rancho Cucamonga	6/10/2019	CBT GENERAL	PMCHK00000648	\$117.96
* G 003213	CO140	Contra Costa Housing Authority	6/20/2019	CBT GENERAL	PMCHK00000650	\$17,727.00
* G 003214	MB100	MBASIA	6/20/2019	CBT GENERAL	PMCHK00000650	\$38,385.00
* G 003215	OA100	Oakland Housing Authority	6/20/2019	CBT GENERAL	PMCHK00000650	\$60,473.00
* G 003216	PA120	PARSAC	6/20/2019	CBT GENERAL	PMCHK00000650	\$506,517.00
* G 003217	SC100	SCORE	6/20/2019	CBT GENERAL	PMCHK00000650	\$43,438.00
* G 003218	BC100	BCJPIA	6/20/2019	CBT GENERAL	PMCHK00000650	\$414,002.00
* G 003219	CS100	CSJVRMA	6/20/2019	CBT GENERAL	PMCHK00000650	\$693,393.00
* G 003220	MP100	Municipal Pooling Authority	6/20/2019	CBT GENERAL	PMCHK00000650	\$565,094.00
* G 003221	PE100	PERMA	6/20/2019	CBT GENERAL	PMCHK00000650	\$544,301.00
* G 003222	VC100	VCJPA	6/20/2019	CBT GENERAL	PMCHK00000650	\$116,669.00
G 003223	CO140	Contra Costa Housing Authority	7/2/2019	CBT GENERAL	PMCHK00000653	\$17,727.00
G 003224	MB100	MBASIA	7/2/2019	CBT GENERAL	PMCHK00000653	\$38,385.00
G 003225	OA100	Oakland Housing Authority	7/2/2019	CBT GENERAL	PMCHK00000653	\$60,473.00
G 003226	PA120	PARSAC	7/2/2019	CBT GENERAL	PMCHK00000653	\$506,517.00
G 003227	SC100	SCORE	7/2/2019	CBT GENERAL	PMCHK00000653	\$43,438.00
G 003228	BC100	BCJPIA	7/2/2019	CBT GENERAL	PMCHK00000653	\$414,002.00
G 003229	CS100	CSJVRMA	7/2/2019	CBT GENERAL	PMCHK00000653	\$693,393.00
G 003230	MP100	Municipal Pooling Authority	7/2/2019	CBT GENERAL	PMCHK00000653	\$565,094.00
G 003231	PE100	PERMA	7/2/2019	CBT GENERAL	PMCHK00000653	\$544,301.00
G 003232	VC100	VCJPA	7/2/2019	CBT GENERAL	PMCHK00000653	\$116,669.00
G 003233	CA100	CAJPA	7/17/2019	CBT GENERAL	PMCHK00000657	\$1,250.00
G 003234	ED100	Edible Events	7/17/2019	CBT GENERAL	PMCHK00000657	\$481.22
G 003235	EL100	Scott Ellerbrock	7/17/2019	CBT GENERAL	PMCHK00000657	\$751.74
G 003236	RA100	City of Rancho Cucamonga	7/17/2019	CBT GENERAL	PMCHK00000657	\$135.96
* G 003237	LI100	Liebert Cassidy Whitmore	8/19/2019	CBT GENERAL	PMCHK00000660	\$4,300.00
* G 003238	LI100	Liebert Cassidy Whitmore	8/19/2019	CBT GENERAL	PMCHK00000661	\$4,300.00
G 003239	LI100	Liebert Cassidy Whitmore	8/19/2019	CBT GENERAL	PMCHK00000662	\$4,300.00
G 003240	LI100	Liebert Cassidy Whitmore	9/16/2019	CBT GENERAL	PMCHK00000667	\$8,600.00
G 003241	ST141	Stuart Schillinger	9/16/2019	CBT GENERAL	PMCHK00000667	\$349.08

Total Checks:	47	Total Amount of Checks:	\$3,768,026.53
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Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	6/1/2019
Vendor ID	First	Last	Checkbook ID	CBT CLAIMS
Vendor Name	First	Last		CBT CLAIMS

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 007133	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000644	\$232.00
L 007134	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$11,297.23
L 007135	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$8,946.00
L 007136	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$609.00
L 007137	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$665.81
L 007138	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$739.91
L 007139	JA100	Jackson Lewis P.C.	6/10/2019	CBT CLAIMS	PMCHK00000645	\$4,818.00
L 007140	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000645	\$12,927.75
L 007141	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000645	\$11,729.75
L 007142	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000645	\$261.00
L 007143	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000645	\$545.04
L 007144	LI100	Liebert Cassidy Whitmore	6/10/2019	CBT CLAIMS	PMCHK00000645	\$900.00
L 007145	MC120	City of McFarland	6/10/2019	CBT CLAIMS	PMCHK00000645	\$2,282.88
L 007146	TA105	City of Taft	6/10/2019	CBT CLAIMS	PMCHK00000645	\$10,464.46
L 007147	BE100	Best Best and Krieger LLP	6/10/2019	CBT CLAIMS	PMCHK00000646	\$3,673.46
L 007148	JA100	Jackson Lewis P.C.	6/14/2019	CBT CLAIMS	PMCHK00000649	\$12,919.97
L 007149	JA100	Jackson Lewis P.C.	6/14/2019	CBT CLAIMS	PMCHK00000649	\$8,618.68
L 007150	JA100	Jackson Lewis P.C.	6/14/2019	CBT CLAIMS	PMCHK00000649	\$16,044.00
L 007151	JA100	Jackson Lewis P.C.	6/14/2019	CBT CLAIMS	PMCHK00000649	\$25,996.54
L 007152	BO116	Bohbot & Riles, PC	6/25/2019	CBT CLAIMS	PMCHK00000651	\$25,557.71
L 007153	CO146	Marilyn Kaplan Corralejo	6/25/2019	CBT CLAIMS	PMCHK00000651	\$29,442.29
L 007154	MY110	Myers Law Group Client Trust A	7/2/2019	CBT CLAIMS	PMCHK00000652	\$300,000.00
L 007155	AD110	City of Adelanto	7/15/2019	CBT CLAIMS	PMCHK00000654	\$33,466.51
L 007156	BE120	City of Belvedere	7/15/2019	CBT CLAIMS	PMCHK00000654	\$18,478.65
L 007157	BR105	City of Brentwood	7/15/2019	CBT CLAIMS	PMCHK00000654	\$1,966.30
L 007158	DE132	Debra L. Reilly, PLC	7/15/2019	CBT CLAIMS	PMCHK00000654	\$24,393.82
L 007159	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$6,482.09
L 007160	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$4,610.50
L 007161	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$12,313.40
L 007162	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$5,455.28
L 007163	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$5,216.00
L 007164	JA100	Jackson Lewis P.C.	7/15/2019	CBT CLAIMS	PMCHK00000654	\$3,422.98
L 007165	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$1,043.78
L 007166	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$5,290.91
L 007167	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$261.00
L 007168	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$60.84
L 007169	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$4,052.36
L 007170	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$2,341.00
L 007171	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$667.00
L 007172	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000654	\$29.00
L 007173	MT100	City of Mt. Shasta	7/15/2019	CBT CLAIMS	PMCHK00000654	\$4,875.50
L 007174	RA100	City of Rancho Cucamonga	7/15/2019	CBT CLAIMS	PMCHK00000654	\$78,069.56
L 007175	TE095	City of Tehachapi	7/15/2019	CBT CLAIMS	PMCHK00000654	\$4,255.97
L 007176	WA110	City of Wasco	7/15/2019	CBT CLAIMS	PMCHK00000654	\$12,024.49
L 007177	LI100	Liebert Cassidy Whitmore	7/15/2019	CBT CLAIMS	PMCHK00000655	\$14,222.42
L 007178	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$3,210.70
L 007179	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$8,962.11
L 007180	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$436.56
L 007181	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$17,043.85
L 007182	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$2,852.00
L 007183	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$2,279.65
L 007184	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$8,903.67
L 007185	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$16,412.81
L 007186	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$87.00
L 007187	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$8,272.50
L 007188	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$522.00

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 007189	JA100	Jackson Lewis P.C.	8/2/2019	CBT CLAIMS	PMCHK00000658	\$6,353.60
L 007190	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$112.92
L 007191	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$13,202.91
L 007192	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$6,962.95
L 007193	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$667.00
L 007194	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$109.17
L 007195	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$4,115.75
L 007196	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$4,766.00
L 007197	LI100	Liebert Cassidy Whitmore	8/2/2019	CBT CLAIMS	PMCHK00000658	\$69.00
L 007198	LO100	Lozano Smith, LLP	8/2/2019	CBT CLAIMS	PMCHK00000658	\$6,000.30
L 007199	ME130	City of Menifee	8/2/2019	CBT CLAIMS	PMCHK00000658	\$8,601.58
L 007200	JO111	John Burris in Trust, for Cele	8/21/2019	CBT CLAIMS	PMCHK00000663	\$575,000.00
L 007201	CA170	Carpenter Rothans & Dumont LLP	9/5/2019	CBT CLAIMS	PMCHK00000664	\$57.00
L 007202	CO110	City of Coalinga	9/5/2019	CBT CLAIMS	PMCHK00000664	\$15,976.81
L 007203	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$2,872.50
L 007204	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$19,441.50
L 007205	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$1,751.00
L 007206	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$9,004.00
L 007207	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$188.00
L 007208	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$3,618.50
L 007209	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$554.50
L 007210	JA100	Jackson Lewis P.C.	9/5/2019	CBT CLAIMS	PMCHK00000664	\$5,978.00
L 007211	KA105	Law Offices of Kathy M. Gandar	9/5/2019	CBT CLAIMS	PMCHK00000664	\$442.64
L 007212	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$150.88
L 007213	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$6,933.57
L 007214	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$7,385.30
L 007215	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$492.35
L 007216	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$59.00
L 007217	LI100	Liebert Cassidy Whitmore	9/5/2019	CBT CLAIMS	PMCHK00000664	\$11,964.50
L 007218	LO100	Lozano Smith, LLP	9/5/2019	CBT CLAIMS	PMCHK00000664	\$4,519.00
L 007219	LO100	Lozano Smith, LLP	9/5/2019	CBT CLAIMS	PMCHK00000664	\$1,676.08
L 007220	LO100	Lozano Smith, LLP	9/5/2019	CBT CLAIMS	PMCHK00000664	\$2,753.02
L 007221	LO100	Lozano Smith, LLP	9/5/2019	CBT CLAIMS	PMCHK00000664	\$5,399.89
L 007222	RI050	City of Rialto	9/5/2019	CBT CLAIMS	PMCHK00000664	\$948.56
L 007223	SA085	City of Sanger	9/5/2019	CBT CLAIMS	PMCHK00000664	\$292.24
L 007224	LI100	Liebert Cassidy Whitmore	9/16/2019	CBT CLAIMS	PMCHK00000665	\$543.67
L 007225	LI100	Liebert Cassidy Whitmore	9/16/2019	CBT CLAIMS	PMCHK00000665	\$3,009.30
L 007226	LI100	Liebert Cassidy Whitmore	9/16/2019	CBT CLAIMS	PMCHK00000665	\$16,796.31
L 007227	LI100	Liebert Cassidy Whitmore	9/16/2019	CBT CLAIMS	PMCHK00000665	\$19,914.29

Total Checks: 95

Total Amount of Checks: \$1,569,337.28

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System: 10/9/2019 9:43:12 AM
User Date: 10/9/2019

Employment Risk Management Aut
VENDOR CHECK REGISTER REPORT
Payables Management

Page: 1
User ID: lkokhanets

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	6/1/2019
Vendor ID	First	Last	Checkbook ID	CBT PETTY
Vendor Name	First	Last		CBT PETTY

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
1311	CA160	City of Calistoga	7/16/2019	CBT PETTY	PMTRX00000783	\$399.68
1312	LA160	Lake County Vector Control Dis	7/22/2019	CBT PETTY	PMTRX00000783	\$98.28
1313	CL115	City of Clearlake	7/22/2019	CBT PETTY	PMTRX00000783	\$43.75
1314	WA110	City of Wasco	7/22/2019	CBT PETTY	PMTRX00000783	\$63.82
1315	CA160	City of Calistoga	7/30/2019	CBT PETTY	PMTRX00000783	\$290.00
1316	DE100	City of Desert Hot Springs	8/3/2019	CBT PETTY	PMTRX00000788	\$44.54
1317	SH125	City of Shasta Lake	8/20/2019	CBT PETTY	PMTRX00000788	\$102.57
1318	CA125	City of Cathedral City	8/20/2019	CBT PETTY	PMTRX00000788	\$13.72
1319	AT120	City of Atwater	9/9/2019	CBT PETTY	PMTRX00000792	\$137.48
1320	AN115	City of Antioch	9/16/2019	CBT PETTY	PMTRX00000792	\$574.00
1321	PI110	City of Piedmont	9/30/2019	CBT PETTY	PMTRX00000793	\$210.00

Total Checks:	11			Total Amount of Checks:	\$1,977.84
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Employment Risk Management Authority

Cash & Investment Report

June 30, 2019

Accounts	Book Value	Market Value *	% of Total	Effective Yield
California Bank & Trust - Administration ¹	\$ 3,076	\$ 3,076	0.01%	0.00%
California Bank & Trust - General Operating ¹	86,326	86,326	0.34%	0.00%
California Bank & Trust - Claims Payment ²	(55,000)	(55,000)	-0.21%	0.00%
Local Agency Investment Fund	519,967	520,857	2.03%	2.57%
CAMP - Liquidity Account	220,481	220,481	0.86%	2.48%
CAMP - Money Market	311,108	311,108	1.21%	2.48%
CAMP - Investments managed by PFM	24,321,149	24,602,984	95.77%	2.32%
Total	\$ 25,407,107	\$ 25,689,832		2.33%

* Yield to Maturity at Cost

Notes:

¹ These accounts are non-interest bearing analysis checking accounts in which the earning credit offsets a portion of the banking service charges.

² Beginning on February 2, 2016, ERMA's claims account was converted to a zero-balance account with a sweep arrangement to the general operating account. The negative balance represents the total outstanding checks as of the end of the quarter.

Attached are the PFM Asset Management (PFM), Local Agency Investment Fund (LAIF), and CAMP Liquidity Account statements detailing all investment transactions. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data, Bloomberg, Telerate, and other widely-used third party pricing vendors.

This report reflects all cash and investments and is in conformity with the investment policy of the Authority. The investment program shown herein is sufficient to meet the Authority's expenditure requirements over the next six months.

Respectfully submitted,



Alana Theiss, Assistant Treasurer

Accepted,



Stuart Schillinger, Treasurer

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 August 06, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER
 1750 CREEKSIDE OAKS DRIVE
 SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number:

35-34-011

// [Tran Type Definitions](#)

June 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
6/11/2019	6/11/2019	RW	1608196	NANCY BROADHURST	-75,000.00
6/18/2019	6/17/2019	RW	1608643	NANCY BROADHURST	-60,000.00
6/21/2019	6/21/2019	RW	1608953	NANCY BROADHURST	-1,175,000.00
6/26/2019	6/25/2019	RW	1609273	NANCY BROADHURST	-55,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,884,966.93
Total Withdrawal:	-1,365,000.00	Ending Balance:	519,966.93

**ERMA
LAIF Market Value
6/30/2019**

Adjustment for Market Value	
LAIF Statement Balance	\$ 519,966.93
Fair Value Factor per PMIA Market Valuation Report	<u>1.001711790</u>
Adjusted Market Value	<u><u>\$ 520,857.00</u></u>



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
06/17/19	2.42	2.45	170
06/18/19	2.42	2.45	168
06/19/19	2.42	2.45	169
06/20/19	2.42	2.45	169
06/21/19	2.41	2.45	168
06/22/19	2.41	2.44	168
06/23/19	2.41	2.44	168
06/24/19	2.41	2.44	166
06/25/19	2.40	2.44	167
06/26/19	2.41	2.44	168
06/27/19	2.41	2.44	169
06/28/19	2.40	2.44	174
06/29/19	2.40	2.44	174
06/30/19	2.39	2.44	173
07/01/19	2.40	2.40	180
07/02/19	2.40	2.40	180
07/03/19	2.39	2.40	182
07/04/19	2.39	2.40	182
07/05/19	2.39	2.40	182
07/06/19	2.39	2.40	182
07/07/19	2.39	2.39	182
07/08/19	2.39	2.39	179
07/09/19	2.39	2.39	179
07/10/19	2.39	2.39	178
07/11/19	2.38	2.39	179
07/12/19	2.38	2.39	179
07/13/19	2.38	2.39	179
07/14/19	2.38	2.39	179
07/15/19	2.38	2.39	176
07/16/19	2.38	2.39	178
07/17/19	2.38	2.39	179

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

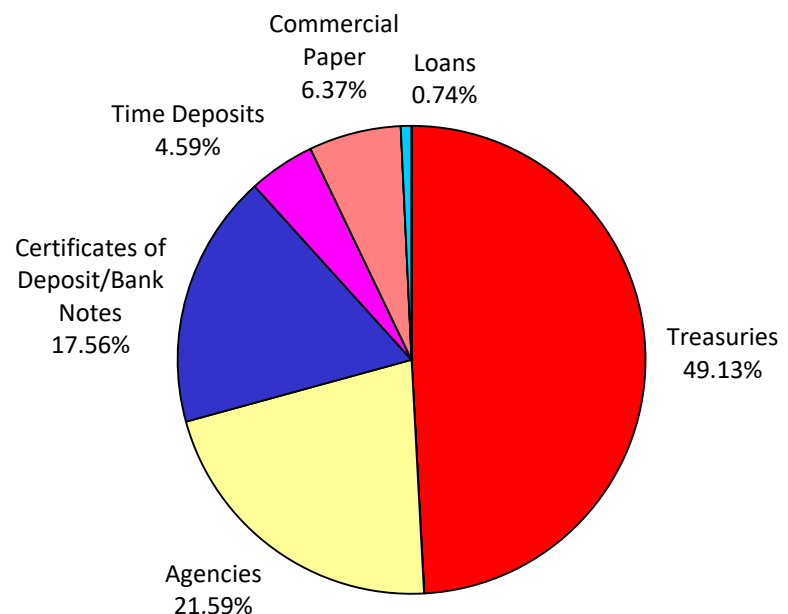
Quarter Ending 06/30/19

Apportionment Rate: 2.57
 Earnings Ratio: .00007028813234525
 Fair Value Factor: 1.001711790
 Daily: 2.39%
 Quarter to Date: 2.44%
 Average Life: 173

PMIA Average Monthly Effective Yields

June 2019 2.428
 May 2019 2.449
 Apr 2019 2.445

Pooled Money Investment Account Portfolio Composition 06/30/19 \$105.7 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 07/17/2019

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 August 06, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER
 1750 CREEKSIDE OAKS DRIVE
 SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number:

35-34-011

// [Tran Type Definitions](#)

May 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/2/2019	5/1/2019	RW	1605627	NANCY BROADHURST	-90,000.00
5/8/2019	5/7/2019	RW	1605990	NANCY BROADHURST	-150,000.00
5/22/2019	5/21/2019	RW	1606903	NANCY BROADHURST	-110,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,234,966.93
Total Withdrawal:	-350,000.00	Ending Balance:	1,884,966.93

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 August 06, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER
 1750 CREEKSIDE OAKS DRIVE
 SACRAMENTO, CA 95833

[PMIA Average Monthly Yields](#)

Account Number:

35-34-011

// [Tran Type Definitions](#)

April 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/4/2019	4/3/2019	RW	1601384	NANCY BROADHURST	-40,000.00
4/9/2019	4/8/2019	RW	1601617	NANCY BROADHURST	-60,000.00
4/15/2019	4/12/2019	QRD	1603216	SYSTEM	18,694.37
4/18/2019	4/18/2019	RW	1604657	NANCY BROADHURST	-15,000.00

Account Summary

Total Deposit:	18,694.37	Beginning Balance:	2,331,272.56
Total Withdrawal:	-115,000.00	Ending Balance:	2,234,966.93



Account Statement

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - Liquidity Account - 596-01

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					2,017,576.66
06/21/19	06/21/19	Redemption - ACH Redemption	1.00	(1,800,000.00)	217,576.66
06/28/19	07/01/19	Accrual Income Div Reinvestment - Distributions	1.00	2,904.07	220,480.73
Closing Balance					220,480.73

	Month of June	Fiscal YTD January-June		
Opening Balance	2,017,576.66	0.00	Closing Balance	220,480.73
Purchases	2,904.07	2,020,480.73	Average Monthly Balance	1,417,867.07
Redemptions (Excl. Checks)	(1,800,000.00)	(1,800,000.00)	Monthly Distribution Yield	2.48%
Check Disbursements	0.00	0.00		
Closing Balance	220,480.73	220,480.73		
Cash Dividends and Income	2,904.07	20,480.73		



Account Statement

For the Month Ending **May 31, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - Liquidity Account - 596-01

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					2,013,274.40
05/31/19	06/03/19	Accrual Income Div Reinvestment - Distributions	1.00	4,302.26	2,017,576.66
Closing Balance					2,017,576.66

	Month of May	Fiscal YTD January-May		
Opening Balance	2,013,274.40	0.00	Closing Balance	2,017,576.66
Purchases	4,302.26	2,017,576.66	Average Monthly Balance	2,013,413.18
Redemptions (Excl. Checks)	0.00	0.00	Monthly Distribution Yield	2.52%
Check Disbursements	0.00	0.00		
Closing Balance	2,017,576.66	2,017,576.66		
Cash Dividends and Income	4,302.26	17,576.66		



Account Statement

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - Liquidity Account - 596-01

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					2,009,063.51
04/30/19	05/01/19	Accrual Income Div Reinvestment - Distributions	1.00	4,210.89	2,013,274.40
Closing Balance					2,013,274.40

	Month of April	Fiscal YTD January-April		
Opening Balance	2,009,063.51	0.00	Closing Balance	2,013,274.40
Purchases	4,210.89	2,013,274.40	Average Monthly Balance	2,009,203.87
Redemptions (Excl. Checks)	0.00	0.00	Monthly Distribution Yield	2.55%
Check Disbursements	0.00	0.00		
Closing Balance	2,013,274.40	2,013,274.40		
Cash Dividends and Income	4,210.89	13,274.40		



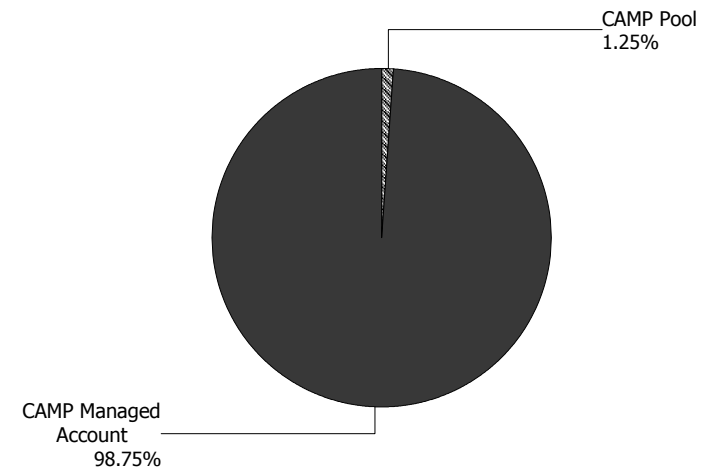
Account Statement - Transaction Summary

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00

CAMP Pool	
Opening Market Value	674,358.64
Purchases	209,623.15
Redemptions	(572,874.04)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$311,107.75
Cash Dividends and Income	714.78
CAMP Managed Account	
Opening Market Value	24,115,659.48
Purchases	570,485.35
Redemptions	(190,236.63)
Unsettled Trades	0.00
Change in Value	107,076.25
Closing Market Value	\$24,602,984.45
Cash Dividends and Income	49,555.78

Asset Summary		
	June 30, 2019	May 31, 2019
CAMP Pool	311,107.75	674,358.64
CAMP Managed Account	24,602,984.45	24,115,659.48
Total	\$24,914,092.20	\$24,790,018.12
Asset Allocation		





Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	05/03/16	05/06/16	37,171.09	1.21	117.34	35,670.93	35,359.56
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	250,000.00	AA+	Aaa	09/01/16	09/02/16	258,984.38	1.22	423.50	253,690.67	251,074.25
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	03/15/17	03/17/17	633,115.24	2.02	757.00	642,137.79	645,125.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	235,000.00	AA+	Aaa	10/03/16	10/05/16	243,821.68	1.21	1,570.92	238,960.73	236,248.32
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	AA+	Aaa	12/01/16	12/05/16	677,003.91	1.93	4,512.23	675,942.87	678,585.60
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	6,016.30	902,907.06	904,780.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	06/27/17	06/29/17	1,111,988.28	1.73	7,353.26	1,106,336.11	1,105,843.20
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	08/30/17	08/31/17	541,320.31	1.64	1,158.29	545,072.01	543,876.85
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	350,000.00	AA+	Aaa	12/04/17	12/06/17	346,363.28	2.12	1,105.64	347,623.65	351,408.05
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	AA+	Aaa	01/03/18	01/04/18	419,604.49	2.18	1,342.56	421,411.07	426,709.78
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	AA+	Aaa	07/03/18	07/06/18	509,496.09	2.69	1,658.46	513,359.95	527,112.08
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	AA+	Aaa	05/03/18	05/07/18	580,828.13	2.73	1,895.38	586,157.68	602,413.80
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	550,000.00	AA+	Aaa	09/05/18	09/07/18	526,925.78	2.76	3,357.73	531,495.86	548,324.15
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	225,000.00	AA+	Aaa	08/01/18	08/03/18	218,232.42	2.86	12.99	219,563.80	228,067.43



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	AA+	Aaa	12/12/18	12/13/18	487,617.19	2.78	28.87	489,226.90	506,816.50
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	650,000.00	AA+	Aaa	01/30/19	01/31/19	639,691.41	2.55	37.53	640,747.34	658,861.45
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	700,000.00	AA+	Aaa	01/07/19	01/10/19	689,910.16	2.51	40.42	691,067.14	709,543.10
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	850,000.00	AA+	Aaa	11/02/18	11/06/18	821,013.67	3.00	49.08	825,347.43	861,588.05
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	AA+	Aaa	04/01/19	04/05/19	316,151.37	2.32	447.32	316,640.83	323,717.88
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	05/01/19	05/03/19	390,375.00	2.25	550.55	390,743.28	398,422.00
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	06/03/19	06/07/19	570,485.35	1.83	791.41	570,557.46	572,731.63
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	625,000.00	AA+	Aaa	03/04/19	03/06/19	602,319.34	2.53	860.23	603,964.00	622,534.38
Security Type Sub-Total		11,695,000.00					11,527,867.79	2.25	34,087.01	11,548,624.56	11,739,143.86
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	09/12/17	09/19/17	623,500.00	1.64	2,953.98	624,388.62	621,858.13
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/02/17	10/10/17	504,634.55	1.81	1,534.72	502,071.92	501,240.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	AAA	Aaa	04/12/18	04/19/18	149,670.00	2.70	787.50	149,798.91	151,952.10



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	AAA	Aaa	07/18/18	07/25/18	498,830.00	2.83	6,034.72	499,183.94	509,241.00
Security Type Sub-Total		1,775,000.00					1,776,634.55	2.12	11,310.92	1,775,443.39	1,784,291.23
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	A	A1	08/03/16	08/17/16	275,594.00	1.23	1,350.56	275,024.61	274,664.50
Security Type Sub-Total		275,000.00					275,594.00	1.23	1,350.56	275,024.61	274,664.50
Federal Agency Collateralized Mortgage Obligation											
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	416.92	AA+	Aaa	10/07/15	10/30/15	421.10	1.08	0.57	416.92	416.15
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	121,996.09	AA+	Aaa	04/11/18	04/30/18	124,422.70	2.27	361.92	123,572.81	124,393.23
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	AA+	Aaa	04/04/18	04/09/18	131,107.03	2.61	334.75	130,743.70	133,402.58
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	110,611.88	AA+	Aaa	12/07/18	12/17/18	110,611.55	3.11	295.24	110,611.55	112,474.43
Security Type Sub-Total		363,024.89					366,562.38	2.65	992.48	365,344.98	370,686.39
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	02/24/17	02/28/17	149,904.00	1.52	768.75	149,978.57	149,423.55
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	625,000.00	AA+	Aaa	07/14/16	07/15/16	621,199.38	1.25	3,261.72	623,422.91	617,211.25
Security Type Sub-Total		775,000.00					771,103.38	1.30	4,030.47	773,401.48	766,634.80



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	BBB+	A3	01/04/17	01/10/17	249,900.00	2.46	2,909.38	249,981.97	250,043.50
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	A-	A2	02/28/17	03/03/17	179,812.80	2.24	1,298.00	179,957.00	179,811.36
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	A	A2	03/01/17	03/06/17	99,974.00	1.96	633.75	99,994.00	99,736.70
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	04/11/17	04/17/17	349,839.00	1.97	1,402.92	349,956.47	349,328.00
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	05/04/17	05/11/17	199,796.00	1.84	500.00	199,940.33	199,513.40
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	125,000.00	A	A2	05/24/17	06/05/17	124,927.50	1.82	162.50	124,977.16	124,566.00
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	100,000.00	A	A2	07/17/17	07/20/17	99,899.00	1.98	872.08	99,963.88	99,673.70
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913O2A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	1,112.31	184,937.90	184,348.43
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/06/17	11/13/17	124,988.75	2.05	341.67	124,994.79	124,904.63
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/17	10/20/17	249,637.50	1.95	211.11	249,828.77	249,551.00
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	A-	A2	10/23/17	10/26/17	64,970.10	2.17	582.29	64,984.78	64,885.34
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A1	02/01/18	02/06/18	249,877.50	2.67	2,686.81	249,933.58	251,381.50
AMERICAN HONDA FINANCE DTD 02/15/2018 2.650% 02/12/2021	02665WCD1	125,000.00	A	A2	02/12/18	02/15/18	124,825.00	2.70	1,278.99	124,903.79	125,764.25



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	02/21/18	02/26/18	99,889.00	2.94	853.89	99,936.24	101,184.00
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	04/12/18	04/19/18	149,365.50	3.05	1,280.83	149,622.50	151,776.00
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/05/17	10/10/17	164,967.00	2.01	696.67	164,982.80	164,954.79
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	A-	A2	11/01/17	11/03/17	25,194.00	2.39	131.25	25,102.92	25,155.83
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	BBB+	A3	11/01/17	11/03/17	250,810.00	2.40	1,215.28	250,430.69	250,468.50
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	05/17/16	05/20/16	250,532.50	2.00	825.69	250,199.43	249,495.50
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	05/25/16	05/31/16	149,721.00	2.29	525.00	149,892.38	150,044.40
BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	125,000.00	A-	A2	05/10/16	05/16/16	124,917.50	2.06	363.02	124,968.33	124,336.38
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	A	A1	05/03/18	05/10/18	99,931.00	3.12	396.11	99,956.19	101,712.60
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	05/19/16	05/24/16	69,735.40	2.03	159.25	69,896.97	69,817.58
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	A	A2	05/17/18	05/22/18	159,995.20	3.25	577.78	159,996.85	163,098.24
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A2	09/13/17	09/18/17	175,000.00	2.33	1,018.50	175,000.00	174,788.25
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	03/10/17	03/15/17	224,007.75	2.75	2,898.44	224,467.62	227,416.28



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	A+	A1	02/22/19	03/01/19	49,956.00	2.88	475.00	49,960.72	50,928.80
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	A-	A2	05/14/18	05/17/18	50,000.00	3.50	213.83	50,000.00	50,963.60
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	A-	A2	03/15/19	03/22/19	250,000.00	3.21	2,204.81	250,000.00	255,147.00
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	A-	A3	02/12/19	02/15/19	251,780.00	3.34	3,840.28	251,656.84	263,280.00
Security Type Sub-Total		4,850,000.00					4,849,093.60	2.42	31,667.44	4,850,424.90	4,878,075.56
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	A-1	P-1	04/18/19	04/18/19	490,175.00	2.67	0.00	492,867.78	493,811.50
Security Type Sub-Total		500,000.00					490,175.00	2.67	0.00	492,867.78	493,811.50
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A-1	P-1	02/07/18	02/08/18	250,000.00	2.67	9,326.46	250,000.00	250,682.25
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A-1	P-1	03/02/18	03/06/18	250,000.00	2.93	2,396.53	250,000.00	251,106.25
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	A-1	P-1	06/05/18	06/07/18	249,905.00	3.10	556.11	249,954.95	252,097.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A+	Aa2	08/01/18	08/03/18	425,000.00	3.23	12,503.03	425,000.00	427,955.45
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	AA-	Aa3	08/03/17	08/07/17	450,000.00	2.05	3,690.00	450,000.00	449,371.35
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A	A1	10/16/18	10/18/18	249,660.00	3.46	1,789.17	249,953.85	253,856.00



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	AA-	Aa2	11/16/17	11/17/17	500,000.00	2.30	1,450.28	500,000.00	498,526.00
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	AA-	Aa2	06/07/18	06/08/18	425,000.00	3.24	918.00	425,000.00	433,399.28
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	250,000.00	A	A1	02/27/19	02/28/19	250,000.00	3.01	2,545.42	250,000.00	256,187.15
Security Type Sub-Total		3,050,000.00					3,049,565.00	2.83	35,175.00	3,049,908.80	3,073,180.73
Asset-Backed Security											
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	3,193.53	NR	Aaa	07/19/16	07/27/16	3,193.28	1.25	1.77	3,193.48	3,190.61
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,869.94	AAA	Aaa	03/22/16	03/30/16	2,869.38	1.57	1.99	2,869.82	2,868.74
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	74,270.82	AAA	NR	10/18/16	10/25/16	74,266.00	1.04	32.45	74,269.39	73,987.77
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	62,506.62	AAA	Aaa	03/07/17	03/15/17	62,499.27	1.74	48.06	62,503.46	62,360.01
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	54,150.21	AAA	Aaa	09/14/16	09/21/16	54,142.92	1.30	31.05	54,147.75	53,966.85
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	43,559.03	NR	Aaa	01/24/17	01/31/17	43,555.23	1.70	32.91	43,557.45	43,456.43
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	180,382.18	NR	Aaa	01/18/17	01/25/17	180,381.51	1.67	133.88	180,381.94	179,838.94
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	187,121.42	NR	Aaa	03/21/17	03/29/17	187,099.36	1.79	148.03	187,111.34	186,741.32
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	56,630.14	AAA	NR	09/25/17	09/29/17	56,624.00	1.94	36.61	56,626.63	56,478.09
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	AAA	Aaa	01/23/18	01/31/18	99,998.85	2.35	104.44	99,999.26	100,183.63



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	AAA	Aaa	11/20/18	11/28/18	224,966.36	3.17	316.00	224,970.93	229,276.10
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	AAA	Aaa	12/04/18	12/12/18	224,956.89	3.53	322.00	224,962.09	230,147.39
Security Type Sub-Total		1,214,683.89					1,214,553.05	2.34	1,209.19	1,214,593.54	1,222,495.88
Managed Account Sub-Total		24,497,708.78					24,321,148.75	2.32	119,823.07	24,345,634.04	24,602,984.45
Money Market Mutual Fund											
CAMP Pool		311,107.75	AAA	NR			311,107.75		0.00	311,107.75	311,107.75
Money Market Sub-Total		311,107.75					311,107.75		0.00	311,107.75	311,107.75
Securities Sub-Total		\$24,808,816.53					\$24,632,256.50	2.32%	\$119,823.07	\$24,656,741.79	\$24,914,092.20
Accrued Interest											\$119,823.07
Total Investments											\$25,033,915.27



Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
06/03/19	06/07/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	(570,485.35)	(178.71)	(570,664.06)			
Transaction Type Sub-Total				575,000.00	(570,485.35)	(178.71)	(570,664.06)			
INTEREST										
06/01/19	06/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
06/01/19	06/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	111,252.94	0.00	296.95	296.95			
06/01/19	06/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	6,953.89	0.00	9.54	9.54			
06/01/19	06/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	122,436.54	0.00	363.73	363.73			
06/05/19	06/05/19	HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076B04	125,000.00	0.00	1,125.00	1,125.00			
06/05/19	06/05/19	BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	0.00	3,850.00	3,850.00			
06/07/19	06/07/19	CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	0.00	1,025.00	1,025.00			
06/07/19	06/07/19	ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	0.00	6,885.00	6,885.00			
06/15/19	06/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
06/15/19	06/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	61,603.67	0.00	66.22	66.22			
06/15/19	06/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
06/15/19	06/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	2,743.31	0.00	3.29	3.29			
06/15/19	06/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	200,370.62	0.00	278.85	278.85			
06/15/19	06/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	48,721.00	0.00	69.02	69.02			



Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
06/15/19	06/15/19	WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	0.00	2,375.00	2,375.00			
06/15/19	06/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	206,399.32	0.00	306.16	306.16			
06/15/19	06/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	5,453.59	0.00	7.09	7.09			
06/15/19	06/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
06/15/19	06/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	70,485.67	0.00	101.62	101.62			
06/15/19	06/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	5,170.99	0.00	5.39	5.39			
06/18/19	06/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	85,360.44	0.00	86.07	86.07			
06/18/19	06/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	60,993.39	0.00	90.98	90.98			
06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	650,000.00	0.00	6,906.25	6,906.25			
06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	0.00	5,312.50	5,312.50			
06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	700,000.00	0.00	7,437.50	7,437.50			
06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	850,000.00	0.00	9,031.25	9,031.25			
06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	225,000.00	0.00	2,390.63	2,390.63			
Transaction Type Sub-Total				5,742,945.37	0.00	49,749.87	49,749.87			
MATURITY										
06/07/19	06/07/19	CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	100,000.00	0.00	100,000.00	52.00	0.00	
Transaction Type Sub-Total				100,000.00	100,000.00	0.00	100,000.00	52.00	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
06/01/19	06/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	440.46	440.46	0.00	440.46	(8.76)	0.00	
06/01/19	06/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	641.06	641.06	0.00	641.06	0.00	0.00	
06/01/19	06/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	6,536.97	6,536.97	0.00	6,536.97	(65.46)	0.00	
06/15/19	06/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	5,161.97	5,161.97	0.00	5,161.97	0.45	0.00	
06/15/19	06/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,583.66	2,583.66	0.00	2,583.66	0.50	0.00	
06/15/19	06/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,977.47	1,977.47	0.00	1,977.47	0.16	0.00	
06/15/19	06/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	2,743.32	2,743.32	0.00	2,743.32	0.26	0.00	
06/15/19	06/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	19,277.90	19,277.90	0.00	19,277.90	2.27	0.00	
06/15/19	06/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	7,453.46	7,453.46	0.00	7,453.46	1.00	0.00	
06/15/19	06/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	19,988.44	19,988.44	0.00	19,988.44	0.07	0.00	
06/15/19	06/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	7,979.05	7,979.05	0.00	7,979.05	0.94	0.00	
06/18/19	06/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	11,089.62	11,089.62	0.00	11,089.62	0.72	0.00	
06/18/19	06/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	4,363.25	4,363.25	0.00	4,363.25	0.47	0.00	
Transaction Type Sub-Total				90,236.63	90,236.63	0.00	90,236.63	(67.38)	0.00	
Managed Account Sub-Total					(380,248.72)	49,571.16	(330,677.56)	(15.38)	0.00	
Total Security Transactions					(380,248.72)	\$49,571.16	(\$330,677.56)	(\$15.38)	\$0.00	



Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
05/01/19	05/03/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	(390,375.00)	(2,750.00)	(393,125.00)			
Transaction Type Sub-Total				400,000.00	(390,375.00)	(2,750.00)	(393,125.00)			
INTEREST										
05/01/19	05/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
05/01/19	05/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	7,568.19	0.00	10.38	10.38			
05/01/19	05/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	111,441.19	0.00	297.46	297.46			
05/01/19	05/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	124,176.34	0.00	374.67	374.67			
05/03/19	05/03/19	BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	0.00	2,562.50	2,562.50			
05/05/19	05/05/19	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	0.00	1,687.50	1,687.50			
05/09/19	05/09/19	INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	0.00	5,312.50	5,312.50			
05/10/19	05/10/19	BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	125,000.00	0.00	1,281.25	1,281.25			
05/11/19	05/11/19	APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	0.00	1,800.00	1,800.00			
05/13/19	05/13/19	PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	0.00	1,281.25	1,281.25			
05/15/19	05/15/19	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	1,990.65	0.00	2.31	2.31			
05/15/19	05/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	8,158.34	0.00	8.50	8.50			
05/15/19	05/15/19	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	4,927.40	0.00	5.13	5.13			



Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
05/15/19	05/15/19	US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	0.00	459.38	459.38			
05/15/19	05/15/19	HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	0.00	1,550.00	1,550.00			
05/15/19	05/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	78,544.06	0.00	113.23	113.23			
05/15/19	05/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	69,160.70	0.00	74.35	74.35			
05/15/19	05/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
05/15/19	05/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	227,260.51	0.00	337.10	337.10			
05/15/19	05/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
05/15/19	05/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
05/15/19	05/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	54,277.63	0.00	76.89	76.89			
05/15/19	05/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	6,326.55	0.00	7.59	7.59			
05/15/19	05/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	220,690.44	0.00	307.13	307.13			
05/15/19	05/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	8,104.33	0.00	10.54	10.54			
05/16/19	05/16/19	SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	0.00	5,706.53	5,706.53			
05/17/19	05/17/19	BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	0.00	874.75	874.75			
05/18/19	05/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	97,262.46	0.00	98.07	98.07			
05/18/19	05/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	0.00	96.96	96.96			
05/19/19	05/19/19	STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	0.00	682.50	682.50			



Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
INTEREST										
05/21/19	05/21/19	CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	0.00	2,600.00	2,600.00			
05/31/19	05/31/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	625,000.00	0.00	5,078.12	5,078.12			
05/31/19	05/31/19	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	0.00	4,468.75	4,468.75			
05/31/19	05/31/19	US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	250,000.00	0.00	2,500.00	2,500.00			
05/31/19	05/31/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	0.00	2,640.63	2,640.63			
05/31/19	05/31/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	0.00	3,250.00	3,250.00			
Transaction Type Sub-Total				6,279,888.79	0.00	47,282.80	47,282.80			
PAYDOWNS										
05/01/19	05/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	188.25	188.25	0.00	188.25	0.00	0.00	
05/01/19	05/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	1,739.80	1,739.80	0.00	1,739.80	(34.61)	0.00	
05/01/19	05/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	614.30	614.30	0.00	614.30	(6.15)	0.00	
05/15/19	05/15/19	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	1,990.65	1,990.65	0.00	1,990.65	0.04	0.00	
05/15/19	05/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	8,058.39	8,058.39	0.00	8,058.39	0.95	0.00	
05/15/19	05/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	20,319.82	20,319.82	0.00	20,319.82	0.07	0.00	
05/15/19	05/15/19	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	4,927.40	4,927.40	0.00	4,927.40	0.28	0.00	
05/15/19	05/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	5,556.63	5,556.63	0.00	5,556.63	0.49	0.00	
05/15/19	05/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	3,583.23	3,583.23	0.00	3,583.23	0.35	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
PAYDOWNS										
05/15/19	05/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	20,861.19	20,861.19	0.00	20,861.19	2.46	0.00	
05/15/19	05/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	2,987.35	2,987.35	0.00	2,987.35	0.24	0.00	
05/15/19	05/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,650.74	2,650.74	0.00	2,650.74	0.51	0.00	
05/15/19	05/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	7,557.03	7,557.03	0.00	7,557.03	1.02	0.00	
05/18/19	05/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	11,902.02	11,902.02	0.00	11,902.02	0.77	0.00	
05/18/19	05/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	4,006.61	4,006.61	0.00	4,006.61	0.43	0.00	
Transaction Type Sub-Total				96,943.41	96,943.41	0.00	96,943.41	(33.15)	0.00	
Managed Account Sub-Total					(293,431.59)	44,532.80	(248,898.79)	(33.15)	0.00	
Total Security Transactions					(\$293,431.59)	\$44,532.80	(\$248,898.79)	(\$33.15)	\$0.00	



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale	
Trade	Settle				Proceeds	Interest		Cost	Amort Cost		Method
BUY											
04/01/19	04/05/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	(316,151.37)	(1,828.13)	(317,979.50)				
04/18/19	04/18/19	MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	(490,175.00)	0.00	(490,175.00)				
Transaction Type Sub-Total				825,000.00	(806,326.37)	(1,828.13)	(808,154.50)				
INTEREST											
04/01/19	04/01/19	BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	0.00	2,037.00	2,037.00				
04/01/19	04/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	10,030.76	0.00	13.76	13.76				
04/01/19	04/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	111,617.33	0.00	297.93	297.93				
04/01/19	04/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75				
04/01/19	04/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	126,600.14	0.00	382.35	382.35				
04/05/19	04/05/19	BANK OF NOVA SCOTIA HOUSTON CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	250,000.00	0.00	2,414.03	2,414.03				
04/15/19	04/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75				
04/15/19	04/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83				
04/15/19	04/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	10,024.35	0.00	12.03	12.03				
04/15/19	04/15/19	PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	0.00	1,650.00	1,650.00				
04/15/19	04/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	11,021.21	0.00	14.33	14.33				
04/15/19	04/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	59,739.98	0.00	84.63	84.63				
04/15/19	04/15/19	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	11,722.57	0.00	12.21	12.21				



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
04/15/19	04/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	241,142.08	0.00	335.59	335.59			
04/15/19	04/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	10,621.60	0.00	11.06	11.06			
04/15/19	04/15/19	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	6,571.93	0.00	7.61	7.61			
04/15/19	04/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	86,854.94	0.00	125.22	125.22			
04/15/19	04/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	249,294.18	0.00	369.79	369.79			
04/15/19	04/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
04/15/19	04/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	77,395.44	0.00	83.20	83.20			
04/16/19	04/16/19	SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	0.00	4,237.50	4,237.50			
04/17/19	04/17/19	TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	0.00	3,412.50	3,412.50			
04/18/19	04/18/19	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	86.46	0.00	0.09	0.09			
04/18/19	04/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	0.00	96.96	96.96			
04/18/19	04/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	109,788.07	0.00	110.70	110.70			
04/19/19	04/19/19	INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	0.00	1,968.75	1,968.75			
04/19/19	04/19/19	BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	0.00	328.13	328.13			
04/21/19	04/21/19	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	0.00	3,125.00	3,125.00			
04/22/19	04/22/19	WELLS FARGO & COMPANY CORP NOTE DTD 04/22/2014 2.125% 04/22/2019	94974BFU9	250,000.00	0.00	2,656.25	2,656.25			



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
04/25/19	04/25/19	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	200,000.00	0.00	2,000.00	2,000.00			
04/25/19	04/25/19	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	35,000.00	0.00	350.00	350.00			
04/30/19	04/30/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	0.00	4,921.88	4,921.88			
04/30/19	04/30/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	350,000.00	0.00	3,281.24	3,281.24			
04/30/19	04/30/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	0.00	3,984.38	3,984.38			
04/30/19	04/30/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	0.00	5,625.00	5,625.00			
04/30/19	04/30/19	US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	0.00	3,437.50	3,437.50			

Transaction Type Sub-Total			6,417,511.04	0.00	49,113.45	49,113.45				
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MATURITY										
04/05/19	04/05/19	BANK OF NOVA SCOTIA HOUSTON CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	250,000.00	250,000.00	0.00	250,000.00	0.00	0.00	
04/16/19	04/16/19	MUFG BANK LTD/NY COMM PAPER DTD 07/20/2018 0.000% 04/16/2019	62479MRG0	500,000.00	500,000.00	0.00	500,000.00	9,637.50	0.00	
04/22/19	04/22/19	WELLS FARGO & COMPANY CORP NOTE DTD 04/22/2014 2.125% 04/22/2019	94974BFU9	250,000.00	250,000.00	0.00	250,000.00	(1,022.50)	0.00	
04/25/19	04/25/19	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	200,000.00	200,000.00	0.00	200,000.00	128.00	0.00	
04/25/19	04/25/19	GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	35,000.00	35,000.00	0.00	35,000.00	97.30	0.00	

Transaction Type Sub-Total			1,235,000.00	1,235,000.00	0.00	1,235,000.00	8,840.30	0.00		
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Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale	
Trade	Settle				Proceeds	Interest		Cost	Amort Cost		Method
PAYDOWNS											
04/01/19	04/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	176.14	176.14	0.00	176.14	0.00	0.00		
04/01/19	04/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	2,423.80	2,423.80	0.00	2,423.80	(48.21)	0.00		
04/01/19	04/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	2,462.57	2,462.57	0.00	2,462.57	(24.66)	0.00		
04/15/19	04/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	22,033.67	22,033.67	0.00	22,033.67	2.60	0.00		
04/15/19	04/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	3,697.81	3,697.81	0.00	3,697.81	0.36	0.00		
04/15/19	04/15/19	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	4,581.28	4,581.28	0.00	4,581.28	0.10	0.00		
04/15/19	04/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	5,462.35	5,462.35	0.00	5,462.35	0.48	0.00		
04/15/19	04/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	2,463.26	2,463.26	0.00	2,463.26	0.20	0.00		
04/15/19	04/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	8,234.74	8,234.74	0.00	8,234.74	1.11	0.00		
04/15/19	04/15/19	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	6,795.17	6,795.17	0.00	6,795.17	0.38	0.00		
04/15/19	04/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,916.88	2,916.88	0.00	2,916.88	0.57	0.00		
04/15/19	04/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	20,451.64	20,451.64	0.00	20,451.64	0.08	0.00		
04/15/19	04/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	8,310.88	8,310.88	0.00	8,310.88	0.98	0.00		
04/18/19	04/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	12,525.61	12,525.61	0.00	12,525.61	0.81	0.00		
04/18/19	04/18/19	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	86.46	86.46	0.00	86.46	0.01	0.00		
Transaction Type Sub-Total				102,622.26	102,622.26	0.00	102,622.26	(65.19)	0.00		
Managed Account Sub-Total					531,295.89	47,285.32	578,581.21	8,775.11	0.00		



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2019**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Total Security Transactions	\$531,295.89	\$47,285.32	\$578,581.21	\$8,775.11	\$0.00
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EMPLOYMENT RISK MANAGEMENT AUTHORITY

Investment Performance Review For the Quarter Ended June 30, 2019

Client Management Team

Lesley Murphy, Senior Managing Consultant

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Market Update

QUARTERLY MARKET SUMMARY

Fixed Income Management

SUMMARY

- The second quarter saw plunging interest rates, surging equity prices, mixed economic data, and increasing global growth concerns. While few economists expect the decade-long U.S. expansion to end soon, the Federal Reserve's (Fed) cautionary tone set the stage for rate cuts in the second half of the year.
- U.S. economic conditions are characterized by: (1) solid gross domestic product (GDP) growth in Q1 but more tempered expectations for Q2; (2) strong job growth with a low unemployment rate of 3.7%; (3) softening inflation pressures; and (4) increased downside risks, including a slowdown in manufacturing, weaker business investments, and protracted trade wars.
- At its June meeting, the Federal Open Market Committee (FOMC) maintained the overnight fed funds rate at a target range of 2.25% – 2.50% but acknowledged soft business investment, declining market-based inflation measures, and increased uncertainty to the outlook. In their latest assessment of monetary policy, nearly half of respondents viewed two rate cuts as appropriate by year-end. In subsequent communications, Fed chair Jerome Powell all but assured a first preemptive rate cut will occur at the Fed's next meeting on July 30 – 31.
- Equity investors seemed to rejoice in the Fed's more dovish stance. By quarter-end, domestic equity markets had reversed losses from May and reached new record highs. The S&P 500 returned 4.3% for the quarter and is now up 17.3% for the year—the best first half of a year since 1997.

ECONOMIC SNAPSHOT

- U.S. GDP grew 3.1% in Q1, up from 2.2% in Q4. Growth was driven by an unexpected improvement in net exports and outsized growth in inventories, factors that are not likely to be sustained. But consumer spending, which makes up more than two thirds of total economic output, increased at a slower pace relative to prior quarters. Forecasts for Q2 are substantially lower—generally in the 1.5% to 2.0% range.
- The U.S. labor market remained strong, with average job growth of 172,000 per month in 2019 compared with average gains of 223,000 in 2018. The unemployment rate stood at 3.7% in June, near a 49-year low, as the economy remains at what is considered “full employment.” Wages also rose but at a modest 3.1% growth rate over the past year.
- Inflation continued to be tame. The Consumer Price Index (CPI) rose 1.6% over the past year while the Fed's preferred inflation gauge, the Core Personal Consumption Expenditure (PCE) Price Index, excluding food and energy prices, also rose 1.6% over the past year, below the Fed's target of 2%.
- Recent manufacturing data weakened in the face of slowing global demand. The most recent Institute for Supply Management (ISM) manufacturing survey fell to a 30-month low while new orders for manufactured goods have fallen in three of the past four months. Conversely, consumer confidence remains near all-time highs while retail sales rebounded from weakness in Q1.

INTEREST RATES

- U.S. Treasury yields fell for a third consecutive quarter, with maturities beyond one year falling 40 to 50 basis points (bps). The yield on most longer Treasury maturities are now near 18-month lows. At quarter-end, the yield on a 3-month Treasury bill stood at 2.09%, the 2-year note was 1.76%, the 5-year was 1.77%, and the 10-year yielded 2.01%.
- The yield curve reached its greatest level of inversion since 2007, as the spread between the 10-year and 3-month Treasuries reached -28 bps, although it finished the quarter narrower as short-term rates trended lower in expectation of rate cuts.
- Money market yield curves for Treasury bills and commercial paper are also now inverted, reflecting the market's expectation for lower Fed policy rates in the term. However, yields on short-term commercial paper and bank certificates of deposit remain attractive versus short-term government securities, despite the inverted curve.

SECTOR PERFORMANCE

- Absolute returns were very strong in Q2 as lower yields pushed prices higher. Treasury benchmarks posted some of their strongest quarterly returns in three years. The increasing yield curve inversion further boosted the returns of longer-duration instruments, outperforming shorter-maturity counterparts. For example, the 3-month Treasury bill index returned 0.64% for the quarter, while 5-year and 10-year Treasury indices returned 2.81% and 4.23%, respectively.
- Federal agency returns underperformed similar-duration Treasury securities for the quarter as agency yield spreads continued to trade at very narrow levels. Callable agencies underperformed non-callable structures by a wider margin as the large downward move in yields increased the likelihood of call, limiting price appreciation.
- Modest incremental income on supranational debt compared to federal agencies helped buoy modest positive relative performance over the quarter. Despite the historically tight level of yield spreads, the sector served as a portfolio diversifier and performance enhancer relative to Treasuries and agencies over the past year.
- Following superb performance in Q1, investment-grade corporates continued to be one of the best performing sectors in Q2. Despite intra-quarter spread volatility, the incremental income from the sector-supported positive excess returns—returns in excess of Treasuries adjusted to similar duration. For the second consecutive quarter, lower-quality credits outperformed higher-quality issues as risk appetite held firm.
- AAA-rated asset-backed securities (ABS) were modestly additive to performance for the quarter despite spreads bouncing off 10-year lows in June. Within ABS, fixed-rate dominated floating rate structures and credit card collateral outpaced auto loans.
- The continued drop in rates pressured mortgage-backed securities (MBS) in Q2, resulting in underperformance and strongly negative excess returns. The decline in mortgage rates triggered expected increases in principal prepayments, generally a negative for the sector. On the flip side, agency-backed commercial mortgage-backed securities (CMBS) generated positive excess returns in back-to-back quarters as these structures have less prepayment variability and interest rate sensitivity.

QUARTERLY MARKET SUMMARY

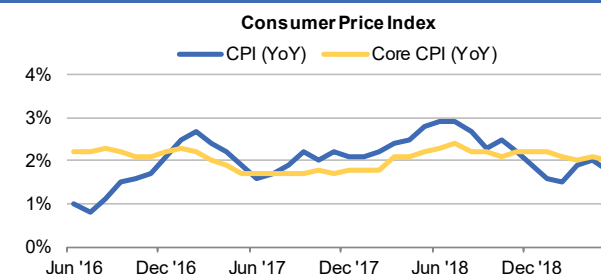
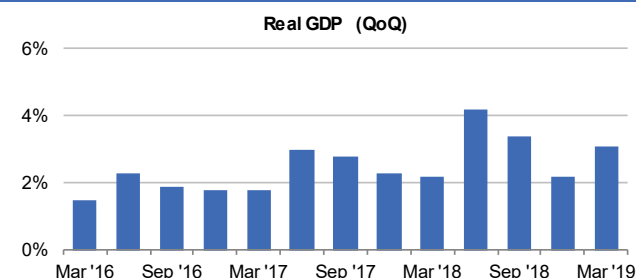
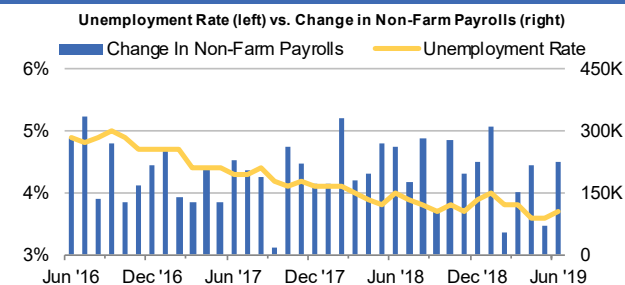
Fixed Income Management

Economic Snapshot

Labor Market		Latest	Mar '19	Jun '18
Unemployment Rate	Jun '19	3.7%	3.8%	4.0%
Change In Non-Farm Payrolls	Jun '19	224,000	153,000	262,000
Average Hourly Earnings (YoY)	Jun '19	3.1%	3.2%	2.9%
Personal Income (YoY)	May '19	4.1%	3.5%	4.6%
Initial Jobless Claims (week)	Jun '19	221,000	204,000	229,000

Growth				
Real GDP (QoQ SAAR)	2019Q1	3.1%	2.2% ¹	2.2% ²
GDP Personal Consumption (QoQ SAAR)	2019Q1	0.9%	2.5% ¹	0.5% ²
Retail Sales (YoY)	May '19	2.9%	3.8%	6.1%
ISM Manufacturing Survey (month)	Jun '19	51.7	55.3	60.0
Existing Home Sales SAAR (month)	May '19	5.34 mil.	5.21 mil.	5.39 mil.

Inflation / Prices				
Personal Consumption Expenditures (YoY)	May '19	1.5%	1.5%	2.3%
Consumer Price Index (YoY)	May '19	1.8%	1.9%	2.9%
Consumer Price Index Core (YoY)	May '19	2.0%	2.0%	2.3%
Crude Oil Futures (WTI, per barrel)	Jun '19	\$58.47	\$60.14	\$74.15
Gold Futures (oz.)	Jun '19	\$1,414	\$1,293	\$1,255



1. Data as of Fourth Quarter 2018.

2. Data as of First Quarter 2018.

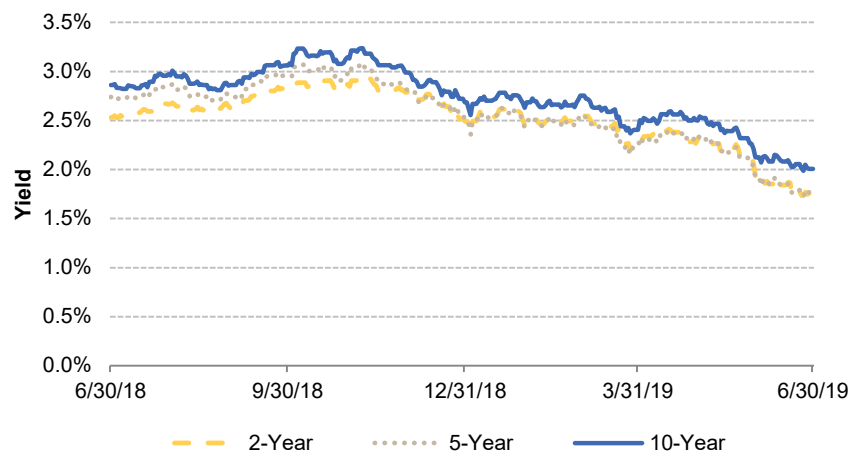
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

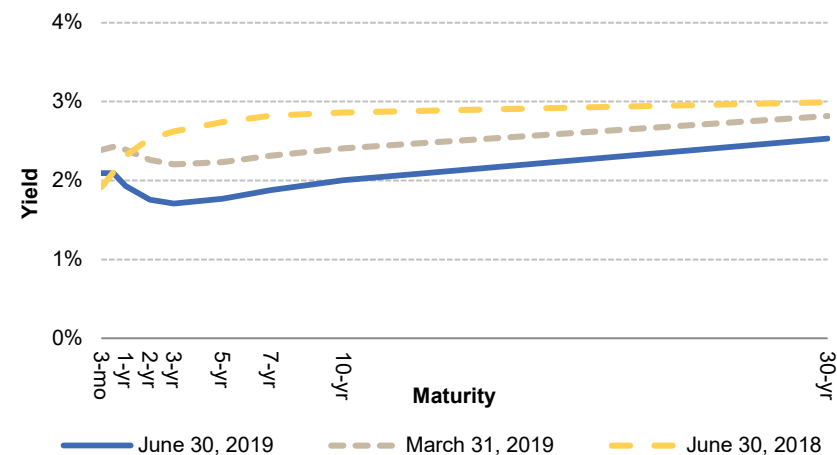
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



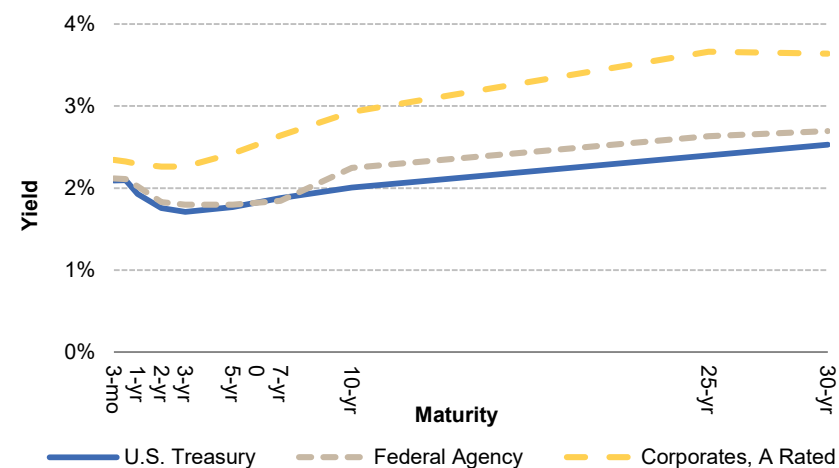
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '19	Mar '19	Change over Quarter	Jun '18	Change over Year
3-Month	2.09%	2.39%	(0.30%)	1.92%	0.17%
1-Year	1.93%	2.39%	(0.46%)	2.31%	(0.38%)
2-Year	1.76%	2.26%	(0.50%)	2.53%	(0.77%)
5-Year	1.77%	2.23%	(0.46%)	2.74%	(0.97%)
10-Year	2.01%	2.41%	(0.40%)	2.86%	(0.85%)
30-Year	2.53%	2.82%	(0.29%)	2.99%	(0.46%)

Yield Curves as of 6/30/19



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

Fixed Income Management

ICE BofAML Index Returns

As of 6/30/19		Returns for Periods ended 6/30/19			
June 30, 2019	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	1.80%	1.44%	3.96%	1.29%
Federal Agency	1.54	1.83%	1.30%	3.88%	1.46%
U.S. Corporates, A-AAA rated	1.87	2.30%	1.54%	4.84%	2.13%
Agency MBS (0 to 3 years)	3.57	2.63%	1.59%	5.69%	2.10%
Taxable Municipals	1.77	2.19%	1.52%	4.77%	2.56%
1-5 Year Indices					
U.S. Treasury	2.63	1.77%	1.82%	4.89%	1.31%
Federal Agency	1.83	1.80%	1.44%	4.30%	1.46%
U.S. Corporates, A-AAA rated	2.65	2.36%	2.01%	6.06%	2.34%
Agency MBS (0 to 5 years)	3.18	2.68%	1.86%	5.56%	1.71%
Taxable Municipals	2.22	2.43%	1.38%	5.11%	2.45%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.64	1.94%	3.06%	7.33%	1.34%
Federal Agency	4.04	1.98%	2.32%	6.20%	1.89%
U.S. Corporates, A-AAA rated	7.46	2.87%	4.04%	10.11%	3.32%
Agency MBS (0 to 30 years)	3.83	2.75%	2.01%	6.32%	2.10%
Taxable Municipals	10.83	3.34%	4.99%	11.36%	4.38%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

QUARTERLY MARKET SUMMARY

Fixed Income Management

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Portfolio Review

Portfolio Recap

- Interest rates plummeted in the second quarter, with yields on 2- to 5-year Treasury securities falling around 50 basis points (0.50%) to the lowest levels since 2017. Rates fell in response to slowing global growth expectations, weakness in manufacturing due to renewed trade disputes, low inflation, and expectations for multiple Fed rate cuts in the second half of the year. Much of the yield curve remains inverted, where longer-term yields are lower than short-term yields.
- U.S. equity markets reached new all-time highs in the quarter and credit-sensitive fixed income assets performed well despite elevated geopolitical risks and yield spreads on corporate bonds widening modestly over the quarter.
- Our strategy throughout the quarter included the following elements:
 - Broad diversification, generally including the widest range of permitted investments, which reduces the overall risk in the portfolio and provides the opportunity for better returns over the long term.
 - We maintained a portfolio duration in line with the benchmark. Maintaining a neutral duration—despite the inverted yield curve—drove strong market-value returns across most fixed-income sectors as market prices on fixed-income securities tend to rise as yields fall.
 - We continued to reduce federal agency and supranational allocations as their yields did not offer much value compared to treasury alternatives. This has been driven mainly by a lack of new supply, particularly in supranationals. Non-callable agencies generated small out-performance due to their modestly higher yields, but callable agencies underperformed as lower rates increased the likelihood of a call before maturity.
 - Corporate yield spreads remain tight by historical standards but widened briefly amid trade tensions. Corporates generated excess returns for the second consecutive quarter. We focused allocations on high quality issuers with relatively less exposure to international trade risks. We also had a slight preference for industrials over financials in the quarter.
 - We maintained federal agency MBS allocations, with a preference for federal agency Commercial MBS (CMBS). Performance in the agency MBS sector was mixed for the second quarter, with agency CMBS outperforming pass-through securities.
 - Asset-backed securities (ABS), while still a core holding, were modestly reduced as spreads declined to 10-year lows throughout the first half of the quarter, providing incremental returns relative to Treasuries. By June, ABS spreads began to widen slightly but still remained low by historical standards
 - Short-term commercial paper and negotiable bank CD yield spreads narrowed in the second quarter, reducing their overall attractiveness. By quarter-end, the money market yield curve was also inverted.

Investment Strategy Outlook

- While we expect U.S. and global economic growth to moderate in the second half of the year amid elevated risks to the economy, we do not believe a recession is imminent.
- The Fed has officially shifted its stance on monetary policy from “patient” to “appropriate,” and rates have continued to move lower. As such, our view is to continue to maintain a portfolio duration in line with the benchmark in order to minimize risk and optimize performance relative to the benchmark in the event yields continue to decline. While market-implied probabilities and economist surveys strongly suggest that the Fed will cut rates as early as July, the key questions of “when” and “how much” will drive our strategy over the rest of the year.
- Our outlook for each of the major fixed income sectors is as follows:
 - Federal agency spreads are very tight and we expect them to remain so. Although callable agency spreads are wider than they have been in a while, the sharp downward move in rates has reduced the likelihood of outperformance.
 - In supranationals, supply constraints have led us to recalibrate our strategy to account for lower allocations. We will still seek to add supranationals to the portfolio as attractive issues become available.
 - As a result of the Fed’s more accommodative stance and our positive view of the corporate sector, we will maintain corporate allocations and seek to modestly extend the duration of our allocations, while remaining diligent in our issuer and security selection process.
 - ABS spreads have recently widened back to levels that offer attractive incremental income compared to government and credit alternatives. We will seek to maintain allocations.
 - The decline in mortgage rates, increase in paydowns, and the Fed’s ongoing reduction in the holdings of agency MBS on their balance sheet are expected to continue. Our focus will be on specific structures, like agency CMBS, that offer incremental income and prepayment stability.
 - Historically tight spreads have also reduced the range of high-quality, short-term credit issues that offer adequate incremental income to warrant purchase. Careful maturity selection around Fed meeting expectations will be an important consideration going forward, particularly with both the Treasury and credit yield curves inverted.

Sector Allocation and Compliance

- The portfolio is in compliance with the Authority's Investment Policy and California Government Code.

Security Type	Market Value	% of Portfolio	% Change vs. 3/31/19	Permitted by Policy	In Compliance
U.S. Treasury	\$11,739,144	46.7%	+8%	100%	✓
Federal Agency	\$766,635	3.1%	-	100%	✓
Federal Agency CMOs	\$370,686	1.5%	-	20%	✓
Municipal Obligations	\$274,665	1.1%	-	100%	✓
Supranationals	\$1,784,291	7.1%	-	30%	✓
Negotiable CDs	\$3,073,181	12.2%	-	30%	✓
Corporate Notes	\$4,878,076	19.4%	-1%	30%	✓
Commercial Paper	\$493,812	2.0%	-	25%	✓
Asset-Backed Securities	\$1,222,496	4.9%	-1%	20%	✓
Securities Sub-Total	\$24,602,984	97.9%			
Accrued Interest	\$119,823				
Securities Total	\$24,722,808				
CAMP Pool - Portfolio	\$311,108	1.2%	-	100%	✓
CAMP Pool - Liquidity	\$220,481	0.9%	-7%		
Total Investments	\$25,254,397	100.0%			

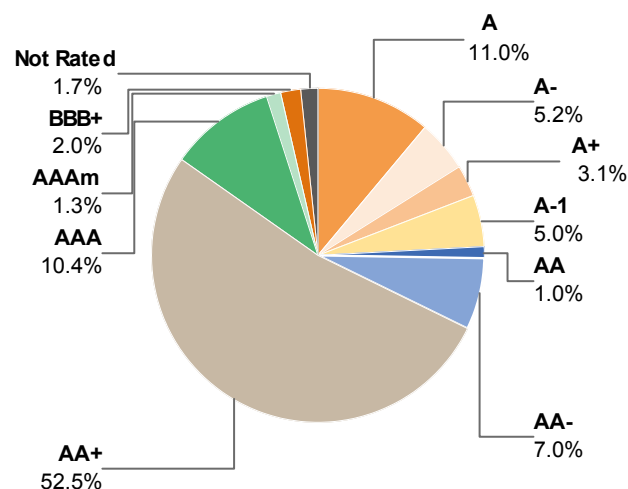
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of February 2019.

Portfolio Statistics

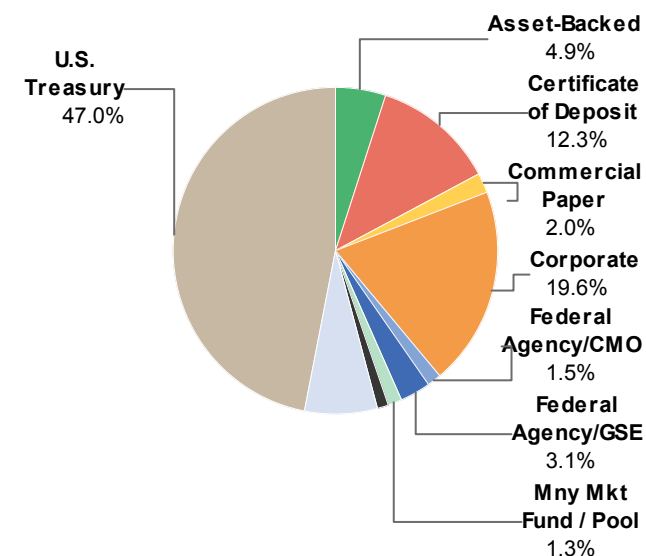
As of June 30, 2019

Par Value:	\$24,808,817
Total Market Value:	\$25,033,915
Security Market Value:	\$24,602,984
Accrued Interest:	\$119,823
Cash:	-
CAMP	\$311,108
Amortized Cost:	\$24,656,742
Yield at Market:	1.95%
Yield at Cost:	2.32%
Effective Duration:	2.10 Years
Duration to Worst:	2.12 Years
Average Maturity:	2.28 Years
Average Credit: *	AA

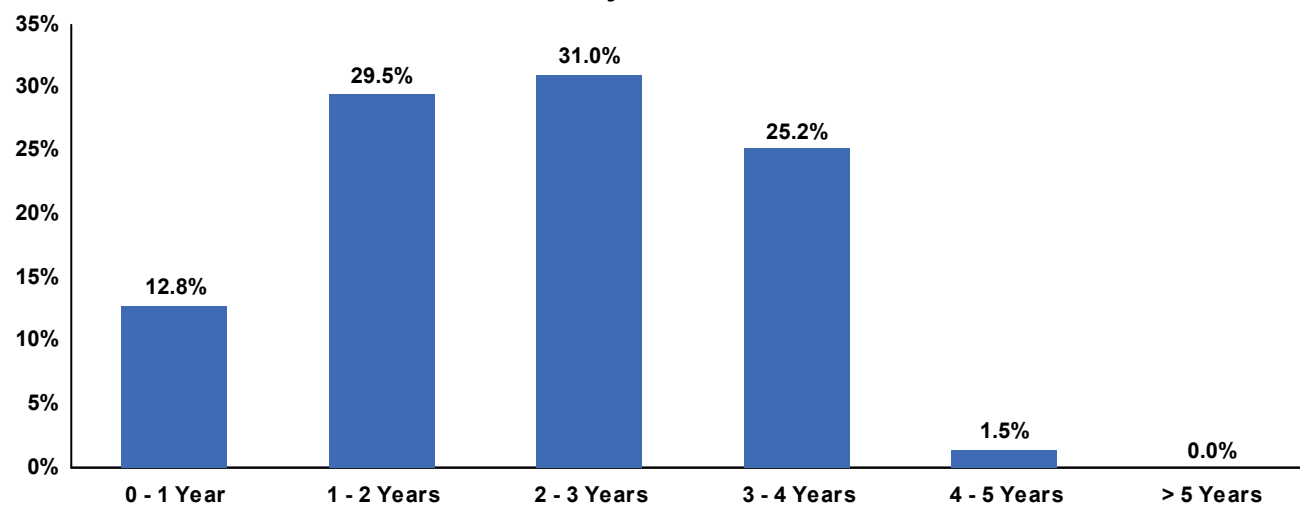
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution

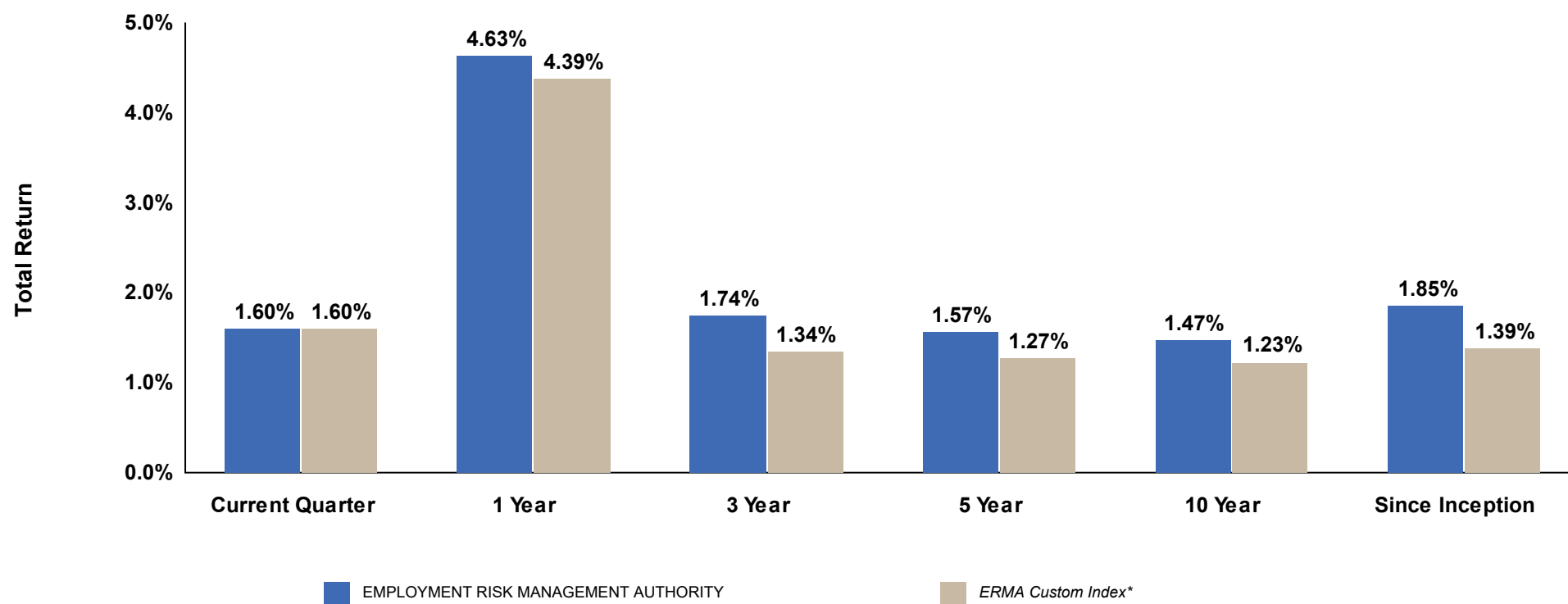


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

** Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated January 2018.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception (09/30/08)
EMPLOYMENT RISK MANAGEMENT AUTHORITY	2.10	1.60%	4.63%	1.74%	1.57%	1.47%	1.85%
ERMA Custom Index*	2.10	1.60%	4.39%	1.34%	1.27%	1.23%	1.39%
Difference		0.00%	0.24%	0.40%	0.30%	0.24%	0.46%



Portfolio performance is gross of fees unless otherwise indicated.

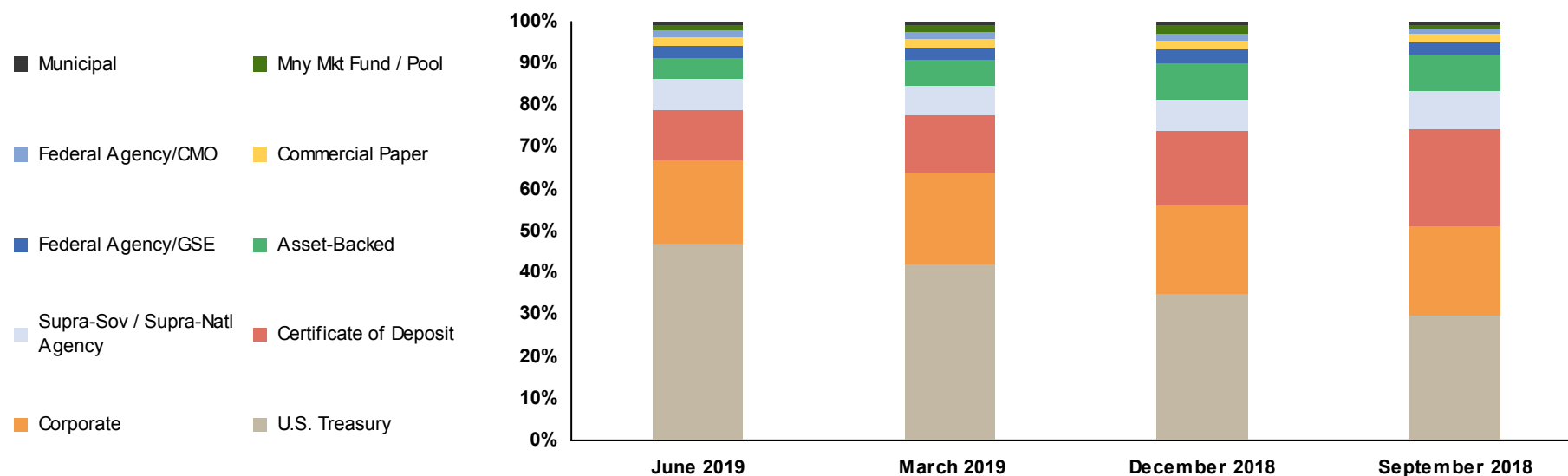
*ERMA's Custom Index is the ICE Bank of America Merrill Lynch (BofAML) 1-3 Year Treasury Index from inception through March 31, 2016 and the ICE BofAML 0-5 Year U.S. Treasury Index thereafter.

Portfolio Earnings*Quarter-Ended June 30, 2019*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2019)	\$24,541,943.54	\$24,537,127.40
Net Purchases/Sales	\$106,895.26	\$106,895.26
Change in Value	\$265,253.40	\$12,719.13
Ending Value (06/30/2019)	\$24,914,092.20	\$24,656,741.79
Interest Earned	\$130,034.41	\$130,034.41
Portfolio Earnings	\$395,287.81	\$142,753.54

Sector Allocation

Sector	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	11.7	47.0%	10.3	41.9%	8.5	35.0%	7.1	29.6%
Corporate	4.9	19.6%	5.4	22.1%	5.1	21.1%	5.2	21.8%
Certificate of Deposit	3.1	12.3%	3.3	13.5%	4.3	17.7%	5.5	23.1%
Supra-Sov / Supra-Natl Agency	1.8	7.2%	1.8	7.2%	1.8	7.3%	2.1	8.9%
Asset-Backed	1.2	4.9%	1.5	6.1%	2.2	9.0%	2.0	8.4%
Federal Agency/GSE	0.8	3.1%	0.8	3.1%	0.8	3.1%	0.7	3.1%
Commercial Paper	0.5	2.0%	0.5	2.0%	0.5	2.1%	0.5	2.1%
Federal Agency/CMO	0.4	1.5%	0.4	1.6%	0.4	1.7%	0.3	1.4%
Mny Mkt Fund / Pool	0.3	1.3%	0.3	1.4%	0.5	1.9%	0.1	0.5%
Municipal	0.3	1.1%	0.3	1.1%	0.3	1.1%	0.3	1.1%
Total	\$24.9	100.0%	\$24.5	100.0%	\$24.2	100.0%	\$23.9	100.0%

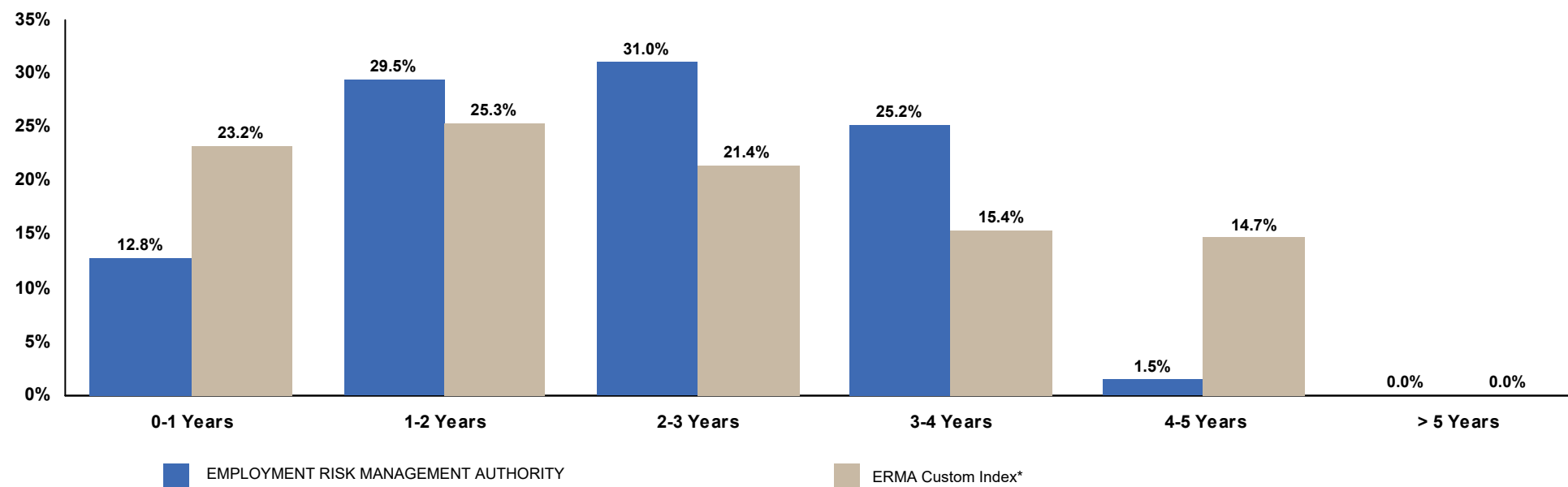


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2019

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
EMPLOYMENT RISK MANAGEMENT AUTHORITY	1.95%	2.28 yrs	12.8%	29.5%	31.0%	25.2%	1.5%	0.0%
ERMA Custom Index*	1.85%	2.26 yrs	23.2%	25.3%	21.4%	15.4%	14.7%	0.0%



*ERMA's Custom Index is the ICE Bank of America Merrill Lynch (BofAML) 1-3 Year Treasury Index from inception through March 31, 2016 and the ICE BofAML 0-5 Year U.S. Treasury Index thereafter.

Issuer Distribution

As of June 30, 2019

Issuer	Market Value (\$)	% of Portfolio	Top 5 = 59.8%	Top 10 = 69.1%
UNITED STATES TREASURY	11,739,144	47.1%		
INTL BANK OF RECONSTRUCTION AND DEV	1,131,099	4.6%		
MITSUBISHI UFJ FINANCIAL GROUP INC	749,999	3.0%		
INTER-AMERICAN DEVELOPMENT BANK	653,192	2.6%		
FEDERAL HOME LOAN BANKS	617,211	2.5%		
TOYOTA MOTOR CORP	511,872	2.1%		
SWEDBANK AB	498,526	2.0%		
WESTPAC BANKING CORP	449,371	1.8%		
ROYAL BANK OF CANADA	433,399	1.7%		
BANK OF MONTREAL	427,955	1.7%		
HONDA AUTO RECEIVABLES	359,742	1.4%		
AMERICAN EXPRESS CO	329,856	1.3%		
CAMP POOL	311,108	1.3%		
STATE OF CONNECTICUT	274,665	1.1%		
FANNIE MAE	274,233	1.1%		
PNC FINANCIAL SERVICES GROUP	263,280	1.1%		
JP MORGAN CHASE & CO	255,147	1.0%		
SUMITOMO MITSUI FINANCIAL GROUP INC	253,856	1.0%		

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
NATIONAL RURAL UTILITIES CO FINANCE CORP	252,960	1.0%
BANK OF NOVA SCOTIA	252,097	1.0%
IBM CORP	251,382	1.0%
UBS AG	251,106	1.0%
BANK OF AMERICA CO	250,908	1.0%
CREDIT SUISSE GROUP	250,682	1.0%
MORGAN STANLEY	250,469	1.0%
CITIGROUP INC	250,044	1.0%
WAL-MART STORES INC	249,551	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	249,496	1.0%
FREDDIE MAC	245,877	1.0%
ALLY AUTO RECEIVABLES TRUST	230,198	0.9%
NISSAN AUTO RECEIVABLES	230,147	0.9%
DEERE & COMPANY	227,416	0.9%
AMERICAN HONDA FINANCE	225,438	0.9%
APPLE INC	199,513	0.8%
BB&T CORPORATION	189,222	0.8%
CATERPILLAR INC	184,348	0.7%
FORD CREDIT AUTO OWNER TRUST	179,839	0.7%
PACCAR FINANCIAL CORP	175,833	0.7%
PEPSICO INC	164,955	0.7%

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
CHARLES SCHWAB	163,098	0.7%
HOME DEPOT INC	124,566	0.5%
HERSHEY COMPANY	101,713	0.4%
THE WALT DISNEY CORPORATION	99,737	0.4%
STATE STREET CORPORATION	69,818	0.3%
HYUNDAI AUTO RECEIVABLES	56,836	0.2%
JOHN DEERE OWNER TRUST	3,191	0.0%
Grand Total:	24,914,092	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
4/1/19	4/5/19	325,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	317,979.50	2.32%	
4/18/19	4/18/19	500,000	62479LAD7	MUFG BANK LTD/NY COMM PAPER	0.00%	1/13/20	490,175.00	2.67%	
5/1/19	5/3/19	400,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	393,125.00	2.25%	
6/3/19	6/7/19	575,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	570,664.06	1.83%	
Total BUY		1,800,000					1,771,943.56		
INTEREST									
4/1/19	4/1/19	175,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	2,037.00		
4/1/19	4/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
4/1/19	4/25/19	126,600	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	382.35		
4/1/19	4/25/19	10,031	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	13.76		
4/1/19	4/25/19	111,617	3137FKK39	FHMS KP05 A	3.20%	7/1/23	297.93		
4/5/19	4/5/19	250,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON CD	1.91%	4/5/19	2,414.03		
4/15/19	4/15/19	77,395	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	83.20		
4/15/19	4/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
4/15/19	4/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
4/15/19	4/15/19	241,142	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	335.59		
4/15/19	4/15/19	11,021	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	14.33		
4/15/19	4/15/19	59,740	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	84.63		
4/15/19	4/15/19	165,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	1,650.00		
4/15/19	4/15/19	6,572	34531PAD3	FORD ABS 2016-A A3	1.39%	7/15/20	7.61		
4/15/19	4/15/19	86,855	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	125.22		
4/15/19	4/15/19	10,024	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	12.03		
4/15/19	4/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/15/19	4/15/19	11,723	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	12.21		
4/15/19	4/15/19	10,622	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	11.06		
4/15/19	4/15/19	249,294	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	369.79		
4/16/19	4/16/19	250,000	86565BPC9	SUMITOMO MITSUI BANK NY CERT DEPOS	3.39%	10/16/20	4,237.50		
4/17/19	4/17/19	350,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	3,412.50		
4/18/19	4/18/19	86	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	0.09		
4/18/19	4/18/19	109,788	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	110.70		
4/18/19	4/18/19	65,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	96.96		
4/19/19	4/19/19	25,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	328.13		
4/19/19	4/19/19	150,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	1,968.75		
4/21/19	4/21/19	250,000	61746BEA0	MORGAN STANLEY CORP NOTES	2.50%	4/21/21	3,125.00		
4/22/19	4/22/19	250,000	94974BFU9	WELLS FARGO & COMPANY CORP NOTE	2.12%	4/22/19	2,656.25		
4/25/19	4/25/19	35,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	350.00		
4/25/19	4/25/19	200,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	2,000.00		
4/30/19	4/30/19	550,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	3,437.50		
4/30/19	4/30/19	600,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	5,625.00		
4/30/19	4/30/19	350,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	3,281.24		
4/30/19	4/30/19	525,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	4,921.88		
4/30/19	4/30/19	425,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	3,984.38		
5/1/19	5/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
5/1/19	5/25/19	124,176	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	374.67		
5/1/19	5/25/19	111,441	3137FKK39	FHMS KP05 A	3.20%	7/1/23	297.46		
5/1/19	5/25/19	7,568	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	10.38		
5/3/19	5/3/19	250,000	06406FAB9	BANK OF NEW YORK MELLON (CALLABLE) NOTES	2.05%	5/3/21	2,562.50		
5/5/19	5/5/19	150,000	0258M0EB1	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.25%	5/5/21	1,687.50		
5/9/19	5/9/19	500,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	5,312.50		
5/10/19	5/10/19	125,000	05531FAV5	BRANCH BANKING & TRUST (CALLABLE) NOTE	2.05%	5/10/21	1,281.25		
5/11/19	5/11/19	200,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	1,800.00		
5/13/19	5/13/19	125,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,281.25		
5/15/19	5/15/19	100,000	427866BA5	HERSHEY COMPANY CORP NOTES	3.10%	5/15/21	1,550.00		

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/19	5/15/19	78,544	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	113.23		
5/15/19	5/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
5/15/19	5/15/19	220,690	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	307.13		
5/15/19	5/15/19	54,278	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	76.89		
5/15/19	5/15/19	6,327	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	7.59		
5/15/19	5/15/19	4,927	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	5.13		
5/15/19	5/15/19	35,000	912828PC8	US TREASURY NOTES	2.62%	11/15/20	459.38		
5/15/19	5/15/19	8,104	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	10.54		
5/15/19	5/15/19	1,991	34531PAD3	FORD ABS 2016-A A3	1.39%	7/15/20	2.31		
5/15/19	5/15/19	69,161	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	74.35		
5/15/19	5/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
5/15/19	5/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
5/15/19	5/15/19	8,158	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	8.50		
5/15/19	5/15/19	227,261	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	337.10		
5/16/19	5/16/19	500,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	5,706.53		
5/17/19	5/17/19	50,000	06051GHH5	BANK OF AMERICA CORP NOTES	3.49%	5/17/22	874.75		
5/18/19	5/18/19	97,262	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	98.07		
5/18/19	5/18/19	65,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	96.96		
5/19/19	5/19/19	70,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	682.50		
5/21/19	5/21/19	160,000	808513AW5	CHARLES SCHWAB CORP NOTES	3.25%	5/21/21	2,600.00		
5/31/19	5/31/19	625,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	5,078.12		
5/31/19	5/31/19	650,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	4,468.75		
5/31/19	5/31/19	250,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	2,500.00		
5/31/19	5/31/19	400,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	3,250.00		
5/31/19	5/31/19	325,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	2,640.63		
6/1/19	6/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
6/1/19	6/25/19	111,253	3137FKK39	FHMS KP05 A	3.20%	7/1/23	296.95		
6/1/19	6/25/19	6,954	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	9.54		
6/1/19	6/25/19	122,437	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	363.73		
6/5/19	6/5/19	125,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	1,125.00		

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/5/19	6/5/19	250,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	3,850.00		
6/7/19	6/7/19	100,000	172967KS9	CITIGROUP INC CORP NOTES	2.05%	6/7/19	1,025.00		
6/7/19	6/7/19	425,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	6,885.00		
6/15/19	6/15/19	2,743	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	3.29		
6/15/19	6/15/19	70,486	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	101.62		
6/15/19	6/15/19	5,454	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	7.09		
6/15/19	6/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
6/15/19	6/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
6/15/19	6/15/19	5,171	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	5.39		
6/15/19	6/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
6/15/19	6/15/19	200,371	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	278.85		
6/15/19	6/15/19	61,604	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	66.22		
6/15/19	6/15/19	250,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	2,375.00		
6/15/19	6/15/19	48,721	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	69.02		
6/15/19	6/15/19	206,399	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	306.16		
6/18/19	6/18/19	85,360	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	86.07		
6/18/19	6/18/19	60,993	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	90.98		
6/30/19	6/30/19	650,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	6,906.25		
6/30/19	6/30/19	850,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	9,031.25		
6/30/19	6/30/19	700,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	7,437.50		
6/30/19	6/30/19	500,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	5,312.50		
6/30/19	6/30/19	225,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	2,390.63		
Total INTEREST		18,440,345					146,146.12		

MATURITY

4/5/19	4/5/19	250,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON CD	1.91%	4/5/19	250,000.00	0.00
4/16/19	4/16/19	500,000	62479MRG0	MUFG BANK LTD/NY COMM PAPER	0.00%	4/16/19	500,000.00	0.00
4/22/19	4/22/19	250,000	94974BFU9	WELLS FARGO & COMPANY CORP NOTE	2.12%	4/22/19	250,000.00	0.00

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/25/19	4/25/19	35,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	35,000.00		0.00
4/25/19	4/25/19	200,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	200,000.00		0.00
6/7/19	6/7/19	100,000	172967KS9	CITIGROUP INC CORP NOTES	2.05%	6/7/19	100,000.00		0.00
Total MATURITY		1,335,000					1,335,000.00		0.00

PAYDOWNS

4/1/19	4/25/19	176	3137FKK39	FHMS KP05 A	3.20%	7/1/23	176.14		0.00
4/1/19	4/25/19	2,424	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	2,423.80		0.00
4/1/19	4/25/19	2,463	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	2,462.57		0.00
4/15/19	4/15/19	8,311	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	8,310.88		0.00
4/15/19	4/15/19	6,795	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	6,795.17		0.00
4/15/19	4/15/19	8,235	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	8,234.74		0.00
4/15/19	4/15/19	20,452	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	20,451.64		0.00
4/15/19	4/15/19	2,463	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	2,463.26		0.00
4/15/19	4/15/19	5,462	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	5,462.35		0.00
4/15/19	4/15/19	4,581	34531PAD3	FORD ABS 2016-A A3	1.39%	7/15/20	4,581.28		0.00
4/15/19	4/15/19	3,698	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	3,697.81		0.00
4/15/19	4/15/19	22,034	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	22,033.67		0.00
4/15/19	4/15/19	2,917	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	2,916.88		0.00
4/18/19	4/18/19	86	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	86.46		0.00
4/18/19	4/18/19	12,526	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	12,525.61		0.00
5/1/19	5/25/19	1,740	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	1,739.80		0.00
5/1/19	5/25/19	188	3137FKK39	FHMS KP05 A	3.20%	7/1/23	188.25		0.00
5/1/19	5/25/19	614	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	614.30		0.00
5/15/19	5/15/19	2,651	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	2,650.74		0.00
5/15/19	5/15/19	2,987	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	2,987.35		0.00
5/15/19	5/15/19	3,583	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	3,583.23		0.00
5/15/19	5/15/19	20,861	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	20,861.19		0.00

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/19	5/15/19	5,557	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	5,556.63		0.00
5/15/19	5/15/19	20,320	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	20,319.82		0.00
5/15/19	5/15/19	8,058	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	8,058.39		0.00
5/15/19	5/15/19	4,927	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	4,927.40		0.00
5/15/19	5/15/19	1,991	34531PAD3	FORD ABS 2016-A A3	1.39%	7/15/20	1,990.65		0.00
5/15/19	5/15/19	7,557	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	7,557.03		0.00
5/18/19	5/18/19	4,007	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	4,006.61		0.00
5/18/19	5/18/19	11,902	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	11,902.02		0.00
6/1/19	6/25/19	440	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	440.46		0.00
6/1/19	6/25/19	641	3137FKK39	FHMS KP05 A	3.20%	7/1/23	641.06		0.00
6/1/19	6/25/19	6,537	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	6,536.97		0.00
6/15/19	6/15/19	1,977	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	1,977.47		0.00
6/15/19	6/15/19	7,979	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	7,979.05		0.00
6/15/19	6/15/19	19,988	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	19,988.44		0.00
6/15/19	6/15/19	7,453	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	7,453.46		0.00
6/15/19	6/15/19	19,278	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	19,277.90		0.00
6/15/19	6/15/19	5,162	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	5,161.97		0.00
6/15/19	6/15/19	2,743	02007LAC6	ALLY ABS 2016-3 A3	1.44%	8/15/20	2,743.32		0.00
6/15/19	6/15/19	2,584	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	2,583.66		0.00
6/18/19	6/18/19	11,090	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	11,089.62		0.00
6/18/19	6/18/19	4,363	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	4,363.25		0.00
Total PAYDOWNS		289,802					289,802.30		0.00

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	5/3/2016	5/6/2016	37,171.09	1.21	117.34	35,670.93	35,359.56
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	3/15/2017	3/17/2017	633,115.24	2.02	757.00	642,137.79	645,125.00
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	250,000.00	AA+	Aaa	9/1/2016	9/2/2016	258,984.38	1.22	423.50	253,690.67	251,074.25
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	7/6/2017	7/11/2017	905,449.22	1.85	6,016.30	902,907.06	904,780.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	AA+	Aaa	12/1/2016	12/5/2016	677,003.91	1.93	4,512.23	675,942.87	678,585.60
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	235,000.00	AA+	Aaa	10/3/2016	10/5/2016	243,821.68	1.21	1,570.92	238,960.73	236,248.32
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	6/27/2017	6/29/2017	1,111,988.28	1.73	7,353.26	1,106,336.11	1,105,843.20
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	8/30/2017	8/31/2017	541,320.31	1.64	1,158.29	545,072.01	543,876.85
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	AA+	Aaa	7/3/2018	7/6/2018	509,496.09	2.69	1,658.46	513,359.95	527,112.08
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	AA+	Aaa	1/3/2018	1/4/2018	419,604.49	2.18	1,342.56	421,411.07	426,709.78
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	AA+	Aaa	5/3/2018	5/7/2018	580,828.13	2.73	1,895.38	586,157.68	602,413.80
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	350,000.00	AA+	Aaa	12/4/2017	12/6/2017	346,363.28	2.12	1,105.64	347,623.65	351,408.05
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	550,000.00	AA+	Aaa	9/5/2018	9/7/2018	526,925.78	2.76	3,357.73	531,495.86	548,324.15
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	700,000.00	AA+	Aaa	1/7/2019	1/10/2019	689,910.16	2.51	40.42	691,067.14	709,543.10
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	AA+	Aaa	12/12/2018	12/13/2018	487,617.19	2.78	28.87	489,226.90	506,816.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	650,000.00	AA+	Aaa	1/30/2019	1/31/2019	639,691.41	2.55	37.53	640,747.34	658,861.45
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	850,000.00	AA+	Aaa	11/2/2018	11/6/2018	821,013.67	3.00	49.08	825,347.43	861,588.05
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	225,000.00	AA+	Aaa	8/1/2018	8/3/2018	218,232.42	2.86	12.99	219,563.80	228,067.43
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	AA+	Aaa	4/1/2019	4/5/2019	316,151.37	2.32	447.32	316,640.83	323,717.88
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	5/1/2019	5/3/2019	390,375.00	2.25	550.55	390,743.28	398,422.00
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	6/3/2019	6/7/2019	570,485.35	1.83	791.41	570,557.46	572,731.63
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	625,000.00	AA+	Aaa	3/4/2019	3/6/2019	602,319.34	2.53	860.23	603,964.00	622,534.38
Security Type Sub-Total		11,695,000.00					11,527,867.79	2.25	34,087.01	11,548,624.56	11,739,143.86
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	9/12/2017	9/19/2017	623,500.00	1.64	2,953.98	624,388.62	621,858.13
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/2/2017	10/10/2017	504,634.55	1.81	1,534.72	502,071.92	501,240.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	AAA	Aaa	4/12/2018	4/19/2018	149,670.00	2.70	787.50	149,798.91	151,952.10
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	AAA	Aaa	7/18/2018	7/25/2018	498,830.00	2.83	6,034.72	499,183.94	509,241.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		1,775,000.00					1,776,634.55	2.12	11,310.92	1,775,443.39	1,784,291.23
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	A	A1	8/3/2016	8/17/2016	275,594.00	1.23	1,350.56	275,024.61	274,664.50
Security Type Sub-Total		275,000.00					275,594.00	1.23	1,350.56	275,024.61	274,664.50
Federal Agency Collateralized Mortgage Obligation											
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	416.92	AA+	Aaa	10/7/2015	10/30/2015	421.10	1.08	0.57	416.92	416.15
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	121,996.09	AA+	Aaa	4/11/2018	4/30/2018	124,422.70	2.27	361.92	123,572.81	124,393.23
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	AA+	Aaa	4/4/2018	4/9/2018	131,107.03	2.61	334.75	130,743.70	133,402.58
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	110,611.88	AA+	Aaa	12/7/2018	12/17/2018	110,611.55	3.11	295.24	110,611.55	112,474.43
Security Type Sub-Total		363,024.89					366,562.38	2.65	992.48	365,344.98	370,686.39
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	2/24/2017	2/28/2017	149,904.00	1.52	768.75	149,978.57	149,423.55
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	625,000.00	AA+	Aaa	7/14/2016	7/15/2016	621,199.38	1.25	3,261.72	623,422.91	617,211.25
Security Type Sub-Total		775,000.00					771,103.38	1.30	4,030.47	773,401.48	766,634.80
Corporate Note											
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	BBB+	A3	1/4/2017	1/10/2017	249,900.00	2.46	2,909.38	249,981.97	250,043.50

EMPLOYMENT RISK MANAGEMENT AUTHORITY

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	A-	A2	2/28/2017	3/3/2017	179,812.80	2.24	1,298.00	179,957.00	179,811.36
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	A	A2	3/1/2017	3/6/2017	99,974.00	1.96	633.75	99,994.00	99,736.70
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	4/11/2017	4/17/2017	349,839.00	1.97	1,402.92	349,956.47	349,328.00
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	5/4/2017	5/11/2017	199,796.00	1.84	500.00	199,940.33	199,513.40
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	125,000.00	A	A2	5/24/2017	6/5/2017	124,927.50	1.82	162.50	124,977.16	124,566.00
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	100,000.00	A	A2	7/17/2017	7/20/2017	99,899.00	1.98	872.08	99,963.88	99,673.70
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	A	A3	9/5/2017	9/7/2017	184,844.60	1.88	1,112.31	184,937.90	184,348.43
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/6/2017	11/13/2017	124,988.75	2.05	341.67	124,994.79	124,904.63
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/2017	10/20/2017	249,637.50	1.95	211.11	249,828.77	249,551.00
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	A-	A2	10/23/2017	10/26/2017	64,970.10	2.17	582.29	64,984.78	64,885.34
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A1	2/1/2018	2/6/2018	249,877.50	2.67	2,686.81	249,933.58	251,381.50
AMERICAN HONDA FINANCE DTD 02/15/2018 2.650% 02/12/2021	02665WCD1	125,000.00	A	A2	2/12/2018	2/15/2018	124,825.00	2.70	1,278.99	124,903.79	125,764.25
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	2/21/2018	2/26/2018	99,889.00	2.94	853.89	99,936.24	101,184.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	4/12/2018	4/19/2018	149,365.50	3.05	1,280.83	149,622.50	151,776.00
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/5/2017	10/10/2017	164,967.00	2.01	696.67	164,982.80	164,954.79
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	A-	A2	11/1/2017	11/3/2017	25,194.00	2.39	131.25	25,102.92	25,155.83
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	BBB+	A3	11/1/2017	11/3/2017	250,810.00	2.40	1,215.28	250,430.69	250,468.50
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	5/17/2016	5/20/2016	250,532.50	2.00	825.69	250,199.43	249,495.50
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	5/25/2016	5/31/2016	149,721.00	2.29	525.00	149,892.38	150,044.40
BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	125,000.00	A-	A2	5/10/2016	5/16/2016	124,917.50	2.06	363.02	124,968.33	124,336.38
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	A	A1	5/3/2018	5/10/2018	99,931.00	3.12	396.11	99,956.19	101,712.60
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	5/19/2016	5/24/2016	69,735.40	2.03	159.25	69,896.97	69,817.58
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	A	A2	5/17/2018	5/22/2018	159,995.20	3.25	577.78	159,996.85	163,098.24
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A2	9/13/2017	9/18/2017	175,000.00	2.33	1,018.50	175,000.00	174,788.25
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	3/10/2017	3/15/2017	224,007.75	2.75	2,898.44	224,467.62	227,416.28
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	A+	A1	2/22/2019	3/1/2019	49,956.00	2.88	475.00	49,960.72	50,928.80

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	A-	A2	5/14/2018	5/17/2018	50,000.00	3.50	213.83	50,000.00	50,963.60
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	A-	A2	3/15/2019	3/22/2019	250,000.00	3.21	2,204.81	250,000.00	255,147.00
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	A-	A3	2/12/2019	2/15/2019	251,780.00	3.34	3,840.28	251,656.84	263,280.00
Security Type Sub-Total		4,850,000.00					4,849,093.60	2.42	31,667.44	4,850,424.90	4,878,075.56
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	A-1	P-1	4/18/2019	4/18/2019	490,175.00	2.67	0.00	492,867.78	493,811.50
Security Type Sub-Total		500,000.00					490,175.00	2.67	0.00	492,867.78	493,811.50
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A-1	P-1	2/7/2018	2/8/2018	250,000.00	2.67	9,326.46	250,000.00	250,682.25
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A-1	P-1	3/2/2018	3/6/2018	250,000.00	2.93	2,396.53	250,000.00	251,106.25
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	A-1	P-1	6/5/2018	6/7/2018	249,905.00	3.10	556.11	249,954.95	252,097.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	AA-	Aa3	8/3/2017	8/7/2017	450,000.00	2.05	3,690.00	450,000.00	449,371.35
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A+	Aa2	8/1/2018	8/3/2018	425,000.00	3.23	12,503.03	425,000.00	427,955.45
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A	A1	10/16/2018	10/18/2018	249,660.00	3.46	1,789.17	249,953.85	253,856.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	AA-	Aa2	11/16/2017	11/17/2017	500,000.00	2.30	1,450.28	500,000.00	498,526.00
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	AA-	Aa2	6/7/2018	6/8/2018	425,000.00	3.24	918.00	425,000.00	433,399.28
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	250,000.00	A	A1	2/27/2019	2/28/2019	250,000.00	3.01	2,545.42	250,000.00	256,187.15
Security Type Sub-Total		3,050,000.00					3,049,565.00	2.83	35,175.00	3,049,908.80	3,073,180.73
Asset-Backed Security											
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	3,193.53	NR	Aaa	7/19/2016	7/27/2016	3,193.28	1.25	1.77	3,193.48	3,190.61
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,869.94	AAA	Aaa	3/22/2016	3/30/2016	2,869.38	1.57	1.99	2,869.82	2,868.74
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	74,270.82	AAA	NR	10/18/2016	10/25/2016	74,266.00	1.04	32.45	74,269.39	73,987.77
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	62,506.62	AAA	Aaa	3/7/2017	3/15/2017	62,499.27	1.74	48.06	62,503.46	62,360.01
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	54,150.21	AAA	Aaa	9/14/2016	9/21/2016	54,142.92	1.30	31.05	54,147.75	53,966.85
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	180,382.18	NR	Aaa	1/18/2017	1/25/2017	180,381.51	1.67	133.88	180,381.94	179,838.94
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	43,559.03	NR	Aaa	1/24/2017	1/31/2017	43,555.23	1.70	32.91	43,557.45	43,456.43
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	187,121.42	NR	Aaa	3/21/2017	3/29/2017	187,099.36	1.79	148.03	187,111.34	186,741.32
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	56,630.14	AAA	NR	9/25/2017	9/29/2017	56,624.00	1.94	36.61	56,626.63	56,478.09
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	AAA	Aaa	1/23/2018	1/31/2018	99,998.85	2.35	104.44	99,999.26	100,183.63

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	AAA	Aaa	11/20/2018	11/28/2018	224,966.36	3.17	316.00	224,970.93	229,276.10
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	AAA	Aaa	12/4/2018	12/12/2018	224,956.89	3.53	322.00	224,962.09	230,147.39
Security Type Sub-Total		1,214,683.89					1,214,553.05	2.34	1,209.19	1,214,593.54	1,222,495.88
Managed Account Sub Total		24,497,708.78					24,321,148.75	2.32	119,823.07	24,345,634.04	24,602,984.45
Money Market Mutual Fund											
CAMP Pool		311,107.75	AAAm	NR			311,107.75		0.00	311,107.75	311,107.75
Money Market Sub Total		311,107.75					311,107.75		0.00	311,107.75	311,107.75
Securities Sub-Total		\$24,808,816.53					\$24,632,256.50	2.32%	\$119,823.07	\$24,656,741.79	\$24,914,092.20
Accrued Interest											\$119,823.07
Total Investments											\$25,033,915.27

Bolded items are forward settling trades.

Appendix

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



Sedgwick completes acquisition of York Risk Services Group

MEMPHIS, Tenn., Sept. 4, 2019 – Sedgwick, a leading global provider of technology-enabled risk, benefits and integrated business solutions, today announced the completion of its purchase of York Risk Services Group, a premier provider of claims administration, managed care, specialized loss adjusting, pool administration and loss control solutions.

York's customized claims solutions and specialized expertise complement and enrich Sedgwick's market capabilities. The strategic acquisition brings to Sedgwick approximately 5,000 highly skilled professionals serving a variety of clients, including corporations, the insurance industry and public entities. With the close of the acquisition, the Sedgwick family now comprises nearly 27,000 colleagues across 65 countries.

"The York acquisition marks another milestone in our storied half-century of growth," said Sedgwick president and CEO Dave North, referencing the company's 50th anniversary in 2019. "Joining forces with York enhances Sedgwick's position as a global industry leader. Together, we'll have the capacity to support more customers in times of need; taking care of people is at the heart of everything we do, because caring counts."

"Integrating our two companies' expertise and capabilities will enhance our service offerings, bring us into new markets, and present exciting growth opportunities for our talented colleagues," said Thomas Warsop, chairman and CEO of York. "This union is great news for the industry and for all our valued stakeholders."

As part of the transaction, entities controlled by Onex Corporation (TSX: ONEX), an investment manager founded in 1984 that owned York, are rolling their equity into the combined business and join Sedgwick's shareholder group as a minority investor.

BofA Merrill Lynch and Morgan Stanley & Co. LLC served as financial advisors to Sedgwick, and Simpson Thacher & Bartlett LLP and Clifford Chance US LLP served as legal advisors. Jefferies LLC and J.P. Morgan Securities LLC served as financial advisors to York, and Fried, Frank, Harris, Shriver & Jacobson LLP served as its legal advisor. BofA Merrill Lynch and Morgan Stanley Senior Funding, Inc. acted as joint lead arrangers on the incremental debt for the transaction.

About Sedgwick

Sedgwick is a leading global provider of technology-enabled risk, benefits and integrated business solutions. The company provides a broad range of resources tailored to clients' specific needs in casualty, property, marine, benefits and other lines. At Sedgwick, caring counts[®]; through the dedication and expertise of nearly 27,000 colleagues across 65 countries, the company takes care of people and organizations by mitigating and reducing risks and losses, promoting health and productivity, protecting

brand reputations, and containing costs that can impact the bottom line. Sedgwick's majority shareholder is The Carlyle Group; Stone Point Capital LLC, Caisse de dépôt et placement du Québec (CDPQ), Onex and other management investors are minority shareholders. For more, see www.sedgwick.com.

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Media contacts

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Maria Conry, chief marketing officer, York | +1 614-789-3754 | maria.conry@yorkrisk.com

LEGAL SERVICES AGREEMENT

1. **IDENTIFICATION OF PARTIES.** This agreement is made between Murphy, Campbell, Alliston & Quinn ("MCAQ") and the Employment Risk Management Authority, a JPA ("ERMA").
2. **LEGAL SERVICES TO BE PROVIDED.** The legal services to be provided by MCAQ to ERMA are as follows: Advice, counsel, and representation of ERMA (including ERMA's staff) as requested regarding such issues as compliance with law, the content of ERMA's governing documents including policies and procedures, and the coverage provided by ERMA or by other coverage providers.
3. **RESPONSIBILITIES OF MCAQ AND ERMA.** MCAQ will perform the legal services called for under this agreement, keep ERMA and ERMA's staff informed of progress and developments, and respond promptly to inquiries and communications from ERMA or ERMA's staff. ERMA will be truthful and cooperative with MCAQ, keep MCAQ reasonably informed of developments and timely make any payments required by this agreement.
4. **ATTORNEY FEES.** ERMA will pay MCAQ for attorney fees for the legal services provided under this agreement at the rate of \$235 per hour for attorneys and \$115 per hour for paralegals.

MCAQ will charge in increments of one-tenth of an hour, rounded off for each particular activity to the nearest one-tenth of an hour. The minimum time charged for any particular activity will be one-tenth of an hour. Monthly firm bills will identify the person performing the work and describe the work being performed.

Travel expenses such as airfare, car rental, parking, lodging and meals are billed at actual cost. Mileage is charged at the per-mile rate set by the Internal Revenue Service. MCAQ will not charge for computerized legal research services, faxing, telephone, postage, or in-house photocopying. MCAQ will charge actual cost for outsourced photocopying and for overnight delivery if necessary for reasons outside its control.

5. **NEGOTIABILITY OF FEES.** The rates set forth above are not set by law but are negotiable between an attorney and ERMA.
6. **COSTS.** ERMA will pay all "costs" in connection with MCAQ's representation of ERMA under this agreement. MCAQ may, but is not required to, advance the costs and then bill the ERMA for them. Costs may include, but are not limited to, court reporter's fees, court filing fees, deposition costs, expert fees and expenses, investigation costs, and process serving fees. Any such costs will be charged at our cost.

7. STATEMENTS AND PAYMENTS. MCAQ will send ERMA monthly statements indicating attorney fees and costs incurred and their basis, any amounts applied from deposits, and any current balance owed. If no attorney fees or costs are incurred for a particular month, or if they are minimal, the statement may be held and combined with that for the following month.
8. DISCLAIMER OF GUARANTEE. Nothing in this Agreement and nothing in MCAQ's statements to ERMA will be construed as a promise or guarantee about the outcome of any matter. MCAQ makes no such promises or guarantees. There can be no assurances that ERMA will prevail in any particular matter. Any comments about the outcome of a matter are expressions of opinion only. ERMA acknowledges that MCAQ has made no promise or guarantees about particular outcomes.
9. PROFESSIONAL LIABILITY INSURANCE. MCAQ maintains professional liability insurance coverage with a limit of at least \$2,000,000 for each claim and shall provide proof of insurance upon request.
10. MODIFICATION BY SUBSEQUENT AGREEMENT. This Agreement may be modified by agreement of the parties only by an instrument in writing signed by both of them.
11. TERM AND TERMINATION. This Agreement will be effective as of November 1, 2019. Either party may terminate this Agreement with or without cause. MCAQ may only terminate this Agreement upon 30 days' written notice.
12. CONFLICTS. MCAQ represents that is unaware of any interest which has the potential to conflict with the performance of services contemplated by this Agreement, with the following exception: MCAQ is counsel to CalTIP, a member of ERMA. MCAQ further represents that if a potential or actual conflict arises, MCAQ will immediately disclose such conflict and will take all additional steps necessary to comply with the Rules of Professional Conduct for California attorneys.
13. CLIENT'S FILES. All nonpublic ERMA information provided to or created by MCAQ is understood to be confidential. This includes intellectual property, technical data, attorney work-product created for ERMA, work of other ERMA service providers, etc. ERMA's file belongs to ERMA. MCAQ will maintain all file records as directed by ERMA, will not destroy any such records without approval from ERMA, and will return all such records to ERMA upon termination of this contract. MCAQ shall be allowed to make and keep copies of the file or portions thereof.
14. ANNUAL REVIEW. MCAQ is informed and acknowledges that ERMA conducts an annual review of responsiveness and overall quality of services provided the results of which will be provided to the Board of Directors.

The foregoing is agreed to by:

**Employment Risk Management Authority
(ERMA)**

**Murphy Campbell Alliston & Quinn
(MCAQ)**

By: _____

By: _____

Dated: _____

Dated: _____

MEMORANDUM

TO: ERMA Board of Directors

FROM: Artesia DuPree, Oakland Housing Authority

RE: AGRiP Fall Forum: October 6 – 9, 2019

Last month I had the pleasure of attending another amazing AGRiP Conference in Cleveland, Ohio. I attended every session I could which included, just to name a few:

1. Radical Candor – Enhancing collaboration through the concept of radical conversations to address tough situations.
2. Tailored Work Comp Interventions – The value of Enhanced Case Management.
3. Pool Relationships with Members – Strengthen relationships with member's agents and pools.
4. Managing Risk in a Video World – Videos are everywhere – they can be an assist or a liability.
5. Productive Conflict – Those in your pool who often bring tension and conflict to the conversation can actually strengthen your pools problem solving abilities.
6. Cyber Risk Management That Works – How to best help members mitigate cyber risk can be challenging, but offering the best preventive solutions helps members.

Each session was unique in its content but it tied all the ends together for managing risk in a pool environment. I am happy to report that ERMA is really on the cutting edge with a well-balanced and well-orchestrated Pool Manager. Given the current risk climate around the nation, to see and experience other pools with similar challenges was impactful. Listening and sharing at several roundtable discussions and open forums, I was able to explore member risk solutions within a pool by understanding the retention and constructive management of a successful pool. What I have learned and observed, is that through open candor with members and pools and sharing information, it can establish a resilient pool, no matter the changes. I feel that AGRiP takes great care in providing subject matters that count to any pool and its pool managers. I can't wait to see what the curricula will have in store for next year.

EXCESS LIABILITY POLICY DECLARATIONS



Corporate Office
945 E. Paces Ferry Rd.
Suite 1800
Atlanta, GA 30326

COMPANY SYMBOL N	POLICY PREFIX & NUMBER HS682067	RENEWAL OF NHS677144
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•THIS IS A CLAIMS MADE POLICY. PLEASE READ IT CAREFULLY.•

THIS POLICY IS ISSUED BY: RSUI Indemnity Company (hereinafter referred to as the Insurer)

ITEM 1. INSURED'S NAME AND MAILING ADDRESS

PRODUCER'S NAME AND ADDRESS

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
C/O BICKMORE RISK SERVICES
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON THE STATEMENTS HEREIN OR ATTACHED HERETO, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE INSURER AGREES TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM 2. POLICY PERIOD:

FROM 7/1/2019 TO 7/1/2020 12:01 AM Standard Time at the Insured's address as stated herein

ITEM 3. LIMIT OF LIABILITY: \$ 2,000,000 (A) Aggregate Limit of Liability each policy period
\$ 1,000,000 (B) Underlying Limits of Liability

ITEM 4. PREMIUM: \$ 311,540.00

ITEM 5. COVERAGE: Employment Practices Liability

ITEM 6. POLICY FORM AND ENDORSEMENTS MADE A PART OF THIS POLICY AT THE TIME OF ISSUE:

SEE RSG 230014 1007 - SUPPLEMENTAL DECLARATIONS - SCHEDULE OF ENDORSEMENTS; RSG 231007 0609 - EXCESS LIABILITY POLICY - 2009

ITEM 7. FOLLOWED POLICY

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Premium</u>
Employment Risk Management Authority	ERMA 2019-1EPL	\$1,000,000	\$4,231,812.00

ITEM 8. UNDERLYING INSURANCE

(A) Primary Policy:

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Premium</u>
Employment Risk Management Authority	ERMA 2019-1EPL	\$1,000,000	\$4,231,812.00

(B) Underlying Excess Policy(ies):

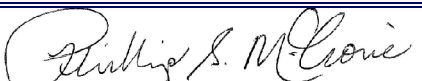
<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Premium</u>
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THESE DECLARATIONS TOGETHER WITH THE COMPLETED, SIGNED AND DATED APPLICATION, POLICY FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: _____

July 23, 2019

DATE



AUTHORIZED REPRESENTATIVE



POLICY NUMBER: NHS682067

SCHEDULE OF ENDORSEMENTS

TITLE	FORM NUMBER
Cap on Losses From Certified Acts of Terrorism	RSG 204081 0118
Disclosure Pursuant to Terrorism Risk Insurance Act	RSG 204123 0116
Additional Named Insured	RSG 234031 0210
Amendatory Endorsement - Claims Made And Reported And Limit Of Liability	
Amended Declarations	
Exclusion - Prior Acts	RSG 206069 1009
Exclusion - Prior and or Pending Litigation Backdated	RSG 236008 0204
Exclusion - Prior and or Pending Litigation Backdated - Higher Limits	RSG 236009 0204
Exclusion - Specific Entities and Individuals	RSG 206095 0115
Three (3) Year Bilateral Discovery Period	

This Endorsement Changes The Policy. Please Read It Carefully.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

**DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY
EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the **Insurer** has met our insurer deductible under the Terrorism Risk Insurance Act, the **Insurer** shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a **Certified Act of Terrorism** include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear Exclusion.

All other terms and conditions of this policy remain unchanged.

Policy No.: NHS682067 **Effective:** 7/1/2019

RSG 204081 0118

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT IS ATTACHED TO AND MADE A PART OF THIS POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Terrorism Premium	\$0
<p>Additional information, if any, concerning the terrorism premium: The portion of your premium for the policy term attributable to coverage for all acts of terrorism covered under this policy including terrorist acts certified under the Act is listed above.</p>	
<p><small>*Information required to complete this Schedule, if not shown above, will be shown in the Declarations Page.</small></p>	

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended, the **Insurer** is required to provide the **Insured** with a notice disclosing the portion of the **Insured's** premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of the **Insured's** premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations Page.

As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses that exceeds the applicable **Insurer** retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap Insurer Participation in Payment of Terrorism Losses

If aggregate **Insured** losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the **Insurer** has met our **Insurer** deductible under the Terrorism Risk Insurance Act, the **Insurer** will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case **Insured** losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

This Endorsement Changes The Policy. Please Read It Carefully.

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

**EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY**

The **Insured's** name, as set forth in Item 1. of the Declarations Page, is amended to include the following:

Central San Joaquin Valley Risk Management Authority (CSJVRMA)

City of Angels Camp
 City of Atwater
 City of Ceres
 City of Chowchilla
 City of Corcoran
 City of Delano
 City of Dos Palos
 City of Escalon
 City of Fowler
 City of Gustine
 City of Hughson
 City of Huron
 City of Kerman
 City of Kingsburg
 City of Lathrop
 City of Livingston
 City of Madera
 City of McFarland
 City of Merced
 City of Newman
 City of Orange Cove
 City of Porterville
 City of Reedley
 City of San Joaquin
 City of Selma
 City of Shafter
 City of Taft
 City of Wasco
 City of Riverbank
 City of Tulare
 City of Oakdale (added effective 8/1/2012)
 City of Patterson
 City of Mendota
 City of Lemoore
 City of Sonora
 City of Tehachapi
 City of Sanger (added effective 4/18/2016)
 City of Woodlake (added effective 7/1/2016)
 City of Dinuba (added effective 7/1/2016)
 City of Farmersville (added effective 7/1/2016)

Municipal Pooling Authority (MPA)

City of Antioch

City of Brentwood
City of Clayton
Town of Danville
City of El Cerrito
City of Hercules
City of Lafayette
City of Manteca
City of Martinez
Town of Moraga
City of Oakley
City of Orinda
City of Pacifica
City of Pinole
City of Pittsburg
City of Pleasant Hill
City of San Pablo
City of San Ramon
City of Walnut Creek

Vector Control Joint Powers Agency (VCJPA)

Alameda County Mosquito Abatement District
Burney Basin Mosquito Abatement District
Butte County Mosquito and Vector Control District
Coachella Valley Mosquito and Vector Control District
Colusa Mosquito Abatement District
Compton Creek Mosquito Abatement District
Consolidated Mosquito Abatement District
Contra Costa Mosquito and Vector Control District
Delta Vector Control District
Durham Mosquito Abatement District
Fresno Mosquito and Vector Control District
Glenn County Mosquito and Vector Control District
Greater Los Angeles County Vector Control District
Kings Mosquito Abatement District
Lake County Vector Control District
Los Angeles County West Vector Control District
Marin-Sonoma Mosquito and Vector Control District
Mosquito and Vector Management District of Santa Barbara County
Napa County Mosquito Abatement District
Northwest Mosquito and Vector Control District
Orange County Vector Control District
Oroville Mosquito Abatement District
Placer Mosquito Abatement District
Sacramento-Yolo Mosquito and Vector Control District
San Gabriel Valley Mosquito and Vector Control District
San Joaquin County Mosquito and Vector Control District
San Mateo County Mosquito and Vector Control District
Shasta Mosquito and Vector Control District
Sutter-Yuba Mosquito and Vector Control District
Tehama County Mosquito and Vector Control District
Turlock Mosquito Abatement District
West Valley Mosquito and Vector Control District

Oakland Housing Authority

Housing Authority of the County of Contra Costa

Monterey Bay Area Self Insurance Authority (MBASIA)

City of Capitola
City of Del Rey Oaks
City of Gonzales
City of Greenfield
City of Hollister
King City
City of Marina
Sand City
City of Scotts Valley
City of Soledad

California Transit Indemnity Pool (CalTIP)

Livermore Amador Valley Transit Authority
Mendocino Transit Authority
San Luis Obispo Regional Transit Authority
South County Area Transit
Tahoe Transportation District
Yolo County Transportation District

Small Cities Organized Risk Effort (SCORE)

Town of Fort Jones (added effective 1/1/2019)

The above addition shall not serve to increase the Limit of Liability, as set forth in Item 3.(A) of the Declarations Page.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

AMENDATORY ENDORSEMENT – CLAIMS MADE AND REPORTED AND LIMIT OF LIABILITY

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

SECTION II, Definitions, shall be deleted in its entirety and replaced by the following:

II. DEFINITIONS

- A. **Followed Policy** means the policy indicated in Item 7. of the Declarations page.
- B. **Insured** means any natural person or entity designated as a *Covered Party* in the **Underlying Insurance** or any group or series of such *Covered Parties*.
- C. **Policy Period** means the period beginning at the inception date and ending at the expiration date stated in Item 2. of the Declarations Page or any earlier cancellation or termination date.
- D. **Underlying Insurance** means the **Primary Policy** and/or **Followed Policy** and **Underlying Excess Policy(ies)** listed in Item 8. of the Declarations page.
- E. The term **Wrongful Act** shall mean *Wrongful Employment Practice*, as defined in the **Followed Policy**; the term **Loss** shall mean *Ultimate Net Loss* as defined in the **Followed Policy**; and the term **Claim** shall have the same meaning as defined in the **Followed Policy**.
- F. The term Limit of Liability shall mean a single, aggregate Limit of Liability as listed in Item 3 (A) of the Declarations Page.

SECTION V, Claim and Other Notices, shall be deleted in its entirety and replaced by the following:

V. CLAIM AND OTHER NOTICES

The Insurer shall be given notice in writing as soon as practicable: (a) in the event of cancellation or non-renewal of any **Underlying Insurance**; and (b) of any additional or return premiums assessed in connection with any **Underlying Insurance**. Any changes in policy provisions in the **Underlying Insurance** or any changes in the **Insured** that would require notice under the **Underlying Insurance** shall be reported to the Insurer in writing as soon as practicable, provided always that the Insurer shall not be bound by any such changes without its consent.

Notwithstanding notice conditions in the **Underlying Insurance**, it is a condition precedent to any coverage under this Policy that written notice of occurrences, or **Claims** made against any **Insured** during the **Policy Period**, be provided to the Insurer as soon as practicable when the **Insured's** General Manager has determined that such **Claim** or occurrence is reasonably likely to result in indemnity or defense exposure in any amount greater than \$250,000. The **Insured** will provide written notice to the **Insurer** (via certified mail at the address shown on the Declarations Page or via fax or email as shown on the Declarations), of such **Claims** or occurrences, along with the full particulars described below, and any **Claim** subsequently made against any **Insured** arising out of such an occurrence will be deemed first made during the **Policy Period**. The written notice shall include, at a minimum:

- a. The names or identity of the potential claimants and a detailed description of the specific alleged **Wrongful Act**; and
- b. The circumstances by which the **Insured** first became aware of the specific alleged **Wrongful Act**.

It is a condition precedent to any coverage under this Policy that the **Insured** will also provide, within sixty (60) days following the end of the **Policy Period**, a "loss run" containing the names of all claimants, allegations, status of claims, defense expenses incurred and indemnity paid (and/or reserves for payment) as of that date for all **Claims**, regardless of reasonably estimable indemnity and defense exposure.

There is no coverage for **Claims** first made outside of the **Policy Period** except where there is valid notice of occurrence prior to the making of such **Claim** as described in this endorsement.

Notice of any **Claim** or occurrence that arises from any **Wrongful Act** or series of related **Wrongful Acts** that first occurred prior to July 1, 2010 shall not be accepted as valid under this Policy.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

AMENDED DECLARATIONS

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

Item 3A. Limit of Liability of the Declarations Page is amended to read as follows:

\$2,000,000	Each Claim Each Member
\$4,000,000	Aggregate Each Member
\$10,000,000	Policy Aggregate Limit of Liability Each Policy Period

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION – PRIOR ACTS

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY
EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** that alleges, arises out of, is based upon or attributable to, directly or indirectly, in whole or in part, any actual or alleged **Wrongful Acts** which first occurred prior to July 1, 2010; July 1, 2011 for Monterey Bay (MBASIA); July 1, 2013 for City of Patterson, City of Mendota, City of Lemoore, City of Sonora and City of Tehachapi; April 18, 2016 for City of Sanger; July 1, 2016 for City of Woodlake, City of Dinuba and City of Farmersville; July 1, 2017 for California Transit Indemnity Pool (CalTIP). Town of Fort Jones 1/1/2019.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION – PRIOR AND/OR PENDING LITIGATION BACKDATED

This endorsement modifies insurance provided under the following:

**EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY**

The **Insurer** shall not be liable to make any payment for loss in connection with any claim made against any **Insured** alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or pending as of July 1, 2010; July 1, 2011 for Monterey Bay (MBASIA); July 1, 2013 for City of Patterson, City of Mendota, City of Lemoore, City of Sonora and City of Tehachapi; April 18, 2016 for City of Sanger; July 1, 2016 for City of Woodlake, City of Dinuba and City of Farmersville; July 1, 2017 for California Transit Indemnity Pool (CalTIP). Town of Fort Jones 1/1/2019, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION - PRIOR AND/OR PENDING LITIGATION BACKDATED (HIGHER LIMITS)

This endorsement modifies insurance provided under the following:

EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY EXCESS LIABILITY POLICY

The **Insurer** shall not be liable to make any payment for loss in connection with any claim made against any **Insured** alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or pending as of July 1, 2010; July 1, 2011 for Monterey Bay (MBASIA); July 1, 2013 for City of Patterson, City of Mendota, City of Lemoore, City of Sonora and City of Tehachapi; April 18, 2016 for City of Sanger; July 1, 2016 for City of Woodlake, City of Dinuba and City of Farmersville; July 1, 2017 for California Transit Indemnity Pool (CalTIP) Town of Fort Jones 1/1/2019, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation.

With respect to the portion of the Limit of Liability that is \$1,000,000 excess \$1,000,000, the **Insurer** shall not be liable to make any payment for loss arising out of or in connection with any claim made against any **Insured** arising out of, based upon or attributable to, in whole or in part, litigation prior to or pending as of July 1, 2018.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION - SPECIFIC ENTITIES AND INDIVIDUALS

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY
EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY

The **Insurer** shall not be liable to make any payment for **Loss** arising out of or in connection with any **Claim** made against any **Insured** which is brought by or on behalf of the following entities or individuals:

1. Bay Cities Joint Powers Insurance Authority (BCJPIA) and Members
2. Public Entity Risk Management Authority (PERMA) and Members
3. Public Agency Risk Sharing Authority of California (PARSAC) and Members
4. Small Cities Organized Risk Effort (SCORE) and Members except for individual members listed on Additional Named Insured

including, but not limited to any **Claim** brought by any director, officer, heir, trustee or partner of the entity, or by any security holder thereof, whether such **Claim** is brought directly or derivatively.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

THREE (3) YEAR BILATERAL DISCOVERY PERIOD

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

If the **Insurer** shall refuse to renew this policy or the **Insured Organization** shall cancel or refuse to renew this policy, the **Insured Organization** shall have the right, upon payment of one hundred percent (100%) of the Full Annual Premium, to a period of three hundred and sixty five (365) days following the effective date of such cancellation or non-renewal (herein referred to as the "Discovery Period") in which to give written notice to the **Insurer** of any **Claim** first made against the **Insured** during said three hundred and sixty five (365) day period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. As used herein, "Full Annual Premium" means the premium stated in Item 4. of the Declarations Page and any additional premium(s) charged during the **Policy Period**.

Alternatively, the **Insured Organization** shall have the right to elect a Discovery Period greater than the three hundred and sixty five (365) Days referenced above. The following alternative Discovery Period options are as follows:

<u>Discovery Period</u>	<u>Additional Premium</u>
730 Days	<u>150%</u> of Full Annual Premium
1,095 Days	<u>175%</u> of Full Annual Premium

The rights contained in this clause shall terminate unless written notice of such election together with the additional premium due is received by the **Insurer** at the address shown on the Declarations Page within thirty (30) days of the effective date of cancellation or non-renewal.

The Discovery Period is not cancelable and the additional premium charged shall be fully earned at the inception of the Discovery Period. The Limit of Liability available under the Discovery Period is part of and not in addition to the Limit of Liability stated in Item 3 (A) of the Declarations Page.

The rights contained in this clause shall not apply in the event of cancellation resulting from non-payment of premium.

All other terms and conditions of this policy remain unchanged.



RSUI Indemnity Company

Corporate Office
945 East Paces Ferry Rd.
Atlanta, GA 30326-1160

EXCESS LIABILITY POLICY

NOTICE: THIS IS A **CLAIMS** MADE AND REPORTED POLICY THAT APPLIES ONLY TO THOSE **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** AND REPORTED TO THE INSURER DURING THE **POLICY PERIOD**. THE LIMIT OF LIABILITY AVAILABLE TO PAY **LOSS** MAY BE REDUCED OR TOTALLY EXHAUSTED BY PAYMENT OF DEFENSE EXPENSES. PLEASE REFER TO THE **FOLLOWED POLICY** FOR MORE INFORMATION.

PLEASE READ YOUR POLICY CAREFULLY

CLAIM NOTICE

Mail notices to: RSUI Group, Inc.
945 East Paces Ferry Rd.
Suite 1800
Atlanta, GA 30326-1160

Fax notices to: (404) 231-3755
Attn: Claims Department

E-mail notices to: reportclaims@rsui.com

A member of Alleghany Insurance Holdings LLC

Words and phrases that appear in **bold** text have special meaning. Refer to SECTION II. - DEFINITIONS.

I. INSURING AGREEMENT

The Insurer designated on the Declarations Page, in consideration of the payment of the premium and in reliance upon all applications, documents and information provided or made available to it by or on behalf of the **Insured**, and subject to all of the terms, conditions and other provisions of this policy, including endorsements hereto, agrees with the **Insured** that the Insurer shall provide the **Insured** with insurance during the **Policy Period** which is in excess of the total limits of liability and any retention or deductible amounts under the **Underlying Insurance**, as set forth in Item 8. of the Declarations Page, and shall pay **Loss** arising from a **Claim** for a **Wrongful Act** first made during the **Policy Period**.

II. DEFINITIONS

- A. **Followed Policy** means the policy indicated in Item 7. of the Declarations page.
- B. **Insured** means any natural person or entity designated as such in the **Underlying Insurance**.
- C. **Policy Period** means the period beginning at the inception date and ending at the expiration date stated in Item 2. of the Declarations Page or any earlier cancellation or termination date.
- D. **Underlying Insurance** means the **Primary Policy** and **Underlying Excess Policy(ies)** listed in Item 8. of the Declarations page.
- E. The terms **Wrongful Act**, **Loss** and **Claim** shall each have the same meaning as defined in the **Primary Policy**.

III. LIMIT OF LIABILITY AND PAYMENTS UNDER UNDERLYING INSURANCE

- A. The Insurer shall be liable to pay **Loss** only after any combination of the **Insured** and all Insurers that issued the **Underlying Insurance** shall have paid the full amount of the limits provided by the **Underlying Insurance**. The Insurer shall then be liable to pay only such additional amount up to the Limit of Liability set forth in Item 3. (A) of the Declarations Page.
- B. Any **Claim**, **Loss** or coverage that is subject to any Sublimit shall not be considered a covered **Loss** under this policy, but shall, for purposes of this policy's attachment, be deemed to have reduced or exhausted the **Underlying Insurance** limits.
- C. In the event of the reduction or exhaustion of the aggregate limits of liability in the **Underlying Insurance** by reason of **Loss** paid thereunder for **Claim(s)** first made during the **Policy Period**, this policy shall (1) in the event of reduction, continue in force in excess of the remaining amount of **Underlying Insurance**; or (2) in the event of total exhaustion, continue in force as would the **Followed Policy**, subject to all terms, conditions and other provisions of this policy, including endorsements hereto; provided that in the event of this policy becoming primary insurance, it shall only pay excess of the retention or deductible amount, if any, that would be applicable in the absence of **Underlying Insurance** exhaustion, which retention or deductible amount shall be applied to any subsequent **Loss**. Notice of reduction or exhaustion of any limits of liability within the **Underlying Insurance** shall be given to the Insurer promptly upon such reduction or exhaustion. Nothing herein shall be construed to provide for any duty on the part of the Insurer to defend any **Insured** or to pay defense costs or any other part of **Loss** in addition to the Limit of Liability set forth in Item 3. (A) of the Declarations Page.

IV. MAINTENANCE OF UNDERLYING INSURANCE

- A. This policy is subject to the same terms, conditions, other provisions and endorsements (except as regards the premium, the amount and limits of liability, and duty to defend, and except as otherwise provided herein) as are contained in the **Followed Policy** as such policy has been represented to the Insurer to be issued, or as may be added at a later time to restrict coverage. Any changes made to such **Followed Policy** to expand or broaden it shall be effective as part of this policy solely where accepted in writing by the Insurer.
- B. The **Underlying Insurance** shall be maintained in full effect while this policy is in force, except for any reduction of the aggregate limits contained therein (as provided for in Section III. C. above), and such maintenance shall be a condition precedent to the attachment of any liability of the Insurer under this policy. To the extent that any **Underlying Insurance** is not maintained in full effect while this policy is in force, the **Insured** shall be deemed to be self-insured for the amount of the **Underlying Insurance** limit(s) that is not maintained.
- C. The Insurer's obligation under this policy shall not be increased, expanded or otherwise modified or changed as a result of the receivership, insolvency, inability or refusal to pay any **Underlying Insurance**. It is agreed that the Insurer shall not pay any amount until all retentions and all **Underlying Insurance** limits have actually been paid by any combination of the **Insured** and all Insurers constituting the **Underlying Insurance**.

V. CLAIM AND OTHER NOTICES

The Insurer shall be given notice in writing as soon as practicable: (a) in the event of cancellation or non-renewal of any **Underlying Insurance**; and (b) of any additional or return premiums assessed in connection with any **Underlying Insurance**. Any changes in policy provisions in the **Underlying Insurance** or any changes in the **Insured** that would require notice under the **Underlying Insurance** shall be reported to the Insurer in writing as soon as practicable, provided always that the Insurer shall not be bound by any such changes without its consent.

Written notice of **Claim** made against any **Insured** or any circumstances or matters that might later result in a **Claim** shall be given to the Insurer in the same manner and at the same time as given to the **Followed Policy**.

In Witness Whereof, the Insurer has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized agent of the Insurer.

A handwritten signature in black ink, appearing to read "Ron Hulse", with a long horizontal flourish extending to the right.

Secretary

A handwritten signature in black ink, appearing to read "Gug Buonscore", with a long horizontal flourish extending to the right.

President



Sacramento-Alliant Insurance Services, Inc.
Alliant Insurance Services, Inc. - NPB Main
PO Box 8473
Pasadena, CA 91109-8473
Phone: (949) 756-0271

Invoice # 1121096	Page 1 of 1
ACCOUNT NUMBER	DATE
EMPLRIS-01	7/3/2019
BALANCE DUE ON	AGENCY CODE
7/26/2019	200
AMOUNT PAID	AMOUNT DUE
	\$311,540.00

Employment Risk Management Authority
c/o Bickmore Risk Services
1750 Creekside Oaks Dr Ste 200
Sacramento, CA 95833

Client:	Employment Risk Management Authority (ERMA)	Policy:	Employment Practices Liability
Policy Number:	NHS682067	Effective:	7/1/2019 to 7/1/2020
Insurance Carrier:	RSUI Indemnity Company		

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
4330788	7/1/2019	7/26/2019	RENB	Excess EPL Premium	\$311,540.00
Total Invoice Balance:					\$311,540.00

Standard Mail Remittance Address:

Alliant Insurance Services, Inc. - NPB Main
PO Box 8473
Pasadena, CA 91109-8473

Overnight/Courier Remittance Address:

Alliant Insurance Services, Inc. - Lockbox # 8473 - NPB Main
Comerica Bank
5th Floor
2321 Rosecrans Avenue
El Segundo, CA 90245

IMPORTANT NOTICE: The Nonadmitted & Reinsurance reform act (NRRA) went into effect July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees owed must be promptly remitted to Alliant Insurance Services, Inc.

IMPORTANT NOTICE: The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice. Please contact your tax consultant for your obligations regarding FATCA.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income Alliant may earn on a placement, are available at www.alliant.com. For a copy of our policy or for inquiries regarding compensation issues pertaining to your account contact: Alliant Insurance Services, Inc., Attn: General Counsel, 701 B St., 6th Floor, San Diego, CA 92101

FINANCIAL MATTERS

SUBJECT: Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019

BACKGROUND AND STATUS:

Attached are the draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019. The audit was conducted by Sampson, Sampson & Patterson, LLP. Bill Patterson will be in attendance to present the report and answer questions from the Board of Directors.

RECOMMENDATION:

Staff recommends the Board of Directors accept and file the ERMA Audited Financial Statements for the Fiscal Year Ended June 30, 2019.

REFERENCE MATERIALS ATTACHED:

- Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019
- Letter to the Governing Board from Sampson, Sampson & Patterson, LLP

DRAFT
10/15/19

EMPLOYMENT RISK MANAGEMENT AUTHORITY

REPORT ON AUDITED
FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Employment Risk Management Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of Employment Risk Management Authority (ERMA) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise ERMA's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from the financial statements of ERMA for the year ended June 30, 2018, and in our report dated November 5, 2018, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ERMA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ERMA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of ERMA as of June 30, 2019, and the respective change in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and claims development information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated , 2019 on our consideration of ERMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ERMA's internal control over financial reporting and compliance.

Clovis, California
, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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The management of the Employment Risk Management Authority (ERMA) is pleased to present the following discussion and analysis of the operating results, financial condition and liquidity of ERMA for the fiscal year ended June 30, 2019. This discussion should be read in conjunction with the financial statements and notes to the financial statements included with this report.

Overall Program Highlights

ERMA is a public entity joint powers authority (JPA), created in 1999 by and among various underlying joint powers authorities in California to provide the state's only pooled approach to exclusively covering and providing loss prevention and litigation management services for the employment practices liability (EPL) exposure for California public entities. On June 30, 2019, ERMA consisted of twelve primary members, comprised of ten joint powers authorities: Bay Cities Joint Powers Insurance Authority (BCJPIA), California Transit Indemnity Pool (CalTIP), Central San Joaquin Valley Risk Management Authority (CSJVRMA), Exclusive Risk Management Authority of California (ERMAC), Monterey Bay Area Self Insurance Authority (MBASIA), Municipal Pooling Authority (MPA), Public Agency Risk Sharing Authority of California (PARSAC), Public Entity Risk Management Authority (PERMA), Small Cities Organized Risk Effort (SCORE), and Vector Control Joint Powers Authority (VCJPA) and two housing authorities: Oakland Housing Authority, and Contra Costa County Housing Authority.

The JPAs' underlying members are also direct members of ERMA and are made up of municipalities and special districts. ERMA provides coverage from each underlying member's individual SIR (self-insured retention) up to \$1.0 million. Members currently attach to the pool at SIRs ranging from \$25,000 to \$500,000. Optional excess insurance up to \$2.0 million was available in the 2018/2019 program year for those members who choose to purchase that additional coverage through ERMA.

ERMA contracts with Sedgwick, a global provider of technology-enabled risk, benefits and integrated business solutions, to handle the day-to-day operations of ERMA. The firm's employees provide general administrative, financial accounting, underwriting, loss prevention, claims and litigation management oversight, risk management and other services as necessary for the operations of ERMA.

EPL remains a challenging coverage due to the evolution of employment law. The training of supervisors and managers is vital to effective claims management. ERMA provides members with an anonymous reporting service and web-based training. In addition, live training is provided for ERMA's members on a rotating annual basis. ERMA's two primary attorney firm partners also offer regional topical training on a variety of employment-related topics.

ERMA is a member of the California Association of Joint Powers Authorities (CAJPA) and has received accreditation through that body for seventeen years. The accreditation process involves an in-depth review of a JPA's operations, financial stability, performance, and overall management effectiveness. Every three years the accreditation process is repeated, and since 2011, ERMA has received the distinguished designation of "Accreditation with Excellence." This is the highest level of accreditation offered by CAJPA and places ERMA among the elite of accredited JPAs in California.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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ERMA has been a participating member of the Association of Governmental Risk Pools (AGRiP), a national association since 2018. Through AGRiP, ERMA is able to access risk pooling intelligence, education, networking, best practices and advocacy on the national level.

Program Highlights for the Fiscal Year Ended June 30, 2019

- **Membership Changes:** During 2018/2019, ERMA's Board of Directors accepted two new underlying members.
- **CAMP Liquidity Account:** ERMA established a California Asset Management Program Trust (CAMP) account in January, 2019 to take advantage of higher yields. The balance in the CAMP Liquidity account must be less than the balance in LAIF at any time during the fiscal year.
- **Excess Insurance Coverage:** The excess coverage increased to \$2 million in excess of \$1 million as compared to the prior year of \$1 million in excess of \$1 million.
- **Dividend Release:** In June, 2019, the Board of Directors approved ERMA's seventh dividend to its membership since the program began on July 1, 1999. The dividend was released in the amount of \$2,999,999 for program years 2011/2012 through 2012/2013, although equity in the amount of \$6,080,000 was available to be released at the 90% confidence level. As per the pool's Financial Stability Plan, ERMA's five most current years were not adjusted.
- **Capital Contribution Fund:** No cash payment were withheld from the dividend release in June, 2019, since ERMA met the \$1 million contribution target in 2017/2018. The four prior years saw contributions to the Capital Contribution Fund in the amounts of \$300,000, \$400,000, 150,000 and \$150,000, respectively.
- **Training Program:**
 - ❖ In February, 2019, the Board approved an additional 20 trainings due to the implementation of SB1343 on January 1, 2019.

Continued oversight of the Training Program, including scheduling of sixty-seven (67) live, AB 1825 and SB 1343-compliant and other employment-related trainings throughout the State.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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Financial Highlights for the Fiscal Year Ended June 30, 2019

Revenues	\$8.4 million	Total Revenues increased 19% over the prior year. Operating revenue increased 4.0% due to an increase in member contributions, and non-operating income increased 799.0% due to improved investment earnings.
Expenses	\$9.1 million	Total Expenses increased \$724,000 over the prior year, or 8.6%, due to the increase in claims expense of \$936,000 and a decrease of \$234,000 in the utilization of Capital Contribution Funds.
Assets	\$29.0 million	Total Assets increased \$3.9 million, or 15.5%, due to the retention of cash. Each program year is funded in advance but paid out over a period of time. Also, \$3.0 million of cash at year end includes amounts used for dividend payments on July 2, 2019.
Liabilities	\$17.2 million	Total Liabilities increased \$4.6 million, or 36.6%, due to an increase in actuarial reserve projections and accrual of dividend payables totaling \$3.0 million at year-end.

Description of the Basic Financial Statements

ERMA's financial statements are prepared in conformity with generally accepted accounting principles and include certain amounts based upon reliable estimates and judgments. The financial statements include a Statement of Net Position; Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows along with accompanying Notes to Financial Statements.

The **Statement of Net Position** presents information on ERMA's assets and liabilities and the difference between the two representing net position, or pool equity.

The **Statement of Revenues, Expenses, and Change in Net Position** presents information regarding revenues versus expenses and how ERMA's net position changed during the fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the collection or disbursement of cash during future fiscal years (e.g., interest receivable and the expense associated with a change in claim liability, both involving cash transactions beyond the date of the financial statements).

The **Statement of Cash Flows** presents the changes in ERMA's cash and cash equivalents during the fiscal year. The statement identifies the sources and uses of ERMA's cash and cash equivalents into operating, capital and related financing, and investing categories.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of ERMA's operations and significant accounting policies as well as clarify unique financial information.

Following the basic financial statements and footnotes is the **required supplementary information**, which provides further detail on claims activities.

ERMA's accounting system is organized so that each program year can be accounted for and evaluated independently. The assets, liabilities, revenues and expenses are reported on a full-accrual basis. There were no significant accounting changes during the year.

Sampson, Sampson, and Patterson LLP, Certified Public Accountants, has performed an independent audit of ERMA's financial statements in accordance with generally accepted auditing standards. Their opinion is included in the Financial Section of this report. Bickmore Actuarial Services provided an independent actuarial review to value the amounts recorded as outstanding claims liabilities for each program year.

Analysis of Overall Financial Position and Results of Operations

ERMA Statement of Net Position			
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Percentage Change</u>
Current Assets	\$7,307,794	\$5,665,000	29.0%
Long-term Investments	<u>21,724,593</u>	<u>19,471,193</u>	<u>11.6%</u>
Total Assets	<u>\$29,032,387</u>	<u>\$25,136,193</u>	<u>15.5%</u>
Current Liabilities	\$7,370,836	\$3,773,139	95.4%
Non-current Claims Liabilities	<u>9,867,840</u>	<u>8,845,816</u>	<u>11.6%</u>
Total Liabilities	17,238,676	12,618,955	36.6%
Net Position	<u>\$11,793,711</u>	<u>\$12,517,238</u>	<u>-5.8%</u>

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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Pool Assets

Total assets increased by \$3.9 million, or 15.5% over the prior year, due to cash dividend payments not issued until July 2, 2019 in the amount of \$3 million and the retention of cash as each year is funded in advance but the related claims are paid out over a period of time. In addition, claims payments increased by \$207,000 over the prior year and Capital Fund expenditures decreased by \$234,000.

ERMA maintains liquid funds not immediately needed for the payment of claims and administrative expenses in the Local Agency Investment Fund (LAIF) and in the California Asset Management Program (the "CAMP Liquidity" account). The balance of deposits in LAIF was approximately \$520,000 at June 30, 2019; the balance of deposits in the CAMP Liquidity account was approximately \$220,000. Management executed a transfer from LAIF immediately before the end of the year to fund payment of member dividends totaling \$3.0 million, decreasing the LAIF balance below its typical level at year-end.

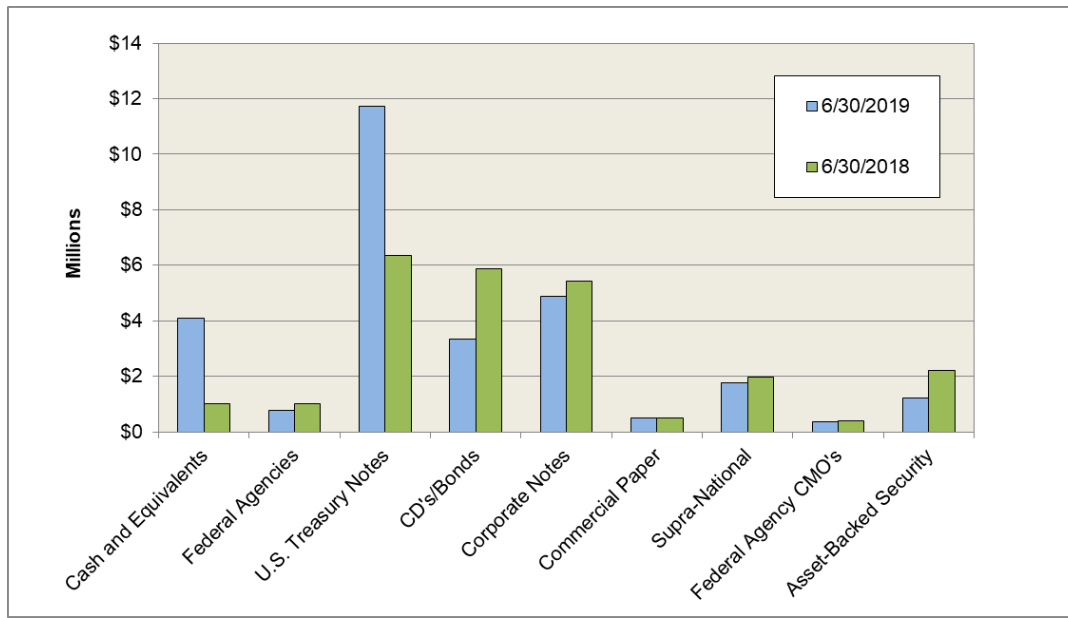
ERMA's excess funds have been invested in the California Asset Management Program Trust (CAMP), a joint powers authority managed by PFM Asset Management, LLC (PFM) since August, 2008. Custodial services are provided by U.S. Bank. Holdings in ERMA's portfolio were \$24.9 million at June 30, 2019, as compared to \$23.9 million at June 30, 2018. Holdings are maintained in treasury and agency securities, corporate notes, commercial paper, certificates of deposit, municipal bonds, supra-national agency bonds, collateralized mortgage obligations and asset-backed securities. Portfolio holdings included money market funds totaling \$311,000 that are reported as an element of cash and cash equivalents at June 30, 2019. ERMA's investment earnings increased 799.8%, or \$1.1 million, over the prior year.

A complete discussion on the economic conditions affecting government agency portfolios is provided in the **Description of Facts or Conditions that are Expected to have a Significant Effect on Financial Position or Results of Operations** in the last section of this report. At June 30, 2019, the fair market value of ERMA's investments was \$282,000 more than the book value, as compared to June 30, 2018 when the fair market value of ERMA's investments was \$390,000 less than the book value. The ability of ERMA's excess funds to earn investment income has a direct effect on program rates, as this income is used to discount future claims liabilities. The discount factor assumed in these challenging times becomes an increasingly critical judgment call. When investment yields fall short of projections, additional funding may be required to meet actuarial estimates. The chart below depicts the make-up of ERMA's cash assets.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

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Total Cash by Category at June 30, 2019, and June 30, 2018



Pool Liabilities

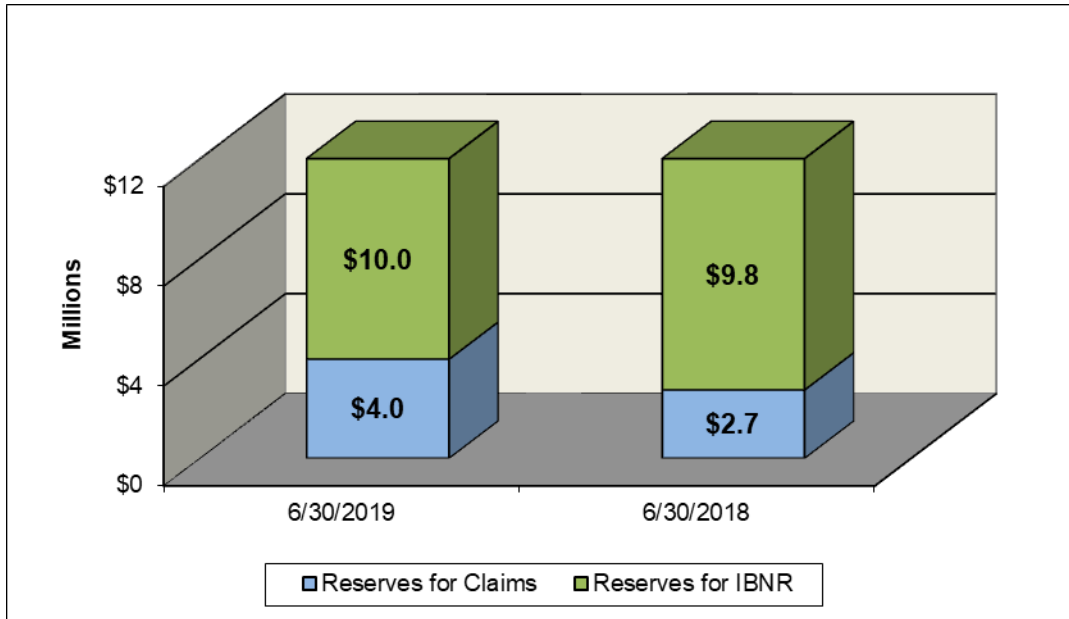
As shown in the chart below, claim liabilities increased nearly 11% or \$1.4 million over the prior year. Reserves for known claims increased over \$1.2 million, and reserves for anticipated future claims and claims development (IBNR) increased by nearly \$200,000. The net increase in claim liability is attributable to an increase in actuarial ultimate loss projections for prior program years totaling \$124,000 and the introduction of the liabilities of a new program year in the amount of \$4.7 million, offset by claims payments of \$3.5 million. A further discussion of this development is found under the **Provision for Insured Events** section of this report.

The portion of claims considered to be currently payable (less than one year) was actuarially determined. ERMA's current claims liability at June 30, 2019 is projected to be \$4.1 million, an increase of \$356,000 over the prior year. ERMA's long-term claims liability is projected to be \$9.9 million.

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Comparison of Claims Liabilities at June 30, 2019 and June 30, 2018



Capital Fund

ERMA's historical Capital Fund was reactivated in April, 2014 to receive an initial \$300,000 contribution, which was withheld from a dividend release. The purpose of the re-activated Fund was to build a reserve to eventually reach \$1.0 million and fund policy review initiatives developed by the ERMA Training Ad Hoc Committee. The Fund was augmented the following three years until it reached its target for total contributions to the fund of \$1.0 million in 2017/2018. Activity in the Fund for the past four years is shown in a grid found below.

ERMA Capital Contribution Fund Activity				
Program Year	Contributions	Expenditures	Accumulated Interest	BALANCE
2014/2015	\$ 300,000	\$ -		\$ 300,000
2015/2016	400,000	-	8,522	\$ 708,522
2016/2017	150,000	(15,000)	4,134	\$ 847,656
2017/2018	150,000	(238,392)	3,843	\$ 763,107
2018/2019	-	(4,029)	30,685	\$ 789,763
TOTALS	\$1,000,000	\$ (257,421)	\$ 47,184	

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Revenues and Expenses

ERMA Statement of Revenues, Expenses, and Change in Net Position			
	<u>Fiscal Year Ended June 30, 2019</u>	<u>Fiscal Year Ended June 30, 2018</u>	<u>Percentage Change</u>
Revenues:			
Member Contributions	\$7,197,032	\$6,768,216	6.3%
Capital Fund Contribution	0	150,000	-100.0%
Investment Income (Net)	1,198,267	133,173	799.8%
Miscellaneous Income	<u>0</u>	<u>120</u>	<u>-100.0%</u>
Total Revenues	<u>\$8,395,299</u>	<u>\$7,051,509</u>	<u>19.1%</u>
Expenses:			
Excess Insurance	298,737	235,697	26.7%
Claims Payments	3,481,179	3,274,235	6.3%
Increase in Claims Reserves	1,377,532	711,819	93.5%
General and Administration	852,112	834,852	2.1%
Loss Prevention and Training	<u>109,267</u>	<u>337,894</u>	<u>-67.7%</u>
Total Operating Expenses	<u>6,118,827</u>	<u>5,394,497</u>	<u>13.4%</u>
Member Dividend	2,999,999	3,000,000	0.0%
Change in Net Position	(723,527)	(1,342,988)	-46.1%
Net Position, Beginning of Year	12,517,238	13,860,226	-9.7%
Net Position, End of Year	<u>\$11,793,711</u>	<u>\$12,517,238</u>	<u>-5.8%</u>

In 2018/2019, revenues consisted of member contributions, interest income, and an application credit applying against a direct member's contribution. Member contributions increased by 6.3% over the prior year due to the increase in payroll of 3.4% and the increase in the actuarially-determined pooling rate of 2.6% over the prior year's rate. The funding rate for the pooled layer increased to .477 at the 80% confidence level from .465 the prior year, also at the 80% confidence level. As discussed in an earlier section, interest earnings increased 799.8%, or \$1.1 million, over the prior year.

In 2018/2019, expenses exceeded revenues by \$724,000. Budgeted claims costs (including claim payments and changes in reserves) were less than actual amounts by \$1.0 million and unbudgeted investment income were offset by the dividend returned to members in the amount of \$3.0 million, resulting in program net position of \$11.8 million.

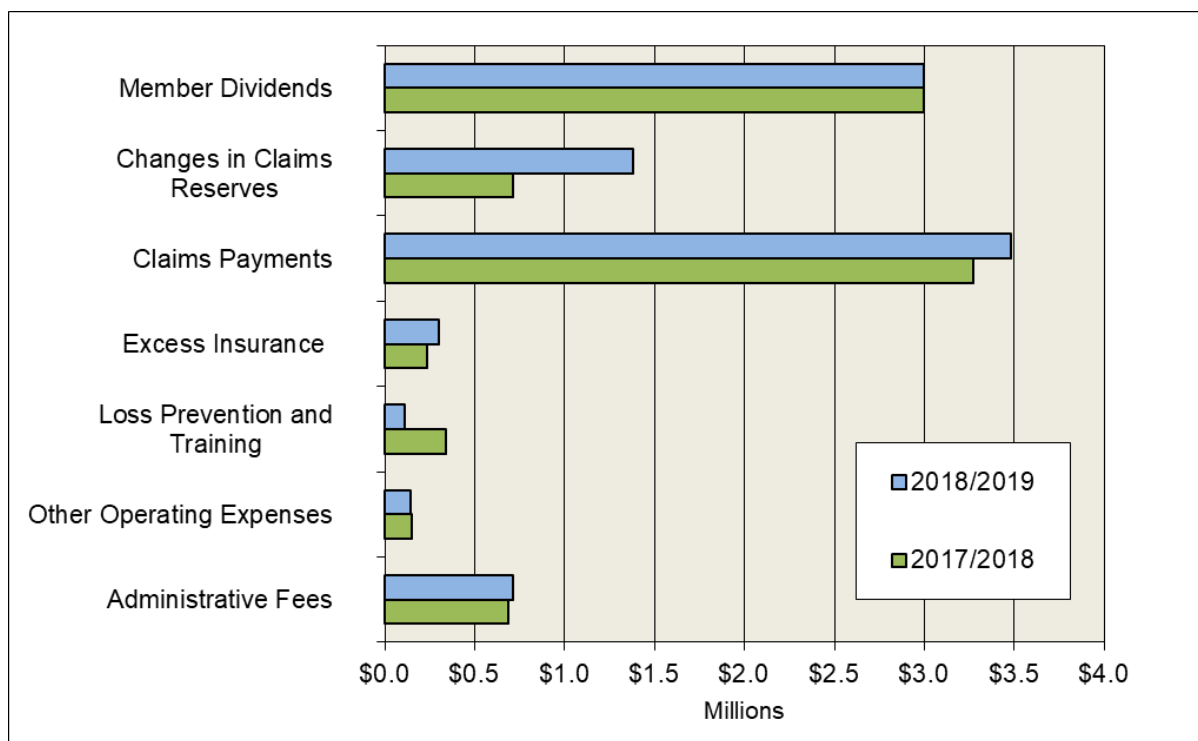
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For the fiscal year ended June 30, 2018, expenses had exceeded revenues by \$1.3 million. Actual claims costs had exceeded budgeted amounts by \$1.5 million, and unbudgeted investment income and the Capital Contribution deposit were offset by the dividend returned to members in the amount of \$3.0 million, resulting in program net position of \$12.6 million.

The chart below illustrates the differences between the apportionment of expenses for the current and prior year.

Expenses for the Years Ended June 30, 2019 and June 30, 2018



Provision for Insured Events

ERMA contracts with Bickmore Actuarial Services for an actuarial valuation of its outstanding claims liability as well as a recommendation of funding levels for the coming year. Funding for the 2018/2019 program year was calculated at the 80% confidence level and discounted at 2.0%. Liabilities were also discounted at 2.0% to recognize the future investment earnings on those funds.

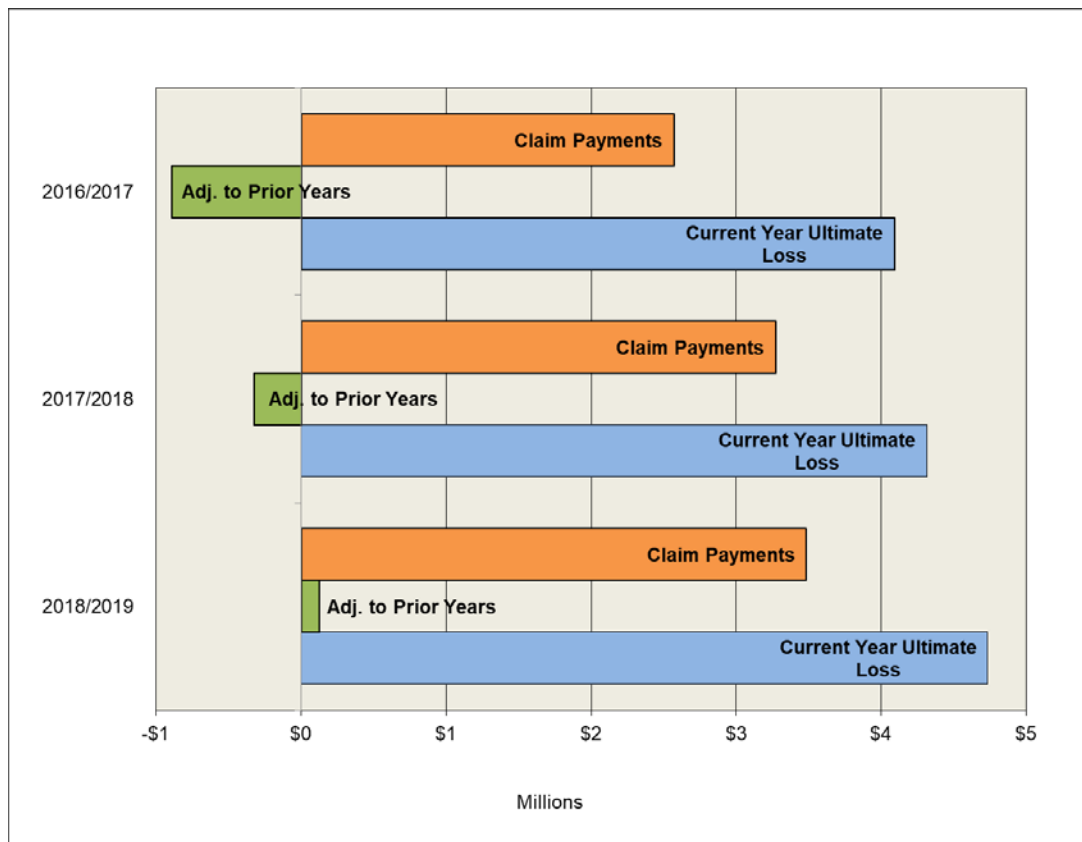
Actuarial projections are adjusted each year as claims continue to develop. The chart below illustrates the three components of claims expense which the actuary either considered or determined as of the end of each of the last three program years:

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- Adjustments to Prior Years: Estimates for ultimate losses decreased \$889,000 during the 2016/2017 fiscal year and decreased \$327,000 in the 2017/2018 fiscal year. Actuarial projections increased in fiscal year 2018/2019 by \$124,000.
- Claim Payments: Claim payments increased from \$2.6 million in 2016/2017 to \$3.3 million in 2017/2018, to \$3.5 million in 2018/2019. ERMA's average claim payments over the past ten years has been \$2.9 million.
- Current Year Ultimate Loss: The current year ultimate loss projection has risen steadily over the three year period shown, from \$4.1 to 4.7 million.

Claims Activity
For the Years Ended June 30, 2019, June 30, 2018, and June 30, 2017



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General Administrative Expenses

General administrative expenses (including the loss prevention and training program) decreased \$211,000 from the prior year. The decrease was primarily due to a decrease in the funds expended in the Capital Contribution Fund for member policy review. \$4,000 was expensed this year in comparison to the prior year's expenditure of \$238,000. Other increases were made up of incremental contractual increases.

Total general administrative expenses as a percentage of total expenses incurred by ERMA during the current and prior fiscal year were 10.5% and 14.0% respectively.

Economic Factors

In developing the budget for the fiscal year ended June 30, 2019, pool administration staff and the Board of Directors took into account the factors that had significant potential to affect the budgeted figures: primarily the claims, investment, and insurance environments. Projections for investment income took into consideration the trends in the interest income generated by ERMA's cash and investments and the resulting effect that would have on the funding levels.

ERMA now enjoys the stability of a JPA which has been in operation for nineteen years, boasting net position of \$11.8 million. Membership has been stable and current funding appears to be more than sufficient to meet current and future obligations.

Description of Facts or Conditions that are Expected to have a Significant Effect on Financial Position or Results of Operations

Investment Arena:

While some market indicators are starting to soften, the U.S. economy—now officially into the longest expansion on record—continues to churn out positive growth. After first quarter 2019 growth of 3.1%, real gross domestic product (GDP) growth slowed in the second quarter to 2.1% but still beat economists' expectations. Personal consumption, which comprises nearly 70% of GDP, posted its strongest contribution since 2017, offsetting detractions from inventories, net exports, and business investment. The labor market remains strong with the unemployment rate hovering near a 49-year low as consumers continue to benefit from a healthy stock market which, despite recent volatility, remains solidly in positive territory year-to-date.

However, not all economic data releases have been quite so rosy in recent months, as durable goods orders and manufacturing data have both declined. Also on a downward trend is the Personal Consumption Expenditures (PCE) index, the Federal Reserve's (the "Fed") preferred gauge of inflation which, after reaching the Fed's target level of 2% in 2018, is now languishing around 1.6%. Perhaps even more concerning to investors is the ongoing trade war between the U.S. and China and less-predictable global politics.

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As was widely expected, the Federal Reserve raised short-term rates by 25 basis points (0.25%) four times in 2018. However, recent market conditions have caused the Fed to reverse its stance. In late July 2019, the Fed cut short-term rates for the first time since December 2008, citing weak global growth, trade policy uncertainty, and muted inflation as the rationale behind this “mid-cycle” policy adjustment. Market participants are currently pricing in three additional rate hikes by the end of the calendar year, although Fed officials have been hesitant to publically commit to that level of monetary easing.

As a result of market uncertainties and expectations of lower rates going forward, the yields on most U.S. Treasury obligations have fallen from late-2018 highs. In fact, the yield on the 2-year U.S. Treasury has fallen by 77 basis points (0.77%) over the past 12 months to a level of 1.75% as of June 30, 2019. Also as of June 30, 2019, the yield remains inverted with shorter-maturity U.S. Treasury obligations offering higher yields than intermediate- and longer-term obligations.

As interest rates decreased, ERMA's fixed income portfolio benefitted from the strong market value appreciation that occurs when interest rates in the marketplace decrease. The portfolio is currently being managed to a neutral duration positioning relative to the benchmark in order to minimize risk and optimize relative performance. ERMA's portfolio remains well diversified across the various investment sectors permitted by California Government Code and ERMA's Investment Policy. Given current market uncertainties and expectations of slowing economic growth in the future, allocations to the U.S. Treasury sector have increased notably over the past year, reflective of a more conservative stance.

ERMA, through its investment advisor, PFM Asset Management LLC, has continued to meet its goals of safety, liquidity and return through execution of an actively-managed strategy that seeks to identify undervalued securities in order to enhance portfolio earnings while maintaining its foremost focus on safety and liquidity. We anticipate that this strategy of active management will continue to be effective and will deliver favorable results in ERMA's portfolio.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

(Prior Year Data for Comparison Purposes Only)

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	<u>ASSETS</u>	
	June 30, 2019	2018
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 4,086,847	\$ 1,018,439
Investments	2,878,391	4,322,463
Receivables:		
Members	7,390	6,683
Other	4,300	
Interest	131,896	124,862
Prepaid expenses	198,970	192,553
Total current assets	<u>7,307,794</u>	<u>5,665,000</u>
Non-current assets:		
Investments	<u>21,724,593</u>	<u>19,471,193</u>
Total non-current assets	<u>21,724,593</u>	<u>19,471,193</u>
 TOTAL ASSETS	 <u>\$29,032,387</u>	 <u>\$25,136,193</u>
 <u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Current liabilities:		
Accounts payable	\$ 280,030	\$ 37,840
Member dividend payable	2,999,999	
Current portion of claims liabilities	<u>4,090,807</u>	<u>3,735,299</u>
Total current liabilities	<u>7,370,836</u>	<u>3,773,139</u>
Non-current liabilities:		
Claims liabilities	<u>9,867,840</u>	<u>8,845,816</u>
Total non-current liabilities	<u>9,867,840</u>	<u>8,845,816</u>
 TOTAL LIABILITIES	 <u>17,238,676</u>	 <u>12,618,955</u>
 NET POSITION - Unrestricted	 <u>\$11,793,711</u>	 <u>\$12,517,238</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$29,032,387</u>	 <u>\$25,136,193</u>

EMPLOYMENT RISK MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION

(Prior Year Data for Comparison Purposes Only)

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	Years Ended June 30,	
	2019	2018
OPERATING REVENUES:		
Member contributions	\$ 6,897,982	\$ 6,532,520
Excess insurance contributions	299,050	235,696
Capital fund contribution		150,000
Other		120
TOTAL OPERATING REVENUES	7,197,032	6,918,336
OPERATING EXPENSES:		
Claims paid	3,481,179	3,274,235
Increase in claims liabilities	1,377,532	711,819
Excess insurance	298,737	235,697
Loss prevention and training	109,267	337,894
General and administration	852,112	834,852
TOTAL OPERATING EXPENSES	6,118,827	5,394,497
Operating Income	1,078,205	1,523,839
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	1,198,267	133,173
Member dividend	(2,999,999)	(3,000,000)
Total nonoperating expenses	(1,801,732)	(2,866,827)
CHANGE IN NET POSITION	(723,527)	(1,342,988)
NET POSITION, BEGINNING OF YEAR	12,517,238	13,860,226
NET POSITION, END OF YEAR	\$11,793,711	\$12,517,238

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STATEMENT OF CASH FLOWS

(Prior Year Data for Comparison Purposes Only)

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	<u>Years Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members	\$ 7,199,415	\$ 6,916,636
Cash paid for claims	(3,243,521)	(3,283,569)
Cash paid for excess insurance	(298,737)	(235,697)
Cash paid for general and administration	<u>(970,654)</u>	<u>(1,173,013)</u>
Net cash provided by operating activities	2,686,503	2,224,357
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Member dividend	<u> </u>	<u>(3,000,000)</u>
Net cash used by capital and related financing activities		(3,000,000)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	519,027	392,839
Purchase of investment securities	(9,302,904)	(10,228,916)
Proceeds from sales and maturities of investment securities	<u>9,165,782</u>	<u>10,945,265</u>
Net cash provided by investing activities	381,905	1,109,188
 Net increase in cash and cash equivalents	3,068,408	333,545
 Cash and cash equivalents, beginning of year	<u>1,018,439</u>	<u>684,894</u>
 Cash and cash equivalents, end of year	<u>\$ 4,086,847</u>	<u>\$ 1,018,439</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net operating income	\$ 1,078,205	\$ 1,523,839
Adjustments to reconcile operating income to		
Net cash provided by operating activities:		
Changes in assets and liabilities:		
Member receivables	(707)	(1,700)
Other receivables	(4,300)	
Prepaid expenses	(6,417)	(12,893)
Accounts payable	242,190	3,292
Claims liabilities	<u>1,377,532</u>	<u>711,819</u>
 Net cash provided by operating activities	<u>\$ 2,686,503</u>	<u>\$ 2,224,357</u>
 SUPPLEMENTAL DISCLOSURES		
Noncash investing, capital and financing activities		
Unrealized gain (loss) on investments	<u>\$ 281,836</u>	<u>\$ (390,371)</u>

See independent auditor's report and notes to financial statements.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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NOTE 1 - ORGANIZATION:

The Employment Risk Management Authority (ERMA) was established on July 1, 1999 as a California Joint Powers Authority under the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500, et. seq.) of the California Government Code. ERMA was established for the purpose of operating and maintaining a cooperative program of self-insurance and risk management to its member entities in the area of Employment Practices Liability. A Board of Directors governs ERMA, which is comprised of appointed representatives from the member agencies. During the year ended June 30, 2019, ERMA was comprised of twelve members. ERMA currently has one pooled program available to its members, the Pooled Employment Practices Liability Program.

Pooled Employment Practices Liability Program

The Pooled Employment Practices Liability Program is organized and operates in accordance with a "Master Plan Document," which includes the procedures, rules, and regulations applicable to the program. Each program year is accounted for separately. At the inception of each program year, members remit a contribution to fund the actuarially determined expected claims and estimated operating expenses for the life of the program year. Dividends may be declared by the Board of Directors beginning five years following the end of each program year providing they are funded in excess of the 90% confidence level. Assessments can also be made if the program, as a whole, is found to be actuarially unsound. A program year will be closed when the Board of Directors authorizes closure, being convinced that all known claims for the year are closed and any unobligated funds remaining may be returned to the member entities, and funds paid out in excess of the original contribution and allocated interest earnings are collected from the member entities.

Self-insured retention limits of \$25,000, \$50,000, \$75,000, \$100,000, \$250,000, or \$500,000 per occurrence up to \$1 million are established for each member entity. For years prior to 2002/2003, ERMA purchased reinsurance to cover 25% of ultimate net losses in excess of the members' self-insured retention limits. Losses in excess of \$1 million up to \$4 million for 2002/2003 and 2003/2004 and \$10 million for years prior to 2002/2003 were entirely covered through purchased reinsurance. The Authority did not purchase reinsurance for 2004/2005 through 2009/2010. In 2018/2019, ERMA purchased excess coverage of \$2 million for each claim per member city with a \$4 million per member aggregate subject to a \$10 million policy aggregate, for those members who chose to participate. ERMA's administrator, Sedgwick, oversees and pays all claims and related costs once they exceed a member's self-insured retention.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Accounting Method

The accompanying financial statements have been presented on the accrual basis of accounting. Under the accrual method, revenues are recognized when they are earned or become reasonably estimable. Expenses are recognized when they are incurred or become reasonably estimable. The accounts of ERMA are maintained in accordance with the principles of fund accounting in which separate funds are maintained for each program year. Since the Authority discounts claims liabilities, investment income is considered in determining if a funding deficiency exists.

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Income Taxes

As a governmental agency, ERMA is exempt from both federal income taxes and California state franchise taxes.

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include all highly liquid short-term investments with an original maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues

ERMA has classified their revenues as either operating or non-operating revenues. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement 34. Revenues are classified according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as contributions for insured events.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources described in GASB Statement 34 such as investment earnings.

Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the prior year financial statements, from which this data was derived.

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NOTE 3 - CASH AND INVESTMENTS:

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Cash and cash equivalents:	
Cash deposits with financial institutions	\$ 3,034,402
CAMP pool – Money Market	311,108
CAMP pool – Liquidity	220,480
State investment pool – Local Agency Investment Fund (LAIF)	<u>520,857</u>
Total cash and cash equivalents	<u>\$ 4,086,847</u>
Investments:	
Current	\$ 2,878,391
Non-current	<u>21,724,593</u>
Total investments	<u>\$24,602,984</u>
Total cash and investments	<u>\$28,689,831</u>

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code and its investment policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Time Certificates of Deposit	1 year	20%	5%
Corporate Notes	5 years	30%	5%
Municipal Debt Issues	5 years	None	5%
Repurchase Agreements	30 days	25%	5%
Money Market Mutual Funds	5 years	20%	10%
Mortgage Pass-Through Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	5 years	None	\$65 million
JPA Pools (other investment pools)	5 years	None	None
Supra-Nationals	5 years	30%	None

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Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways ERMA manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of ERMA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of ERMA's investments by maturity.

Investment Type	Amount	Remaining Maturity (in Months)		
		12 Months or Less	13-24 Months	25-60 Months
U.S. Treasury Notes	\$11,739,144	\$	\$ 931,559	\$10,807,585
Federal Agency Securities	766,635	149,424		617,211
Corporate Notes	4,878,076	1,202,999	2,652,553	1,022,524
Commercial Paper	493,812	493,812		
Certificates of Deposit	3,073,181	753,886	2,063,108	256,187
Federal Agency CMO's	370,686	417		370,269
Supra-Nationals	1,784,291		1,275,050	509,241
Asset Backed Securities	1,222,497	3,191	416,480	802,826
Municipal Bonds	<u>274,662</u>	<u>274,662</u>		
Total	<u>\$24,602,984</u>	<u>\$2,878,391</u>	<u>\$7,338,750</u>	<u>\$14,385,843</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

ERMA's portfolio includes the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year End</u>
Callable Corporate Notes	\$1,358,359

These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair value of these securities highly sensitive to changes in interest rates.

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NOTES TO FINANCIAL STATEMENTS

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Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the Standard and Poors rating as of year end for each investment type.

Investment Type	Amount	Not Rated	Rating as of Year End			
			AAA/A-1	AA	A	BBB
U.S. Treasury Notes	\$11,739,144	\$	\$	\$11,739,144	\$	\$
Federal Agency Securities	766,635			766,635		
Corporate Notes	4,878,076			798,392	3,579,172	500,512
Commercial Paper	493,812		493,812			
Certificates of Deposit	3,073,181		753,886	1,381,297	937,998	
Federal Agency CMO's	370,686			370,686		
Supra-Nationals	1,784,291		1,784,291			
Asset Backed Securities	1,222,497	413,228	809,269			
Municipal Bonds	<u>274,662</u>				<u>274,662</u>	
Total	<u>\$24,602,984</u>	<u>\$413,228</u>	<u>\$3,841,258</u>	<u>\$15,056,154</u>	<u>\$4,791,832</u>	<u>\$500,512</u>

Concentration of Credit Risk

The investment policy of ERMA places limits on the amount that may be invested in any one issuer. There were no investments in any one issuer that represent 5% or more of total ERMA investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public entity deposits by pledging the first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2019, none of the Authority's deposits in excess of FDIC limits were held in uncollateralized accounts.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(Continued)

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None of ERMA's investments were subject to custodial credit risk at June 30, 2019. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Managed Investment Pools

ERMA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of ERMA's investment in this pool is reported in the accompanying financial statements at amounts based upon ERMA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2019, ERMA's investment in the California Asset Management Program (CAMP) pool was \$531,588. A board of seven trustees who are officials or employees of the public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn, is determined on an amortized cost basis.

Fair Value Measurements

ERMA Categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

ERMA has the following recurring fair value measurements as of June 30, 2019:

<u>Debt Securities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Notes	\$	\$11,739,144	\$	\$11,739,144
Federal Agency Securities		766,635		766,635
Corporate Notes		4,878,076		4,878,076
Commercial Paper		493,812		493,812
Certificates of Deposit		3,073,181		3,073,181
Federal Agency CMO's		370,686		370,686
Supra-Nationals		1,784,291		1,784,291
Asset Backed Securities		1,222,496		1,222,496
Municipal Bonds		274,663		274,663

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(Continued)

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NOTE 4 - CLAIMS LIABILITIES:

ERMA has established a reserve for unpaid claims in the Pooled Employment Practices Liability Program, based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported, but not settled, and of claims that have been incurred, but not reported. The incurred, but not reported claims have been estimated by management based upon an actuarial study performed by ERMA's consulting actuary at the expected confidence level and are discounted at 2% for 2018/2019 and 2017/2018. The claims reserves have been estimated by the litigation managers based upon prior experience with similar claims. Because actual costs depend on such factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Accordingly, the reserve for claims is recomputed periodically to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to the reserves are charged to income or expense in the period in which they are made. The face value (undiscounted) amount of unpaid claims at June 30, 2019 and 2018 was \$14,518,371 and \$13,261,596, respectively.

The following represents changes in the total reserves for unpaid claims of ERMA during the past two years:

	<u>2018/2019</u>	<u>2017/2018</u>
Unpaid claims and claims adjustment expenses at beginning of year	\$12,581,115	\$11,869,296
Incurred claims and claims adjustment expenses:		
Provision for insured events of the current year	4,734,368	4,312,735
Change in provision for insured events for prior years	<u>124,343</u>	<u>(326,681)</u>
Total incurred claims and claims adjustment expenses	<u>4,858,711</u>	<u>3,986,054</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of current fiscal year	27,980	
Claims and claims adjustment expenses attributable to insured events of prior years	<u>3,453,199</u>	<u>3,274,235</u>
Total payments	<u>3,481,179</u>	<u>3,274,235</u>
Total unpaid claims and claims adjustment expenses at end of year	<u>\$13,958,647</u>	<u>\$12,581,115</u>

The components of the unpaid claims and claims adjustment expenses as of June 30, 2019 and 2018 were as follows:

	<u>2018/2019</u>	<u>2017/2018</u>
Reported claims	\$ 3,968,554	\$ 2,739,753
Claims incurred but not reported (IBNR)	9,336,310	9,240,844
Unallocated loss adjustment expenses (ULAE)	<u>653,783</u>	<u>600,518</u>
	<u>\$13,958,647</u>	<u>\$12,581,115</u>

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(Continued)

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NOTE 5 - MEMBER DIVIDENDS:

In June, 2019, the Board of Directors approved the return of equity at the 90% confidence level totaling \$2,999,999, to members that participated in the program years 2011/2012 through 2012/2013 and formally close program year 2011/2012. ERMA's retrospective adjustment policy provides for the return of equity at the discretion of the Board of Directors for eligible program years that are at least five years old provided that equity remains above the 90% confidence level after this distribution.

NOTE 6 - CAPITAL CONTRIBUTION FUND:

ERMA's Capital Contribution Fund had been used in ERMA's early years as a designated fund to be allocated to future program years in need of solvency. The Fund had previously been fully allocated in June, 2010, and had been inactive until its re-activation in April, 2015. The net position designated for the Capital Contribution Fund at June 30, 2019 was \$789,764.

NOTE 7 – SUBSEQUENT EVENTS:

ERMA's management evaluated its June 30, 2019 financial statements for subsequent events through , 2019, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

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The following table illustrates how the Employment Practices Liability Program earned revenue (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Program since inception. The rows of the table are defined as follows:

- (1) This line shows the total of each fiscal year's gross earned contributions and reported investment revenue amounts of contributions ceded and reported premiums (net of reinsurance) and reported investment revenue.
- (2) This line shows each fiscal year's other operating costs of the Program including overhead and loss adjustment expenses not allocable to individual claims.
- (3) This line shows the Program's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called program year).
- (4) This section of rows shows the cumulative net amounts paid as of the end of successive years for each program year.
- (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each program year.
- (6) This section of rows shows how each program year's net amount of losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.)
- (7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual program years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature program years. The columns of the table show data for successive program years.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

CLAIMS DEVELOPMENT INFORMATION

JUNE 30, 2019

(Continued)

EMPLOYMENT PRACTICES LIABILITY PROGRAM

	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
1. Required contribution and investment revenue:										
Earned	\$ 7,451,585	\$ 7,495,626	\$ 6,915,813	\$ 6,324,018	\$ 5,637,666	\$ 5,360,293	\$ 5,570,519	\$ 6,305,939	\$ 6,656,049	\$ 7,199,532
Net assessments/(dividends)	(3,844,644)	(5,214,509)	(4,539,733)	(626,714)						
Ceded	<u>195,995</u>	<u>190,495</u>	<u>190,495</u>	<u>192,610</u>	<u>193,341</u>	<u>195,460</u>	<u>204,358</u>	<u>219,698</u>	<u>235,697</u>	<u>298,737</u>
Net earned before allocated interest	3,606,941	2,085,122	2,185,585	5,504,694	5,444,325	5,164,833	5,366,161	6,086,241	6,420,352	6,900,795
Allocated interest earned	<u>328,318</u>	<u>408,650</u>	<u>433,145</u>	<u>375,067</u>	<u>306,669</u>	<u>206,667</u>	<u>224,863</u>	<u>246,238</u>	<u>252,468</u>	<u>204,522</u>
Total net earned	3,935,259	2,493,772	2,618,730	5,879,761	5,750,994	5,371,500	5,591,024	6,332,479	6,672,820	7,105,317
2. Unallocated expenses	646,657	668,136	702,158	733,423	744,782	789,819	823,781	901,310	1,172,746	961,378
3. Estimated claims and expenses, end of program year:										
Incurred	5,365,254	4,800,146	3,596,916	3,145,533	2,910,463	3,082,575	3,436,639	4,090,426	4,312,735	4,734,368
Ceded	<u>5,365,254</u>	<u>4,800,146</u>	<u>3,596,916</u>	<u>3,145,533</u>	<u>2,910,463</u>	<u>3,082,575</u>	<u>3,436,639</u>	<u>4,090,426</u>	<u>4,312,735</u>	<u>4,734,368</u>
Net incurred										
4. Net paid (cumulative) as of:										
End of program year	10,085	55,365	34,348			3,154				27,980
One year later	96,539	263,439	35,318	223,823	17,342	571,386	549,594	202,129	163,454	
Two years later	886,036	331,235	322,389	932,721	926,832	1,138,422	1,422,765	1,210,214		
Three years later	1,835,846	1,007,931	1,546,668	1,754,660	1,625,601	2,749,312	3,032,900			
Four years later	1,999,384	1,287,633	1,916,982	1,786,551	2,172,644	3,367,741				
Five years later	2,921,598	1,367,157	1,916,982	1,827,552	2,208,703					
Six years later	3,016,961	1,825,609	1,916,982	1,844,591						
Seven years later	3,281,809	1,825,609	1,916,982							
Eight years later	3,281,809	1,825,609								
Nine years later	3,281,809									
5. Reestimated ceded claims and expenses										
6. Reestimated net incurred claims and expenses:										
End of program year	5,365,254	4,800,146	3,596,916	3,145,533	2,910,463	3,082,575	3,436,639	4,090,426	4,312,735	4,734,368
One year later	4,437,687	3,472,863	2,876,295	2,620,642	2,431,322	3,571,092	3,918,988	3,889,398	4,603,354	
Two years later	3,072,653	1,983,665	1,969,700	2,570,866	3,139,528	3,524,645	3,868,253	3,784,898		
Three years later	3,180,822	1,658,382	2,501,089	2,676,825	2,846,320	4,140,235	4,278,651			
Four years later	2,736,264	1,529,388	2,327,372	2,214,660	2,637,369	4,020,623				
Five years later	3,244,191	2,087,601	1,916,982	2,107,528	2,416,483					
Six years later	3,553,835	1,972,333	1,916,982	1,975,855						
Seven years later	3,509,510	1,825,609	1,916,982							
Eight years later	3,281,809	1,825,609								
Nine years later	3,281,809									
7. Increase (decrease) in estimated net incurred claims and expenses from end of program year	<u>\$(2,083,445)</u>	<u>\$(2,974,537)</u>	<u>\$(1,779,934)</u>	<u>\$(1,169,678)</u>	<u>\$ (493,980)</u>	<u>\$ 938,048</u>	<u>\$ 842,012</u>	<u>\$ (305,528)</u>	<u>\$ 290,619</u>	<u>\$ _____</u>

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OTHER REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Governing Board
Employment Risk Management Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Employment Risk Management Authority (ERMA) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise ERMA's basic financial statements, and have issued our report thereon dated _____, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ERMA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ERMA's internal control. Accordingly, we do not express an opinion on the effectiveness of ERMA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of ERMA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether ERMA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ERMA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ERMA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clovis, California
, 2019

November 4, 2019

To the Governing Board
Employment Risk Management Authority
Sacramento, California

We have audited the financial statements of Employment Risk Management Authority (ERMA) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 17, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ERMA are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by ERMA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting ERMA's financial statements was the provision for unpaid claims.

Management's estimate of the provision for unpaid claims is based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. We evaluated the key factors and assumptions used to develop the provision for unpaid claims in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate, to each opinion units financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 4, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to ERMA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as ERMA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and claims development information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of ERMA and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Sampson, Sampson & Patterson, LLP

FINANACIAL MATTERS

SUBJECT: Financial Status Report for the Fiscal Year Ended June 30, 2019

BACKGROUND AND STATUS:

Typically, the Internal Financial Statements are placed on the Consent Calendar for Board approval. However, at the November meeting, the Internal Financial Statements and the JPA Performance Report as of the recent year-end are reviewed with the Board of Directors.

Alana Theiss, Finance Manager, will be in attendance to present the financial documents, and answer questions from the Board.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2019, and JPA Performance Report, as of June 30, 2019.

REFERENCE MATERIALS ATTACHED:

- Internal Financial Statements for the Fiscal Year Ended June 30, 2019
- JPA Performance Report as of June 30, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ BALANCE SHEET ~

As of June 30, 2019

(Unaudited)

ASSETS

CURRENT ASSETS

Cash in Bank	\$	3,345,510	
Camp Liquidity Account		220,481	
Local Agency Investment Fund		519,967	
Market Valuation - LAIF		890	
Investments - Managed Portfolio		2,873,442	
Market Valuation - Investments		4,949	
Accounts Receivable - Members		7,390	
Accounts Receivable - Miscellaneous		4,300	
Interest Receivable		131,896	
Prepaid Expense		198,331	
Prepaid Insurance		638	
TOTAL CURRENT ASSETS			7,307,794

NONCURRENT ASSETS

Investments - Managed Portfolio		21,447,707	
Market Valuation - Investments		276,886	
TOTAL NONCURRENT ASSETS			21,724,593
TOTAL ASSETS			\$ 29,032,387

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	280,030	
Dividends Payable		2,999,999	
Unearned Revenue		0	
Reserve - Claims		3,968,555	
Reserve - IBNR & ULAE		122,253	
TOTAL CURRENT LIABILITIES			7,370,836

NONCURRENT LIABILITIES

Reserve - IBNR & ULAE		9,867,840	
TOTAL NONCURRENT LIABILITIES			9,867,840
TOTAL LIABILITIES			17,238,676

EQUITY

Retained Earnings - Prior Year		11,754,131	
Retained Earnings - Capital Fund		763,107	
TOTAL RETAINED EARNINGS - PRIOR YEAR			12,517,238
Retained Earnings - Current Year		(750,183)	
Retained Earnings - Capital Fund		26,656	
TOTAL RETAINED EARNINGS - CURRENT YEAR			(723,527)
TOTAL EQUITY			11,793,711
TOTAL LIABILITIES AND EQUITY			\$ 29,032,387

EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ INCOME STATEMENT ~

For the Year Ended June 30, 2019

(Unaudited)

	Actual	Budget	% Used	\$ Variance
INCOME				
Deposit Premium	\$ 6,900,482	\$ 6,863,968	101% +	\$ 36,514
Excess Insurance Premium	299,050	299,049	100%	1
Interest Income	1,198,267			1,198,267
Miscellaneous Income	(2,500)			(2,500)
TOTAL INCOME	8,395,299	7,163,016	117%	1,232,282
EXPENSES				
Claims Expense				
Claims Paid	\$ 3,481,179 **	\$ 5,897,762 *	82%	(1,039,050)
Incr/(Decr) in Reserves	1,377,532 **			
Excess Insurance	298,737	299,049	100%	(312)
Subtotal Claims Expense	5,157,449	6,196,811	83%	(1,039,362)
Loss Prevention & Training				
Employee Reporting	9,976	9,500	105% +	476
Web-based Training / Training Bulletins	24,000	24,000	100%	0
Additional Web-based Training	12,000	12,000	100%	0
Hotline Services	6,181	7,000	88%	(819)
Miscellaneous Training Expenses	4,331	6,000	72%	(1,669)
Attorney / Training Workshops	48,750	47,300	103% +	1,450
Subtotal Loss Prevention & Training	105,238	105,800	99%	(562)
Capital Fund Expenditures				
Development/ Delivery of Survey/ Results	4,029			4,029
Subtotal Capital Fund Expenditures	4,029			4,029
General & Administrative Expenses				
Program Management	709,942	698,706	102% +	11,236
Risk Assessments	1,568	10,000	16%	(8,433)
Board Meetings & Retreat	26,148	30,000	87%	(3,852)
Memberships & Conferences	4,105	6,700	61%	(2,595)
Actuarial Study	9,950	9,950	100%	0
Legal Services	44,781	45,000	100%	(219)
Financial Audit	9,700	9,950	97%	(250)
Claims Audit	5,900	5,900	100%	0
Accreditation	1,417	1,500	94%	(84)
Fidelity Bond	1,282	1,200	107% +	82
SLIP Insurance	2,537	2,500	101%	37
Investment Management Services	25,787	30,000	86%	(4,213)
Claims System	5,000	5,000	100%	0
Miscellaneous	3,995	4,000	100%	(5)
Subtotal General & Admin Expenses	852,112	860,406	99%	(8,295)
Dividend Expense - Return of Equity	2,999,999	0		2,999,999
TOTAL EXPENSES	9,118,827	7,163,017	127%	(1,044,190)
NET INCOME/(LOSS)	\$ (723,527)	\$ (1)		

* Amount budgeted for claims expense is for the current program year only, to be paid in current and future years.

** Amount paid for claims is for all program years paid in the current year, as well as changes in reserves for prior years.

+ See attached "Report of Line Items Exceeded Budgeted Amount"

EMPLOYMENT RISK MANAGEMENT AUTHORITY
~ INCOME STATEMENT ADDENDUM ~
Report of Line Items Exceeded Budgeted Amount
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
Income				
+ <u>Deposit Premium</u>	6,900,482	6,863,968	101%	36,514
<i>This line item includes two new members joining January 1, 2019. City of Santa Maria, an underlying member of ERMAC City of Fort Jones, an underlying member of SCORE</i>				
<hr/>				
Loss Prevention & Training				
+ <u>Employee Reporting</u>	9,976	9,500	105%	476
<i>Annual invoice from in2vate increased over prior year due to increased FTE's (33,200 to 35,000) used in the calculation.</i>				
+ <u>Attorney /Training Workshops</u>	48,750	47,300	103%	1,450
<i>This line item exceeded the original budgeted amount; however, the Board approved an additional 20 trainings at the February 8, 2019 meeting.</i>				
<hr/>				
General & Administrative Expenses				
+ <u>Program Management</u>	709,942	698,706	102%	11,236
<i>This line item exceeded the budgeted amount due to two new members joining January 1, 2019 resulting in a slight fee increase to York.</i>				
+ <u>Fidelity Bond</u>	1,282	1,200	107%	82
<i>The crime policy exceeded the budgeted amount due to higher renewal premium.</i>				
<hr/>				

Employment Risk Management Authority
Program Retained Earnings by Member
At the Expected Confidence Level
As of June 30, 2019

Member	2012/13 Program Year	2013/14 Program Year	2014/15 Program Year	2015/16 Program Year	2016/17 Program Year	2017/18 Program Year	2018/19 Program Year	Total
BCJPIA	\$ 408,274	\$ 336,648	\$ 88,299	\$ 79,828	\$ 208,252	\$ 161,077	\$ 176,535	\$ 1,458,912
CalTIP						16,781	19,266	36,047
CSJVRMA	763,054	551,041	97,226	90,786	396,169	252,859	306,107	2,457,241
ERMAC					41,627	22,199	32,645	96,470
MBASIA	41,167	39,039	6,078	5,553	19,397	11,653	15,439	138,325
MPA	592,097	448,627	75,480	81,144	283,987	171,527	203,066	1,855,927
PARSAC	554,531	489,127	122,871	106,041	358,956	242,885	289,605	2,164,016
PERMA	515,433	492,013	130,360	89,793	209,122	168,883	257,957	1,863,559
SCORE	37,972	33,513	8,836	8,245	20,308	15,676	19,432	143,982
VCJPA	159,211	125,689	20,126	17,572	75,372	43,224	58,948	500,141
Oakland HA	79,545	58,924	9,623	7,631	30,128	24,554	26,451	236,855
Contra Costa County HA	19,199	15,108	2,159	1,480	6,051	3,923	4,553	52,473
Capital Fund								789,763
Total	\$ 3,170,483	\$ 2,589,729	\$ 561,056	\$ 488,072	\$ 1,649,369	\$ 1,135,239	\$ 1,410,003	\$ 11,793,711

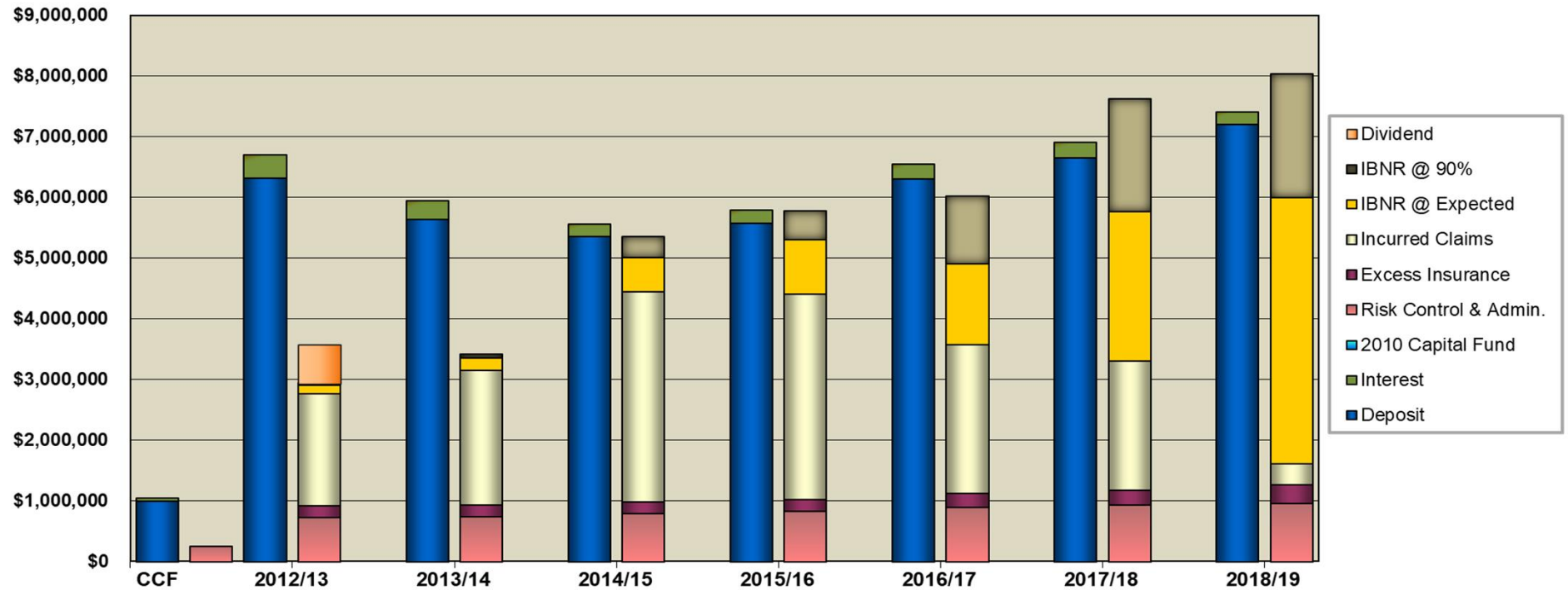
NOTES:

- * ERMA's first three program years, 1999/2000 - 2001/2002 were closed as of June 30, 2008.
- * Program years 2002/2003 and 2003/2004 were closed as of April 1, 2013.
- * Program years 2004/2005 through 2007/2008 were retrospectively adjusted as of June 30, 2013.
- * Program years 2004/2005 and 2005/2006 were closed as of April 1, 2014.
- * Program years 2004/2005 through 2008/2009 were retrospectively adjusted as of June 30, 2014.
- * Program years 2006/2007 through 2009/2010 were retrospectively adjusted as of June 30, 2015.
- * Program years 2007/2008 through 2010/2011 were retrospectively adjusted as of June 30, 2016.
- * Program years 2006/2007 through 2008/2009 were closed as of April 1, 2016.
- * Program years 2009/2010 through 2010/2011 were closed as of May 1, 2018.
- * Program year 2011/2012 was closed as of June 11, 2019.
- * ERMA's Capital Fund was reactivated as of June 30, 2015 with \$300,000 allocated based on 2015/16 premiums. An additional \$400,000 was funded on June 30, 2016 allocated based on 2016/17 premiums. An additional \$150,000 was funded on June 30, 2017 allocated based on 2017/18 premiums. An additional \$150,000 was funded on June 30, 2018 allocated based on 2018/19 premiums.

Additional Information:

Current IBNR								
IBNR as of 6/30/19	\$ 131,264	\$ 207,780	\$ 555,382	\$ 902,685	\$ 1,334,820	\$ 2,473,242	\$ 4,384,921	\$9,990,094
Retained Earnings @ 90%:								
Retained Earnings @ 90% CL:	\$ 3,130,589	\$ 2,527,043	\$ 209,520	\$ 15,628	\$ 528,833	\$ (721,225)	\$ (628,274)	\$ 5,851,875
Assessments / (Dividends):								
Net Assessments								
Net Assessments / Dividends	(\$626,714)							\$ (17,171,760)
Confidence Level Funding:	80%	80%	80%	80%	80%	80%	80%	

Employment Risk Management Authority
Review of Financial Condition
As of June 30, 2019



EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

Purpose:

Maintain effective and efficient operation of the JPA;
Provide concise information needed to accurately illustrate the JPA's financial position as a result of operations;
Serve as an early warning tool to identify unfavorable events or trends;
Encourage member entity awareness and participation.

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
A. Statement of Net Position	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Assets:							
Cash	\$ 109,990	\$ 640,812	\$ 1,004,475	\$ 859,624	\$ 684,894	\$ 1,018,439	\$ 4,086,847
Investments	28,880,072	26,222,903	24,266,440	24,779,394	24,795,799	23,793,656	24,602,984
Receivables	137,125	123,411	58,243	87,571	103,717	131,545	143,586
Prepays	140,609	149,649	154,137	175,990	179,660	192,553	198,970
Total Assets	29,267,797	27,136,775	25,483,295	25,902,578	25,764,070	25,136,193	29,032,387
Liabilities:							
* Payables	41,994	51,085	73,283	11,650	34,548	37,840	3,280,029
Reserve for Known Claims	1,360,156	2,316,273	1,264,701	2,737,154	2,761,620	2,739,752	3,968,555
IBNR & ULAE	8,119,622	6,264,280	7,663,181	8,501,760	9,107,676	9,841,363	9,990,092
Total Liabilities	9,521,772	8,631,638	9,001,165	11,250,564	11,903,844	12,618,955	17,238,676
Net Position	19,746,025	18,505,137	16,482,130	14,652,015	13,860,226	12,517,238	11,793,711
Total Liabilities & Net Position	\$ 29,267,797	\$ 27,136,775	\$ 25,483,295	\$ 25,902,578	\$ 25,764,070	\$ 25,136,193	\$ 29,032,387

**Payables at June 30, 2019 include dividends declared, but not paid by year end totaling \$3 million.*

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

B. Statement of Revenues, Expenses and Change in Net Position	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Member Contributions	\$ 6,333,611	\$ 5,612,129	\$ 5,331,445	\$ 5,542,878	\$ 6,275,797	\$ 6,768,216	\$ 7,197,032
* 2002-2003 Net Assessment/(Net Dividend)	(587,664)						
* 2003-2004 Net Assessment/(Net Dividend)	(381,156)						
* 2004-2005 Net Assessment/(Net Dividend)	1,236,664	(93,843)					
* 2005-2006 (Net Dividend)	(446,720)	4,276					
* 2006-2007 (Net Dividend)	235,903	121,486	176,264	(39,123)			
* 2007-2008 (Net Dividend)	(2,893,415)	(15,331)	412,798	(276,597)			
* 2008-2009 (Net Dividend)		(5,747,143)	(27,073)	7,887			
* 2009-2010 (Net Dividend)			(3,533,432)	(182,605)		(128,607)	
* 2010-2011 (Net Dividend)				(1,509,562)	(3,000,000)	(704,947)	
* 2011-2012 (Net Dividend)						(2,166,446)	(2,373,286)
* 2012-2013 (Net Dividend)							(626,713)
Capital Fund Contribution			300,000	400,000	150,000	150,000	
Investment Income	71,350	372,131	242,093	444,811	116,818	133,173	1,198,267
Claims - Payments	(1,595,614)	(1,455,695)	(3,592,494)	(2,878,635)	(2,570,593)	(3,274,235)	(3,481,179)
Claims - Changes in Reserves	1,474,354	899,225	(347,329)	(2,311,031)	(630,383)	(711,819)	(1,377,532)
Excess Insurance	(192,610)	(193,341)	(195,459)	(204,358)	(219,698)	(235,697)	(298,737)
General Management	(526,834)	(557,773)	(583,680)	(598,742)	(669,060)	(683,492)	(709,942)
Other Expenses	(206,589)	(187,009)	(206,139)	(225,038)	(244,670)	(489,134)	(251,437)
Change in Net Position	\$ 2,521,280	\$ (1,240,888)	\$ (2,023,007)	\$ (1,830,115)	\$ (791,789)	\$ (1,342,988)	\$ (723,527)

* "Net Assessment/Net Dividend" refers to those program years in which assessments were levied and dividends granted; and

* "Net Dividend" refers to program years in which only net dividends were granted.

C. Actual Expense v. Budget	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
General Management Expense:							
Budget	\$ 526,834	\$ 557,773	\$ 583,680	\$ 597,835	\$ 669,060	\$ 678,949	\$ 698,706
Percentage of Budget Used	100%	100%	100%	100%	100%	101%	102%
Other Expenses:							
Budget	\$ 235,190	\$ 217,690	\$ 212,840	\$ 220,640	\$ 239,650	\$ 241,900	\$ 267,500
Percentage of Budget Used	88%	86%	97%	102%	102%	202% *	94%

* Includes unbudgeted Capital Fund expenditures.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
D. Member Entities	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Number of Joint Powers Authorities	8	8	8	8	9	10	10
Number of Individual Cities/Special Districts	2	2	2	2	2	2	2
Total Member Entities	10	10	10	10	11	12	12
Total Underlying Member Entities	175	184	183	189	195	203	206

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
E. Member Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Budgeted Payroll	1,131,237,538	1,133,046,575	1,166,717,404	1,217,536,705	1,394,559,861	1,460,260,455	1,520,381,818
Budgeted Payroll (Excess Insurance)	570,581,105	580,603,459	586,963,768	615,070,955	659,752,518	707,797,671	755,443,283

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
F. Rates per \$100 Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Rate per \$100 Payroll	0.474	0.408	0.372	0.370	0.369	0.377	0.388
Excess Insurance Rate per \$100 Payroll	0.034	0.033	0.033	0.033	0.033	0.033	0.040
Budgeted Admin. Rate per \$100 Payroll	0.067	0.068	0.068	0.067	0.065	0.063	0.064

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
G. Layers of Coverage	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Retention to \$1,000,000 Layer	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA
Coverage above \$1,000,000	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$3M
	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

H. Confidence Levels (funding):	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Per Budget	80%	80%	80%	80%	80%	80%	80%

I. Change in Claims Liabilities	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Paid-to-Date	\$ 1,844,591	\$ 2,208,703	\$ 3,367,741	\$ 3,032,900	1,210,214	163,454	27,980
Reserve for Known Claims (Discounted)	0	0	97,500	343,066	1,239,864	1,966,658	321,467
Total Incurred	1,844,591	2,208,703	3,465,241	3,375,966	2,450,078	2,130,112	349,447
IBNR and ULAE							
Discounted, expected confidence level	131,264	207,780	555,382	902,685	1,334,820	2,473,242	4,384,921
Total Projected Claims Expense	\$ 1,975,855	\$ 2,416,483	\$ 4,020,623	\$ 4,278,651	\$ 3,784,898	\$ 4,603,354	\$ 4,734,368

J. Adverse Experience Indicators	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Loss Ratio (Total Incurred/Deposits-Admin)	0.26	0.35	0.57	0.53	0.34	0.27	0.04
Total Incurred & IBNR/Deposit Premiums	0.31	0.43	0.75	0.77	0.60	0.68	0.66
Total Incurred per \$100 of Payroll	0.16	0.19	0.30	0.28	0.18	0.15	0.02
Total Incurred & IBNR per \$100 of Payroll	0.17	0.21	0.34	0.35	0.27	0.32	0.31

K. Claims Activity	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
All Claims:							
Number of Open Claims	0	0	3	5	20	32	47
Number of Closed Claims	59	53	52	55	64	53	16
Total Reported Claims	59	53	55	60	84	85	63
<i>Note: Number of Litigated Claims</i>	12	13	13	17	21	17	0
Claims - Incurred over Member Retention:							
Number of Open Claims	0	0	1	2	11	13	7
Number of Closed Claims	13	13	14	15	11	1	0
Total Reported Claims	13	13	15	17	22	14	7

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

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Encourage member entity awareness and participation.

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
A. Statement of Net Position	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Assets:							
Cash	\$ 109,990	\$ 640,812	\$ 1,004,475	\$ 859,624	\$ 684,894	\$ 1,018,439	\$ 4,086,847
Investments	28,880,072	26,222,903	24,266,440	24,779,394	24,795,799	23,793,656	24,602,984
Receivables	137,125	123,411	58,243	87,571	103,717	131,545	143,586
Prepays	140,609	149,649	154,137	175,990	179,660	192,553	198,970
Total Assets	29,267,797	27,136,775	25,483,295	25,902,578	25,764,070	25,136,193	29,032,387
Liabilities:							
* Payables	41,994	51,085	73,283	11,650	34,548	37,840	3,280,029
Reserve for Known Claims	1,360,156	2,316,273	1,264,701	2,737,154	2,761,620	2,739,752	3,968,555
IBNR & ULAE	8,119,622	6,264,280	7,663,181	8,501,760	9,107,676	9,841,363	9,990,092
Total Liabilities	9,521,772	8,631,638	9,001,165	11,250,564	11,903,844	12,618,955	17,238,676
Net Position	19,746,025	18,505,137	16,482,130	14,652,015	13,860,226	12,517,238	11,793,711
Total Liabilities & Net Position	\$ 29,267,797	\$ 27,136,775	\$ 25,483,295	\$ 25,902,578	\$ 25,764,070	\$ 25,136,193	\$ 29,032,387

**Payables at June 30, 2019 include dividends declared, but not paid by year end totaling \$3 million.*

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

B. Statement of Revenues, Expenses and Change in Net Position	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Member Contributions	\$ 6,333,611	\$ 5,612,129	\$ 5,331,445	\$ 5,542,878	\$ 6,275,797	\$ 6,768,216	\$ 7,197,032
* 2002-2003 Net Assessment/(Net Dividend)	(587,664)						
* 2003-2004 Net Assessment/(Net Dividend)	(381,156)						
* 2004-2005 Net Assessment/(Net Dividend)	1,236,664	(93,843)					
* 2005-2006 (Net Dividend)	(446,720)	4,276					
* 2006-2007 (Net Dividend)	235,903	121,486	176,264	(39,123)			
* 2007-2008 (Net Dividend)	(2,893,415)	(15,331)	412,798	(276,597)			
* 2008-2009 (Net Dividend)		(5,747,143)	(27,073)	7,887			
* 2009-2010 (Net Dividend)			(3,533,432)	(182,605)		(128,607)	
* 2010-2011 (Net Dividend)				(1,509,562)	(3,000,000)	(704,947)	
* 2011-2012 (Net Dividend)						(2,166,446)	(2,373,286)
* 2012-2013 (Net Dividend)							(626,713)
Capital Fund Contribution			300,000	400,000	150,000	150,000	
Investment Income	71,350	372,131	242,093	444,811	116,818	133,173	1,198,267
Claims - Payments	(1,595,614)	(1,455,695)	(3,592,494)	(2,878,635)	(2,570,593)	(3,274,235)	(3,481,179)
Claims - Changes in Reserves	1,474,354	899,225	(347,329)	(2,311,031)	(630,383)	(711,819)	(1,377,532)
Excess Insurance	(192,610)	(193,341)	(195,459)	(204,358)	(219,698)	(235,697)	(298,737)
General Management	(526,834)	(557,773)	(583,680)	(598,742)	(669,060)	(683,492)	(709,942)
Other Expenses	(206,589)	(187,009)	(206,139)	(225,038)	(244,670)	(489,134)	(251,437)
Change in Net Position	\$ 2,521,280	\$ (1,240,888)	\$ (2,023,007)	\$ (1,830,115)	\$ (791,789)	\$ (1,342,988)	\$ (723,527)

* "Net Assessment/Net Dividend" refers to those program years in which assessments were levied and dividends granted; and

* "Net Dividend" refers to program years in which only net dividends were granted.

C. Actual Expense v. Budget	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
General Management Expense:							
Budget	\$ 526,834	\$ 557,773	\$ 583,680	\$ 597,835	\$ 669,060	\$ 678,949	\$ 698,706
Percentage of Budget Used	100%	100%	100%	100%	100%	101%	102%
Other Expenses:							
Budget	\$ 235,190	\$ 217,690	\$ 212,840	\$ 220,640	\$ 239,650	\$ 241,900	\$ 267,500
Percentage of Budget Used	88%	86%	97%	102%	102%	202% *	94%

* Includes unbudgeted Capital Fund expenditures.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
D. Member Entities	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Number of Joint Powers Authorities	8	8	8	8	9	10	10
Number of Individual Cities/Special Districts	2	2	2	2	2	2	2
Total Member Entities	10	10	10	10	11	12	12
Total Underlying Member Entities	175	184	183	189	195	203	206

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
E. Member Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Budgeted Payroll	1,131,237,538	1,133,046,575	1,166,717,404	1,217,536,705	1,394,559,861	1,460,260,455	1,520,381,818
Budgeted Payroll (Excess Insurance)	570,581,105	580,603,459	586,963,768	615,070,955	659,752,518	707,797,671	755,443,283

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
F. Rates per \$100 Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Rate per \$100 Payroll	0.474	0.408	0.372	0.370	0.369	0.377	0.388
Excess Insurance Rate per \$100 Payroll	0.034	0.033	0.033	0.033	0.033	0.033	0.040
Budgeted Admin. Rate per \$100 Payroll	0.067	0.068	0.068	0.067	0.065	0.063	0.064

	(14)	(15)	(16)	(17)	(18)	(19)	(20)
G. Layers of Coverage	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Retention to \$1,000,000 Layer	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA
Coverage above \$1,000,000	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$2M	\$1M - \$3M
	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)	(Optional)

EMPLOYMENT RISK MANAGEMENT AUTHORITY
JPA PERFORMANCE REPORT
(Open Program Years)
as of June 30, 2019

H. Confidence Levels (funding):	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Per Budget	80%	80%	80%	80%	80%	80%	80%

I. Change in Claims Liabilities	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Paid-to-Date	\$ 1,844,591	\$ 2,208,703	\$ 3,367,741	\$ 3,032,900	1,210,214	163,454	27,980
Reserve for Known Claims (Discounted)	0	0	97,500	343,066	1,239,864	1,966,658	321,467
Total Incurred	1,844,591	2,208,703	3,465,241	3,375,966	2,450,078	2,130,112	349,447
IBNR and ULAE							
Discounted, expected confidence level	131,264	207,780	555,382	902,685	1,334,820	2,473,242	4,384,921
Total Projected Claims Expense	\$ 1,975,855	\$ 2,416,483	\$ 4,020,623	\$ 4,278,651	\$ 3,784,898	\$ 4,603,354	\$ 4,734,368

J. Adverse Experience Indicators	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
Loss Ratio (Total Incurred/Deposits-Admin)	0.26	0.35	0.57	0.53	0.34	0.27	0.04
Total Incurred & IBNR/Deposit Premiums	0.31	0.43	0.75	0.77	0.60	0.68	0.66
Total Incurred per \$100 of Payroll	0.16	0.19	0.30	0.28	0.18	0.15	0.02
Total Incurred & IBNR per \$100 of Payroll	0.17	0.21	0.34	0.35	0.27	0.32	0.31

K. Claims Activity	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019
All Claims:							
Number of Open Claims	0	0	3	5	20	32	47
Number of Closed Claims	59	53	52	55	64	53	16
Total Reported Claims	59	53	55	60	84	85	63
<i>Note: Number of Litigated Claims</i>	12	13	13	17	21	17	0
Claims - Incurred over Member Retention:							
Number of Open Claims	0	0	1	2	11	13	7
Number of Closed Claims	13	13	14	15	11	1	0
Total Reported Claims	13	13	15	17	22	14	7

ADMINISTRATIVE MATTERS

SUBJECT: Appointment of Mona Hedin as Board Secretary

BACKGROUND AND STATUS:

In order to aid in the execution of ERMA's administrative obligations and responsibilities, a member of staff is designated to serve as Board Secretary. Due to staffing turn over, this position has been vacant since March 2018. With the addition of Mona Hedin to staff, it is recommended she is appointed Board Secretary, effective November 4, 2019.

Ms. Hedin joined Bickmore in September 2013, and has served as ERMA's Analyst & Training Coordinator since June 2019. Ms. Hedin currently serves as the Board Secretary for another Sedgwick administered JPA – the California Rural Water Risk Management Authority. Ms. Hedin previously held a corporate Marketing Manager position with York Risk Services.

RECOMMENDATION:

Staff recommends the Board of Directors appoint Mona Hedin as Board Secretary, effective November 4, 2019.

ADMINISTRATIVE MATTERS

SUBJECT: Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law

BACKGROUND AND STATUS:

On August 30, 2019 Governor Gavin Newsom approved Senate Bill 778, an act amending Section 12950.1 of the Government Code.

SB 778 requires employers with five or more employees to provide harassment prevention training and education to all employees by January 1, 2021, and thereafter once every two years. The statute requires non-supervisory employees to be provided training within six months of hire and new supervisory employees to be provided training within six months of assumption of a supervisory position. The statute also specifies that an employer who has provided training and education in 2019 is not required to provide it again until two years thereafter.

The attached Draft Resolution incorporates clarifications to the training requirements as set forth by SB 778.

RECOMMENDATION:

Staff recommends the Board of Directors approve Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law.

REFERENCE MATERIALS ATTACHED:

- Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law

RESOLUTION NO. 2019-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY REQUIRING MEMBERS TO PROVIDE PROOF OF COMPLIANCE WITH TRAINING MANDATED BY STATE LAW

WHEREAS, the Employment Risk Management Authority, hereinafter ERMA, is a Joint Powers Authority organized and existing in accordance with the laws of the State of California;

WHEREAS, one of the functions of ERMA is to operate a “Pooled Wrongful Employment Practices” “risk sharing” program;

WHEREAS, it is in the best interests of the ERMA members to ensure that all underlying members comply with the minimum training requirements mandated by state law;

WHEREAS, the Board previously adopted Resolution No. 2017-7 to ensure that all ERMA members complied with sexual harassment training mandated by state law (Government Code §12950.1) and to establish a compliance program in which underlying members would be required to establish proof of compliance with such training and

WHEREAS, the Board of Directors of ERMA has modified the compliance program and established penalties for members who have failed to comply, and this Resolution reflecting such changes is therefore appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

This Resolution 2019-3 supersedes Resolution 2017-7.

Senate Bill 778 extends the deadline from January 1, 2020 to January 1, 2021 for all employers with five or more employees to provide: 1) At least two hours of sexual harassment prevention training to all supervisory employees and 2) At least one hour of sexual harassment prevention training to all non-supervisory employees. New employees should be trained within six months of appointment to a supervisory position. Thereafter, employees must be provided with refresher training once every two years. Temporary and/or Seasonal employees must receive harassment prevention training by January 1, 2020.

For any *Claim*, as such term is defined in ERMA’s Memorandum of Coverage, that is submitted to ERMA by an underlying member which relates to the subject matter of California Government Code §12950.1, each underlying member is required to provide ERMA with documentation evidencing they have substantially complied with sexual harassment, retaliation, discrimination and training inclusive of harassment based upon gender identity, gender expression and sexual orientation, as mandated by said code

section. Substantial compliance is defined as having 90% of all employees and elected officials trained in compliance with §12950.1 as of the date of occurrence of the *Claim*.

At the time the Claim is submitted, and at the request of an ERMA representative, the underlying member shall within 30 days provide an attestation that the following occurred:

1. The underlying member is in compliance with the sexual harassment, retaliation, discrimination and training inclusive of harassment based upon gender identity, gender expression and sexual orientation training and education requirements set forth in California Government Code §12950.1 and the regulations of the Fair Employment and Housing Commission relating thereto.
2. The underlying member documented the date of the training for each employee;
3. The underlying member retained a description of the course (including content and duration) and the course materials;
4. The underlying member retained a brief biography on the course trainer; and
5. The underlying member retained a copy of the participant sign-in sheets, certificates of completion, or other proof of attendance.

Any underlying member that fails to comply with the mandated sexual harassment training or that fails to provide ERMA with documentation evidencing compliance will have its retained limit increased by 100% for the submitted Claim. The Board of Directors will have discretion to consider lack of compliance as a factor in determining whether a member should be subject to a Risk Assessment.

This Resolution was adopted by the Board of Directors at a regular meeting held on November 4, 2019, in Sacramento, California, by the following vote:

AYES _____
NOES _____
ABSTAIN _____
ABSENT _____

PRESIDENT

ATTEST:

BOARD SECRETARY

ADMINISTRATIVE MATTERS

SUBJECT: Review of the 20th Annual Workshop Agenda

BACKGROUND AND STATUS:

Enclosed is a draft Agenda for ERMA's February 6, 2020, Annual Workshop. At this time, staff requests feedback from the Board of Directors regarding the proposed agenda and content.

As in prior years, the Annual Workshop will be held on a Thursday; with a Board of Directors meeting to follow, on Friday, February 7, 2020.

RECOMMENDATION:

Staff recommends the Board of Directors direct staff to work with the President to finalize the agenda for the workshop.

REFERENCE MATERIALS ATTACHED:

- Draft February 6, 2020, Annual Workshop Agenda



EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**20th ANNUAL WORKSHOP
AGENDA**

**Thursday, February 6, 2020
11:00 a.m.
(Lunch will be provided)**

**Dream Inn
175 W Cliff Drive, Santa Cruz, CA 95060
(831) 740-8069**

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Mona Hedin at (916) 290-4645 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 at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

- | | |
|--------------------|---|
| <u>Page</u> | 1. WELCOME AND INTRODUCTIONS <ul style="list-style-type: none">A. President's WelcomeB. Introductions |
| | 2. ERMA OVERVIEW <ul style="list-style-type: none">A. Review of Mission Statement*B. Accomplishments and Review of Goals & ObjectivesC. Status of ERMA Program<ul style="list-style-type: none">*1. Claims Overview*2. Financial Overview*3. State of the Market PresentationD. Loss Prevention<ul style="list-style-type: none">1. Live and Online (<i>in2vate</i>) Training2. Employee Reporting Line3. Member Risk Assessments4. Attorney Hotline5. State of the Program: Jackson Lewis & Liebert Cassidy Whitmore |

3. PLANNING AND PROJECTED OVERVIEW FOR 2020/21 AND BEYOND

- A. Long Range Planning
 - 1. Succession
 - 2. Program
- B. Financial
 - *1. Review and Approval of Target Equity Ratios
 - *2. Uses of Equity

4. STRATEGIC OUTCOME

- *A. Establish 2020/21 Goals & Strategic Objectives

5. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM

- *A. Subject: To be determined – Presented by Jill Williams, Carpenter, Rothans & Dumont

6. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM

- *A. Subject: To be determined – Presented by Cepideh Roufougar and Gina Roccanova, Jackson Lewis, P.C.

7. REVIEW OF SERVICE PROVIDERS

- *A. Evaluation of Law Firms on Approved Defense Panel
- *B. Results of Vendor Services Survey

8. SUMMARY OF THE DAY AND CLOSING STATEMENTS

- *A. Closing Thoughts

* Reference materials enclosed with staff report.

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective New Member Application – City of Rancho Mirage (PERMA)

BACKGROUND AND STATUS:

The City of Rancho Mirage applied for membership in ERMA as an underlying member of PERMA and has requested a \$50,000 self-insured retention (SIR). Based upon the City's reported payroll of \$7,250,967, this SIR is in accordance with ERMA's Underwriting Guidelines.

The City reports ninety full-time and twenty nine part-time employees. The City has one reported closed EPL claim within the previous seven program years with no incurred loss.

The information provided in the application indicates the City has written personnel policies in place; however it has been many years since a thorough review was conducted. The City has engaged Liebert Cassidy Whitmore (LCW) to assist in a comprehensive update of their personnel policies and procedures. The City confirmed they will follow LCW and ERMA's recommendations regarding the frequency by which the newly drafted policies should be reviewed.

The City's current EPL policy with RSUI expires December 31, 2019. Given the City's desired transition from commercial coverage to ERMA, the City wishes to secure "nose" coverage in order to ensure there are no coverage gaps. This rate is determined annually by ERMA's actuary in anticipation of a potential member transitioning from a claims-made policy to ERMA's occurrence-based MOC and is noted within the attached premium indication.

The Underwriting Committee met on October 15, 2019 to review the City's application along with the attached reference materials.

RECOMMENDATION:

The Underwriting Committee recommends the Board of Directors approve the City of Rancho Mirage as an underlying member of PERMA at a \$50,000 SIR, effective January 1, 2020.

REFERENCE MATERIAL ATTACHED:

- City of Rancho Mirage Completed Potential New Member Application
- City of Rancho Mirage 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: <u>City of Rancho Mirage</u>		Date: <u>September 30, 2019</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
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 type="checkbox"/> Workplace Violence Policies	
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees		
	<input type="checkbox"/> Employee Hotline/Complaint Procedure		
5. 5	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 type="checkbox"/> Yes	<input checked="" 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? <u>1992</u>		
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input checked="" type="checkbox"/> Yes	<input 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
<p style="text-align: center;"><i>If you answered no to any of the above, please use this space to provide more information:</i></p> <p>The City's PR&R will be updated in fall, 2019. We will be using the LCW template followed by legal counsel review.</p>			

B. Employee Information					
1.	Number of Full Time Employees: <u>90</u>				
2.	Number of Part time Employees: <u>29</u>				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?				
	<u>2019</u> <u>13</u> %	<u>2018</u> <u>12</u> %	<u>2017</u> <u>15</u> %	<u>2016</u> <u>12</u> %	<u>2015</u> <u>5</u> %
4.	How many involuntary employment terminations have occurred in the past two years?				
	<u>2019</u> <u>3</u>	<u>2018</u> <u>1</u>			

		<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 86 %	Should = 100%
	6.	Percentage of Employees with salaries greater than \$100,000 14 %	

C.	Employment Practices Claims Handling	
	1.	Who in the Entity has been designated to handle claims? Denise Wolsieffer, HR Manager
	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 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:
	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 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.	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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, please explain. Training is scheduled to begin October 1, 2019 for all employees.	
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 checked="" type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input type="checkbox"/> \$100K	<input type="checkbox"/> \$250K	<input type="checkbox"/> \$500K	
Please attach the following:						
<ul style="list-style-type: none"> • 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.) • EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year; • Payroll information for the previous 7 completed calendar years; • Completed resolution authorizing participation in ERMA; • Completed intent to participate; and • Most Recent Financial Audit. 						

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 Rancho Mirage
Agency or Entity Name

Denise D. Wolsieffer
Applicant's Name (please print)

HR Manager
Title

Denise D. Wolsieffer
Applicant's Signature

9-30-2019
Date

EMPLOYMENT RISK MANAGEMENT AUTHORITY PREMIUM INDICATION

PERMA

Name of Entity	City of Rancho Mirage
2018 Payroll	\$7,250,967
Coverage Period	July 1, 2019 to June 30, 2020

CALCULATION

Member Retained Limit Options		\$50,000	\$75,000	\$100,000
Retained Limit Factor		1.000	0.900	0.820
Retained Limit Rate		0.503	0.453	0.412
Nose Coverage Rate		0.202	0.182	0.166
Defense & Indemnity: Pooled Funding		\$36,472	\$32,825	\$29,907
Defense & Indemnity: Nose Coverage Pooled Funding		14,647	13,182	12,011
Administration	0.0540	3,914	3,914	3,914
Loss Prevention & Training	0.0092	666	666	666
Subtotal		\$55,699	\$50,587	\$46,498
JPA Participation Credit	8.18%	(\$3,357)	(\$3,059)	(\$2,821)
JPA Participation Credit - Nose Coverage	8.18%	(1,198)	(1,078)	(982)
Subtotal		(\$4,555)	(\$4,137)	(\$3,803)
Individual Experience Mod Factor *		1.000		
Off-Balance Factor		1.080		

ERMA Premium	\$40,693	\$37,078	\$34,185
Nose Coverage Premium	\$14,519	\$13,067	\$11,905
TOTAL ERMA PREMIUM **	\$55,212	\$50,145	\$46,091

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

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

COVERAGE MATTERS

SUBJECT: City of Hayward (ERMAC) Appeal of Denial of Coverage

BACKGROUND AND STATUS:

The City of Hayward, an underlying member of ERMAC, untimely reported an internal complaint received of national origin harassment/discrimination and whistle-blower retaliation in late 2018, and later, a Government Tort Claim on May 1, 2019. ERMA received notice of the claim on July 23, 2019. In accordance with ERMA's Memorandum of Coverage (MOC), the claim was subsequently denied.

Pursuant to ERMA's Master Program Document, the Litigation Manager has the following discretion with respect to determining whether a claim has been timely submitted to ERMA:

The Litigation Manager shall:

- (w) Determine, using reasonable discretion and based on the particular facts and circumstances, whether a claim has been timely reported to *ERMA* as a condition precedent to coverage under the Memorandum of Coverage; provided, however, the Litigation Manager shall have no discretion to accept as timely any of the following claims reported after 30 days: notice from the U.S. Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or any other state or federal Government agency to which an Employee has made a *Claim*; a Government claim; or a civil lawsuit. The Litigation Manager's decision may be appealed to the Board of Directors;

ERMA's 2019/20 MOC, includes a late reporting clause and a penalty provision. These late reporting provisions are as follows:

Section VII – Conditions 1.

- (B) Any Claim, except one which the Litigation Manager has discretion to accept, which is not reported to the Authority within 30 days, as required by subsection (A) herein, shall be considered untimely and shall be denied.

The Covered Party may appeal the denial of such Claim to the Authority's Board of Directors in accordance with the appeal procedure set forth in Section 7 below. The Board shall consider the following factors in its determination of the appeal:

- (i) Late reported Claims are strongly disfavored. Relief from denial of coverage for a Claim reported more than 90 days late shall not be granted absent extraordinary circumstances as determined by the Board in its sole discretion.
- (ii) An appeal based on the Covered Party's lack of familiarity with the definition of a Claim and/or its obligation to timely report the Claim to the Authority shall be strongly disfavored, since the Covered Party is responsible for understanding the definition of a Claim and adhering to the reporting requirements set forth herein.

ERMA
BOARD OF DIRECTORS MEETING
November 4, 2019

- (iii) An appeal based on the absence of the employee designated by the Covered Party as responsible for reporting Claims must be verified, and the employee must have been absent during the entire time the Claim was not reported.
- (iv) An appeal of any late-reported Claim which the Board, in its sole discretion, determines may result in any financial or other prejudice to the Authority shall be denied regardless of any provision set forth herein or any other basis for the appeal.

Each appeal shall be considered on its own merits, and the Board's decision on any one appeal shall not establish any precedent for future appeals.

For all late-reported Claims for which the Covered Party's appeal of the denial of coverage is granted, the Board shall increase the Covered Party's Retained Limit as follows:

PENALTY STRUCTURE

SIR	Penalty	Percentage of Penalty to SIR
\$25,000	\$6,250	25%
\$50,000	\$12,500	25%
\$75,000	\$18,750	25%
\$100,000	\$25,000	25%
\$250,000	\$37,500	15%
\$500,000	\$50,000	10%

The relief sought by the City of Hayward in regard to the Howell claim is based on the following mitigating circumstances:

- The City does not dispute that the claim was untimely reported, but contends ERMA was not harmed by the failure to timely report.
- The City timely investigated the allegations using a reputable third-party investigator.
- The investigator did not sustain any of the complainant's allegations.
- The City took all appropriate steps in response to the complaints.
- The Litigation Manager received notice of the claim on July 23, 2019 – approximately six months after the 30-day reporting deadline.
- The Litigation Manager reviewed the context and status of the claim, and has determined that, should the claim be accepted, the late reporting of the claim will not cause financial or other prejudice to the Authority.
- The City has a \$500,000 SIR. Should the City's appeal be granted, the increase to the City's Retained Limit is 10% or \$50,000.

RECOMMENDATION:

Staff recommends the Board of Directors provide direction as necessary.

REFERENCE MATERIALS ATTACHED:

- Appeal Letter (redacted) from Seema Vashi, Assistant City Attorney
- Summary of Historical Coverage Appeal Decisions: 2015 - current



CITY OF
HAYWARD
HEART OF THE BAY

Confidential

Board of Directors
Employment Risk Management Authority
1750 Creekside Oaks Drive, Ste. 200
Sacramento, CA 95833

RE: [REDACTED] Appeal of Denial of Coverage

Dear Board Members,

Pursuant to Section VII (7) of the ERMA Memorandum of Coverage, the City of Hayward (City) hereby submits this letter to formally appeal the denial of coverage in the connection with complaints raised by City employee [REDACTED]

Procedural Background:

On July 17, 2019, [REDACTED] submitted a written complaint for retaliation to the City's Human Resources Director. This complaint is hereby attached as Exhibit A. The complaint alleged that [REDACTED] was subjected to retaliation after he accused another employee for theft of City property.

On July 26, 2019, the City submitted an Initial Claim Report form to ERMA. The Initial Claim Report form is hereby attached as Exhibit B.

On August 2, 2019, the City was informed by ERMA Litigation Manager Kathy Maylin that the Claim was denied due to the City's failure to timely report the Claim.

On August 6, 2019, the City notified Ms. Maylin that it would be appealing the denial of coverage.

City's Position:

[REDACTED] has worked for the City as an [REDACTED] since 2015. In late 2018, [REDACTED] alleged that another employee in his department was stealing City property for personal gain. The City retained an external investigator, Rebecca Burnside of It's Personnel Consulting, to investigate these allegations. Prior to the initiation of the investigation, in January 2019, [REDACTED] verbally raised concerns regarding retaliation to Human Resources. [REDACTED] did not submit a written complaint of retaliation. Human Resources immediately expanded the scope of Ms. Burnside's investigation to include these allegations. Ms. Burnside interviewed [REDACTED] in February 2019. During the course of this interview and investigation, [REDACTED] alleged

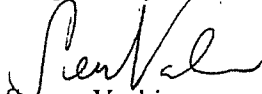
retaliation and harassment based on national origin. Ms. Burnside investigated every allegation raised by [REDACTED]. Ms. Burnside concluded her investigation in April of 2019 and her investigation report did not sustain any of the retaliation and harassment allegations raised by [REDACTED]. Additionally, Ms. Burnside did not sustain the allegations of theft raised by [REDACTED] against his co-worker.

Thereafter, on July 17, 2019, [REDACTED] submitted a written complaint for retaliation to the City's Human Resources Director. The second complaint included factual allegations that were already previously investigated by Ms. Burnside as well as new allegations. Upon receiving the second complaint, the City immediately reported this matter to ERMA and initiated a second investigation utilizing ERMA-approved investigator Karen Kramer. The City is currently awaiting the results of the second investigation.

The City does not dispute that [REDACTED] verbal allegations in January 2019 should have been timely reported to ERMA within 30 days as they fell within ERMA's definition of a Claim. However, the City contends that ERMA was not harmed by the failure to timely report. The City timely investigated the allegations utilizing a reputable third-party investigator. The investigator did not sustain any of the allegations raised by [REDACTED]. The City took all appropriate steps in response to [REDACTED] initial complaint.

In consideration of the foregoing, the City respectfully requests that the Board overturn the denial of coverage in this matter.

Respectfully submitted,



Seema Vashi
Assistant City Attorney

Enclosures: [REDACTED]

**Summary of Historical Coverage Appeal Decisions
2015 – Current**

Agency	Appeal Date	Appeal Decision	Penalty	Notes
City of Reedley	April 30, 2019	Denied	N/A	Untimely report - Significant financial or other prejudice
City of Barstow	February 8, 2019	Granted	25% SIR increase \$25,000 to \$31,250	Untimely report
City of Susanville	February 9, 2018	Granted	25% SIR increase \$25,000 to \$31,250 per claim (3)	Untimely report
City of Menlo Park	November 6, 2017	Granted	15% SIR increase \$250,000 to \$287,500	Untimely report
City of Pinole	November 2, 2015	Granted	25% SIR increase \$50,000 to \$62,500	Untimely report
City of Coachella	November 2, 2015	Granted	25% SIR increase \$25,000 to \$31,250	Untimely report
City of Calimesa	November 2, 2015	Denied	N/A	Non-compliant training

COVERAGE MATTERS

SUBJECT: City of El Cerrito (MPA) Appeal of Denial of Coverage

BACKGROUND AND STATUS:

The City of El Cerrito, an underlying member of MPA, untimely reported an internal complaint of sexual harassment and discrimination on July 9, 2019. The initial harassment/discrimination complaint occurred on Oct. 16, 2018, and an IA investigation was conducted. Complainant resigned from her position on June 2, 2019. She retained counsel and filed a DFEH charge and Government Tort claim, which were received by the City on June 17, 2019. The claim, as supported by the DFEH charge and Government Tort claim, was reported to ERMA on June 19, 2019. The claim was accepted as a covered by ERMA, and assigned to defense counsel on July 9, 2019. On July 24, 2019, defense counsel obtained the IA investigation report, and provided it to the Litigation Manager. The IA report disclosed the prior complaint history dating back to October 2018. In accordance with the discretion vested in the Litigation Manager by ERMA's Memorandum of Coverage, the claim then was denied as untimely.

Pursuant to ERMA's Master Program Document, the Litigation Manager has the following discretion with respect to determining whether a claim has been timely filed with ERMA:

The Litigation Manager shall:

- (w) Determine, using reasonable discretion and based on the particular facts and circumstances, whether a claim has been timely reported to *ERMA* as a condition precedent to coverage under the Memorandum of Coverage; provided, however, the Litigation Manager shall have no discretion to accept as timely any of the following claims reported after 30 days: notice from the U.S. Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or any other state or federal Government agency to which an Employee has made a *Claim*; a Government claim; or a civil lawsuit. The Litigation Manager's decision may be appealed to the Board of Directors.

The relief sought by the City of El Cerrito in regard to the Perez claim is based on the following mitigating circumstances:

- The City promptly presented the written tort claim and DEFH charge within two days of the City's receipt.
- An employee other than Perez raised the initial complaint in October 2018, and the IA investigation was initiated in response to the complaint.
- The facts and circumstances of the earlier process did not put the City on notice of a claim by Perez.
- During the earlier process, Perez told the City she did not want the City to investigate the allegations raised by the other employee, and did not wish to file an IA complaint regarding the allegations she made during the investigation.
- As the IA investigation was occurring in 2018, the City did not have sufficient knowledge of whether any of the incidents described by Perez had occurred.

Agenda Item 9.B., Page 1

ERMA
BOARD OF DIRECTORS MEETING
November 4, 2019

- The City did not have notice Perez intended to bring a claim prior to June 17, 2019.
- The Litigation Manager received notice of the claim on June 19, 2019, approximately seven months after the 30-day reporting deadline on the internal harassment complaint.

The Litigation Manager has reviewed the context and procedural status of the claims, and has determined that, should the appeal be granted, the late reporting of the claim may cause financial or other prejudice to the Authority.

RECOMMENDATION:

Staff recommends the Board of Directors provide direction as necessary.

REFERENCE MATERIALS ATTACHED:

- Appeal Letter, dated September 26, 2019 from Sky Woodruff, City Attorney
- ERMA coverage opinion, dated August 27, 2019 from John Lavra, Board Counsel
- Summary of Historical Coverage Appeal Decisions: 2015 - current

September 26, 2019

Via E-mail and U.S. Mail

Board of Directors
Employment Risk Management Authority
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

Re: *Sarah Perez v. City of El Cerrito, et. al*
DFEH Matter No.: 201906-06483313
ERMA Claim No.: E-MPA-2018-052
Government Claim for Damages: June 17, 2019

Hon. Chair and Members of the Board of Directors:

The City of El Cerrito (“City”) submits this letter to appeal the Employment Risk Management Authority’s (“ERMA”) decision to deny coverage for the above-mentioned claim. This letter is in response to the August 27, 2019 letter of denial from ERMA General Counsel, John Lavra (“denial letter”). The City promptly presented the written claim to ERMA after receiving it. As explained below, the investigations referred to in the denial letter stemmed from allegations made by a different employee—not Ms. Perez—and facts and circumstances did not put the City on notice of a claim by Ms. Perez. Ms. Perez also told the City she did not want the City to investigate the allegations raised by her colleague. The City considers it unreasonable to assert that it had received a claim notice from Ms. Perez under these circumstances.

According to the denial letter, coverage was denied on the basis of the City’s claim being untimely. The City disagrees with this decision and submits this appeal because the claim was timely presented. ERMA must be notified within thirty days upon receipt of a notice of claim. The City was provided with notice of the claim on June 17, 2019, and presented the claim to ERMA on June 19, 2019. The City sent the claim to ERMA just two days after receipt, and well-within the required presentation period. Because the City did not have notice of this claim prior to June 17, 2019, the claim was timely presented to ERMA.

The denial letter acknowledges that the claim was presented to ERMA on June 19, 2019.¹ However, the denial letter incorrectly asserts that the City was provided with notice of

¹ ERMA’s receipt of the claim is further evidenced by the following documents, which are attached: (1) June 19, 2019 email from Kristen Cunningham, Human Resources Manager to Kathy (footnote continued)

Ms. Perez's claims "as early as October 16, 2018." The City disputes this assertion. The City did not have notice of Ms. Perez's claims until she filed them on June 17, 2019.

The denial letter supports its position by characterizing the City's "reports and memoranda" as demonstrating that the City knew of allegations or complaints made by Ms. Perez in October 2018. It is important for the Board to understand that these reports and memoranda, and the information in them, were the results of a complaint made by another officer, a colleague to Ms. Perez. The City then conducted an internal investigation initiated by that colleague's complaint. As part of that investigation, Ms. Perez was interviewed and clearly expressed that she did not want to file an internal affairs complaint regarding the allegations she made during that investigation. (See page 9 of "IA #4" pdf - Brad Zook Investigation Report.)

The City conducts internal investigations when the City has knowledge of allegations pertaining to a potential wrongful employment practice. Specifically, the City conducts investigations to gather facts in an attempt to ascertain whether to sustain the allegations and to determine whether corrective action is warranted. It is standard practice among police departments to conduct these investigations, even when the source of the allegations decides not to file a formal internal affairs complaint and/or bring a claim against the Department. Here, the City did exactly that. It received knowledge of allegations pertaining to potential wrongful employment practices, and immediately began an internal investigation in an attempt to determine whether there were sufficient facts to sustain those allegations. Until it had completed the investigation, it did not know whether any wrongful employment practice actually occurred. Moreover, it was not until June 17, 2019, that the City was aware that Ms. Perez intended to actually bring a claim against the City based on any issues that were the subject of the investigation.

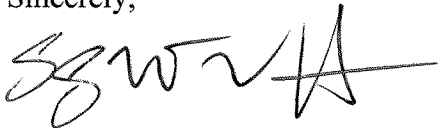
Under the denial letter's rationale, the City should have notified ERMA within 30 days from "as early as October 16, 2018,"² which would have been November 15, 2018. At that time, and for months after, the City was still conducting its investigation. The City did not have sufficient knowledge of whether any of the incidents described by Ms. Perez had occurred, and she had made it clear to the City that she did not want to file an internal affairs complaint. The facts and circumstances that existed prior to June 17, 2019 did not put the City on notice of a claim.

Maylin, ERMA Litigation Manager; (2) ERMA's July 9, 2019 letter acknowledging receipt of the claim, and (3) ERMA's July 9, 2019 letter assigning the case to Attorney Suzanne Solomon.

² This is contrary to communications that the City has received from ERMA in the past that instructed that ERMA would not consider a claim to have been made until the City received a written claim, such as the City received on June 17, 2019.

The City genuinely had no knowledge of Ms. Perez's claims until she filed them on June 17, 2019. The City timely presented the claim to ERMA just two days later. For the foregoing reasons, the City respectfully submits this letter to appeal the decision to deny coverage for Ms. Perez's claims.

Sincerely,

A handwritten signature in black ink, appearing to read 'S Woodruff', with a stylized flourish at the end.

Sky Woodruff
City Attorney

SW:jab

Attachments: June 19, 2019 Email from Kristen Cunningham, HR Manager, to Kathy Maylin, ERMA Litigation Manager

ERMA's July 9, 2019 Letter acknowledging receipt of the claim;

ERMA's July 9, 2019 Letter assigning the case to Attorney Suzanne Solomon

c: Kristen Cunningham, Human Resources Manager
Karen Pinkos, City Manager
Paul Keith, Police Chief

3351619.4

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August 27, 2019

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Kristen Cunningham
Human Resources Manager
City of El Cerrito
10890 San Pablo Ave
El Cerrito, CA 94530
KCunningham@ci.el-cerrito.ca.us

Re: *Sarah Perez v. City of El Cerrito, et al.*
DFEH Matter No.: 201906-06483313
Government Claim for Damages: June 17, 2019

Dear Ms. Cunningham:

As General Counsel for the Employment Risk Management Authority ("ERMA") I have been asked to advise the City of El Cerrito ("City") of ERMA's coverage position with regard to the above-entitled claim against the City.

On or about June 17, 2019, the City was provided with notice of the filing of a discrimination complaint and a right to sue issued by the DFEH regarding Ms. Perez's claim of discrimination and sexual harassment. On or about June 17, 2019 the City received a claim for damages pursuant to California Government Code § 910. In the DFEH complaint and Government Claim, plaintiff alleges that while employed as a police officer for the City she suffered sexual harassment and sexual discrimination. As set forth herein, because the MOC requires that ERMA be notified within 30 days upon receipt of a notice of a claim by an employee, the City's presentation of this claim to ERMA at this time is untimely, and coverage must be denied.

Allegations of the Claim for Damages

On June 17, 2019, the City received a claim for damages on behalf of Officer Perez through her attorney. The claim alleges that Perez was subject to sexual discrimination and harassment from her supervisor, Defendant David Wentworth, and other department employees. The claim alleges she was treated differently than male officers. She alleges that she became aware of statements being made by other employees speculating about who would sleep with her first, and that male officers changed their clothes next to her desk although there was a locker room close by. The

Re: *Sarah Perez v. City of El Cerrito*
DFEH Matter No.: 201906-06483313
Tort Claim: June 17, 2019

claim alleges Sergeant Wentworth continually made explicit sexual statements about Officer Perez and her relationship with a co-worker.

Further, Wentworth repeatedly asked explicit questions about Perez's nonexistent sexual relationship with a co-worker. It was further alleged that in October 2018, Officer Perez attended a crisis negotiation training class in Folsom, California with Wentworth and others. Wentworth made statements directly to Perez which were sexual in nature during the training session, Wentworth sent text messages to other officers referring to Perez in sexually disparaging ways, and made statements alleging that Perez was seen at the hotel room with a co-worker that Wentworth was claiming was involved in a sexual relationship with Perez. The claim further alleges that on October 16, 2018, Ms. Perez verbally reported to her Lieutenant, Lauren Caputo, that she had been subject to harassment for years by Wentworth and others in the department, and that she was afraid of retaliation. The claim alleges, two days later Perez was formally interviewed a second time by a private investigator who ultimately concluded that Perez's allegations of violation of City policy should be sustained. It is further alleged in the claim that Perez was retaliated as a result of making the complaint against members of the department, placed on administrative leave as a result of the complaints against the officers and ultimately forced to quit her job. The tort claim alleges claims under the Fair Employment and Housing Act including, for sexual harassment under Government Code 12940(j)(1), sex discrimination under Government Code § 12940, retaliation under Government Code § 12940(h), failure to prevent discrimination and harassment under Government Code § 12940(k), and intentional infliction of emotional distress all arising from the initial report of harassment made in October 2018.

Allegations of DFEH Claim

The allegations of the DFEH claim mirror the allegations of the Tort Claim.

Summary of Investigation by City Police Department

Officer Perez, at all relevant times relating to these claims, was employed as a police officer with the City. During her employment she was subjected to harassment and discrimination primarily by one of her supervisors, Sergeant David Wentworth. This included explicit sexual statements made by Wentworth about Perez. It includes sexual statements made about Perez's relationship with a co-worker. A string of text messages was sent by Wentworth to various officers. The last text was in October 2018, a group message, telling a number of department employees that Perez, who was out of town in a training session in Folsom, California was seen with a co-worker at a hotel in Folsom. On October 12, 2018, Perez's coworker reported to his Lieutenant the conduct of Sergeant Wentworth. On October 16, 2008 the City hired an outside investigator to conduct an administrative investigation of the conduct of Wentworth, and other Department employees.

Re: *Sarah Perez v. City of El Cerrito*
DFEH Matter No.: 201906-06483313
Tort Claim: June 17, 2019

During the course of that investigation, Perez was interviewed and made verbal complaints of sexual harassment and discrimination to Lieutenant Caputo, who was involved in the investigation. She reported that she had to work harder than male officers. She reported that over the years Sergeant Wentworth made sexually harassing statements about her, which were recorded in writing by Lieutenant Caputo, and which were provided to the investigator as part of the investigation.

In reports and memoranda, the City referred to the allegations made by Perez in October 2018 against Sergeant Wentworth and others as a “personnel complaint made . . . by Officer Perez in October 2018.” (Memorandum from Chief of Police dated December 12, 2018 regarding an investigation against a corporal for sexual harassment against Perez) The summary of the investigation indicated that Perez stated in October 2018 that she was going to retain legal counsel. The City also referred to Perez as “one of the complaining parties,” and that the “allegation made by Officer Perez” was not sustained in its entirety. (Memo to Captain De La Campa from Lieutenant Delatorre dated December 29, 2018 summarizing the administrative investigation) As a result of the foregoing, the City received notice from Officer Perez of unlawful employment practices on October 16, 2018, and considered her complaint against Sergeant Wentworth and others as a basis undertaking the investigation which sustained her complaints as a violation of City policy. Notice of claims was provided to ERMA on June 19, 2019 after Officer Perez filed a Government Claim for Damages and a DFEH claim based on the allegations made in October 2018.

Memorandum of Coverage

The MOC provides the following relevant provisions:

SECTION I – COVERAGE

The *Authority* will pay up to the *Limit of Coverage* those sums on behalf of the *Covered Party* for the *Ultimate Net Loss*, less the *Retained Limit*, that the *Covered Party* becomes legally obligated to pay as *damages* because of *Wrongful Employment Practice*, as that term is herein defined and to which this Memorandum applies, caused by an *Occurrence* during the *Coverage Period*, except as otherwise excluded.

SECTION II – DEFINITIONS

“Wrongful Employment Practice” means any actual or alleged *Wrongful Termination, Discrimination, Harassment, Retaliation, or Workplace Tort*.

Re: *Sarah Perez v. City of El Cerrito*
DFEH Matter No.: 201906-06483313
Tort Claim: June 17, 2019

"Claim" means: (a) a written demand or notice which is made or brought by an *Employee*, or an oral demand or notice by an *Employee* which is memorialized by the *Covered Party* in writing within fifteen (15) days of the oral demand or notice, and (b) seeks or alleges *Damages* or alleges other injury, harm, or invasion of rights, and (c) which contains an allegation that a *Wrongful Employment Practice* or a series of *Wrongful Employment Practices* has been committed during the Covered Period . . .

SECTION VII – CONDITIONS

1. *Covered Party's Duties in the Event of Occurrence, Claim, or Suit*

The following provisions are conditions precedent to coverage under this Memorandum. The *Covered Party's* failure to comply with any of these provisions shall void the coverage provided herein.

(A) The *Covered Party* shall notify the *Authority* within 30 days upon receipt of notice of a *Claim* by an *Employee*.

...

(B) Any *Claim*, except one which the Litigation Manager has discretion to accept, which is not reported to the *Authority* within 30 days, as required by subsection (A) herein, shall be considered untimely and shall be denied.

Discussion

The City was provided with notice of Ms. Perez's claims against the City as early as October 16, 2018.

Under ERMA's MOC, ERMA must be notified of a claim within 30 days of receipt of the claim by the member. Here, the City was aware of the claim well beyond the 30 day time period required for notification to ERMA of the existence of the claim. Accordingly, pursuant to the provisions of the MOC, ERMA must deny this claim on the grounds that it is untimely.

The City has the right to appeal this decision to the ERMA Board of Directors. Please note that should the City desire to appeal this determination to the Board of Directors, it must do so within

Re: *Sarah Perez v. City of El Cerrito*
DFEH Matter No.: 201906-06483313
Tort Claim: June 17, 2019

30 days of the date of this letter. You may direct the appeal to the Board of Directors but please send it directly to Kathy Maylin. If you have any questions about the appeal process, please do not hesitate to let me know.

Please do not hesitate to contact Kathy Maylin, Litigation Manager of ERMA, or me at your convenience should you have any questions or concerns regarding ERMA's position on this matter.

Very truly yours,

LONGYEAR & LAVRA, LLP

By: 
JOHN A. LAVRA

JAL:bq

cc: Jennifer Jobe, Executive Director - ERMA (via email)
Kathy Maylin, Litigation Manager, ERMA (via email)
Ligia "Mona" Nicolae, Litigation Analyst, ERMA (via email)
Linda Cox, Chief Administrative Officer, (via email)

**Summary of Historical Coverage Appeal Decisions
2015 – Current**

Agency	Appeal Date	Appeal Decision	Penalty	Notes
City of Reedley	April 30, 2019	Denied	N/A	Untimely report - Significant financial or other prejudice
City of Barstow	February 8, 2019	Granted	25% SIR increase \$25,000 to \$31,250	Untimely report
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City of Pinole	November 2, 2015	Granted	25% SIR increase \$50,000 to \$62,500	Untimely report
City of Coachella	November 2, 2015	Granted	25% SIR increase \$25,000 to \$31,250	Untimely report
City of Calimesa	November 2, 2015	Denied	N/A	Non-compliant training

TRAINING/LOSS PREVENTION MATTERS

SUBJECT: 2019 Target Risk Appraisal Recommendations

BACKGROUND AND STATUS:

Annually and in accordance with Resolution 2011-1, staff reviews member loss performance. Members whose loss ratio, frequency and/or severity rate exceed two of the targets set forth in the Resolution may be subject to further evaluation, including a comprehensive risk appraisal.

The attached target ratio calculations are for the most recent five program years and are included to provide the Board of Directors with a broad overview of loss performance. The Litigation Manager's notes contain information regarding the number of program years where the ratios were exceeded, whether the claim(s) underlying the calculations were financially significant, and whether the frequency of claims or other factors indicate that a risk appraisal would be beneficial.

RECOMMENDATION:

Based upon the outcome of the 2019 target ratio calculations, staff has not identified any member agencies for a targeted risk assessment.

REFERENCE MATERIALS ATTACHED:

- 2019 Target Ratio Calculation Summary

**2019 ERMA Target Ratio Calculation
Summary ~ All Claims**

	Prior Risk Asmt.	2013/2014 Target Ratios			2014/2015 Target Ratios			2015/2016 Target Ratios			2016/2017 Target Ratios			2017/2018 Target Ratios			One parameter exceeded
																	Two parameters exceeded
		Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Three parameters exceeded
ERMA's Target		3.03%	146%	80%	2.16%	141%	80%	2.40%	142%	80%	2.54%	78%	80%	2.45%	70%	80%	Assessment Recommended
Insured:																	COMMENTS
City of Adelanto	2017/18				6.18%	309%	1315%				13.61%	672%	2217%	19.98%	400%	916%	Not recommended; Assessment completed in 2017/2018 program year; City no longer an ERMA member
Alameda County Mosquito Abatement District		9.53%	65%	128%													Not recommended; No significant losses or recent claims activity
City of Atwater		1.67%	247%	442%	2.15%	242%	417%				1.89%	0%	0%	3.68%	0%	0%	Not recommended; Ratios exceeded due to two claims under SIR
City of Banning	2014/15; 2015/16				0.75%	32%	31%	1.53%	313%	379%	0.75%	57%	69%	0.70%	0%	0%	Not recommended; Assessments were completed in 2014/2015 and 2015/2016 program years, and there have been no significant recent claims
City of Barstow		0.74%	0%	0%	0.68%	331%	647%							0.68%	0%	0%	Not recommended; Claims activity/losses due to one claim
City of Brentwood														0.70%	70%	232%	Not recommended; Ratios exceeded due to one claim
City of California City					1.74%	0%	0%				2.88%	0%	0%	1.40%	338%	525%	Not recommended; Informal risk assessment completed in 2019
City of Calimesa		13.74%	5022%	7203%													Not recommended; Ratios exceeded due to one claim, and there has been no recent claims activity
City of Ceres		0.72%	456%	817%							2.00%	9%	12%	0.64%	13%	14%	Not recommended; Ratios exceeded due to one claim
City of Clearlake														8.96%	106%	203%	Not recommended; Ratios exceeded due to low loss claims
City of Coalinga		1.67%	0%	0%	1.76%	0%	0%							1.88%	124%	119%	Not recommended; Ratios exceeded due to one claim
Contra Costa Mosquito and Vector Control District					4.44%	55%	89%				3.31%	0%	0%	3.16%	14%	23%	Not recommended; Ratios exceeded due to low loss claims
City of Delano		3.76%	231%	207%	0.91%	0%	0%				1.74%	169%	144%				Not recommended; Ratios show frequency but not significant severity
City of Fowler														5.22%	653%	685%	Not recommended; Claims activity/losses due to one claim
City of Greenfield		3.73%	0%	0%				3.41%	0%	0%				6.06%	0%	0%	Not recommended; Ratios exceeded due to four claims under SIR
City of Hughson					12.03%	1502%	1500%										Not recommended; Ratios exceeded due to one claim, and there has been no recent claims activity
City of Kerman					2.97%	79%	137%										Not recommended; Ratios exceeded due to one claim
City of Kingsburg											6.05%	840%	1394%				Not recommended; Ratios exceeded due to one claim
City of Livingston					3.14%	0%	0%	3.37%	0%	0%							Not recommended; Ratios exceeded due to two claims under SIR
Los Angeles County West Vector Control District														3.40%	255%	531%	Not recommended; Ratios exceeded due to one claim
City of Martinez		2.61%	0%	0%	0.84%	0%	0%	2.63%	0%	0%	3.20%	0%	0%	0.95%	0%	0%	Not recommended; Ratios not significantly exceeded
City of McFarland	12/13; 14/15; 17/18							8.68%	1076%	1066%	4.41%	10%	10%	7.61%	0%	0%	Not recommended; Assessments were completed in 2012/2013, 2014/2015, and 2017/2018 program years
MPA JPA Staff					7.53%	0%	0%	6.69%	140%	0%							Not recommended; Claims arose under prior administration
City of Mt. Shasta														5.14%	1004%	2529%	Not recommended; Ratios exceeded due to one claim
City of Parlier		12.09%	0%	0%	4.25%	181%	349%	5.09%	0%	0%	4.76%	0%	0%	10.18%	0%	0%	Not recommended; City no longer an ERMA member
City of Piedmont					0.94%	0%	0%	0.88%	330%	959%	0.86%	0%	0%	0.84%	130%	352%	Not recommended; Ratios exceeded due to two claims
City of Pittsburg	2017/18	0.48%	125%	330%	0.96%	0%	0%	0.92%	80%	198%	0.86%	21%	45%	0.40%	0%	0%	Not recommended; Assessment completed in 2017/2018 program year
City of Pleasant Hill								1.83%	869%	1330%							Not recommended; Only significant loss due to one claim
City of Pleasanton Fire Department (Livermore-Pleasanton)											0.52%	143%	447%				Not recommended; Only significant loss due to one claim
City of Porterville					0.57%	0%	0%							1.02%	498%	904%	Not recommended; Only significant loss due to one claim

**2019 ERMA Target Ratio Calculation
Summary ~ All Claims**

ERMA's Target	Prior Risk Assmt.	2013/2014			2014/2015			2015/2016			2016/2017			2017/2018			One parameter exceeded
		Target Ratios			Target Ratios			Target Ratios			Target Ratios			Target Ratios			Two parameters exceeded
		Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Frequency	Severity	Loss Ratio	Three parameters exceeded
		3.03%	146%	80%	2.16%	141%	80%	2.40%	142%	80%	2.54%	78%	80%	2.45%	70%	80%	Assessment Recommended
Insured:																	COMMENTS
City of Rialto	2016/17	0.36%	0%	0%	0.39%	0%	0%	1.16%	117%	288%	1.03%	287%	561%				Not recommended; Assessment completed in 2016/2017 program year; City is no longer a member
San Gabriel Valley Mosquito and Vector Control District		6.14%	100%	118%	5.88%	1092%	1130%	5.43%	1958%	1929%	5.35%	0%	0%				Not recommended; Claims activity and severity arose under prior management
San Joaquin County Mosquito and Vector Control District		4.41%	558%	821%													Not recommended; Ratios exceeded due to one claim, and there has been no recent claims activity
City of Shafter		1.75%	385%	689%				1.00%	69%	109%	1.80%	0%	0%	0.82%	0%	0%	Not recommended; Only significant loss due to one claim
SunLine Transit Agency		1.25%	0%	0%				0.71%	76%	205%	1.31%	82%	225%				Not recommended; Only significant loss due to one claim
City of Susanville											2.72%	0%	0%	2.52%	0%	0%	Not recommended; Ratios exceeded due to two claims under SIR
City of Wasco								3.56%	933%	1643%							Not recommended; Ratios exceeded due to one claim
City of West Hollywood	2016/17; 2017/18				2.02%	1093%	2583%	0.46%	0%	0%							Not recommended. No claims following last assessment in 2017/2018 program year; City no longer an ERMA member
Town of Yountville		5.96%	191%	366%													Not recommended; Ratios exceeded due to low loss claim

Note: The results of insureds who had claims but did not exceed more than one of the parameters are included in totals but not shown on this report.

Entities who have had previous risk assessments

CLAIMS MATTERS

SUBJECT: Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

BACKGROUND AND STATUS:

The confidential Litigation Manager's Report will be distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the closed session.

Claim	Page Number
Guzman v. City of Brentwood	p. 74
Stoll v. City of Menifee	p. 84
Stordahl v. City of Rialto	p. 86

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- Confidential Litigation Manager's Report (distributed under separate cover; copies to be turned in at the meeting)