



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

**Monday, November 2, 2020  
10:00 a.m.**

**Webex**

**Dial-in Number: (415) 655-0001**

**Meeting Number: 172 237 0350**

**[Meeting Link](#)**

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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 [mona.hedin@sedgwick.com](mailto:mona.hedin@sedgwick.com). 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 by contacting Mona Hedin at (916) 290-4645 or [mona.hedin@sedgwick.com](mailto:mona.hedin@sedgwick.com).

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- | <u><b>Page</b></u> |   |
|--------------------|---|
|                    | <b>1. CALL TO ORDER</b>   |
|                    | <b>2. INTRODUCTIONS</b>   |
|                    | <b>3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)</b>   |
|                    | <b>4. PUBLIC COMMENTS</b> - The Public may submit any questions in advance of the meeting by contacting Jennifer Jobe at: <a href="mailto:jennifer.jobe@sedgwick.com">jennifer.jobe@sedgwick.com</a> . This time is reserved for members of the public to address the Board relative to matters of the ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. |
|                    | <b>5. CONSENT CALENDAR</b><br>If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.  |
| <b>5</b>           | *A. Minutes of June 9, 2020, Board of Directors Meeting and Summary of Action Items   |
| <b>14</b>          | *B. General Warrants from May 1, 2020, through September 30, 2020   |
| <b>15</b>          | *C. Claims Payments from May 1, 2020, through September 30, 2020  |

- 18        \*D.    Treasurer's Report as of June 30, 2020
- 47        \*E.    PFM Quarter Ended June 30, 2020 Review of Investment Portfolio
- 86        \*F.    ERMA Board Document Review Schedule
- 91        \*G.    2020/21 Goals & Objectives Update

*Recommendation: Approval of the Consent Calendar.*

**6.    PRESENTATION**

- 92        A.    in2vate - Online Training & Employee Reporting Protection Line

*Recommendation: None*

**7.    ADMINISTRATIVE MATTERS**

- 93        \*A.    Discussion Regarding the 21<sup>st</sup> Annual Workshop

*Recommendation: Staff recommends the Board of Directors review the proposed workshop agenda and provide direction to staff.*

**8.    FINANCIAL MATTERS**

- 96        \*A.    Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2020

*Recommendation: Staff recommends the Board of Directors accept and file the ERMA Audited Financial Statements for the Fiscal Year Ended June 30, 2020.*

- 132       \*B.    Financial Status Report for the Fiscal Year Ended June 30, 2020

*Recommendation: Staff recommends the Board of Directors approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2020, and JPA Performance Report, as of June 30, 2020.*

- 141       \*C.    Resolution No. 2020-4, Establishing All Bank Accounts and Authorized Signatures

*Recommendation: Staff recommends the Board of Directors approve Resolution No. 2020-4, Establishing All Bank Accounts and Authorized Signatures.*

**9.    TRAINING/LOSS PREVENTION MATTERS**

- 150       \*A.    2020 Target Risk Appraisal Recommendations

*Recommendation: Based upon the outcome of the 2020 ratio calculations, staff recommends to the Board of Directors that one member undergo a risk assessment or be subjected to further evaluation on a follow-up basis, with a report to be presented at the June 2021 meeting.*

- 153       B.    Training Update

*Recommendation: None*

\* Reference materials enclosed with staff report.

**10. COVERAGE MATTERS**

- 154**        \*A.    City of Lathrop (CSJVRMA) Appeal of Denial of Coverage  
              *Recommendation: Staff recommends the Board of Directors provide direction as necessary.*

**11. CLAIMS MATTERS**

- 158**        A.    Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:
- Hernandez v. City of Lathrop
  - Estarziau v. City of Manteca
  - Soriano v. City of Twentynine Palms
  - Bollinger/Wood v. City of Susanville
- 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.
- C.    Litigation Manager's Report  
          *Recommendation: None*

**12. EXECUTIVE DIRECTOR'S REPORT**

**13. 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

**14. ADJOURNMENT**

**NOTICES:**

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

- Thursday, February 11, 2021, 11:00 a.m. – Annual Workshop, TBD
- Friday, February 12, 2021, 9:00 a.m. – Board Meeting, TBD
- Tuesday, April 27, 2021, 9:00 a.m. – TBD
- Tuesday, June 8, 2021, 9:00 a.m. – TBD

\* Reference materials enclosed with staff report.

**CONSENT CALENDAR**

**SUBJECT: Consent Calendar**

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**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 June 9, 2020, Board of Directors Meeting and Summary of Action Items
- B. General Warrants from May 1, 2020, through September 30, 2020
- C. Claims Payments from May 1, 2020, through September 30, 2020
- D. Treasurer's Report as of June 30, 2020
- E. PFM Quarter Ended June 30, 2020 Review of Investment Portfolio
- F. ERMA Board Document Review Schedule
- G. 2020/21 Goals and Objectives Update

## EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

### MINUTES OF THE BOARD OF DIRECTORS MEETING OF JUNE 9, 2020

A regular meeting of the Board of Directors of ERMA was held on June 9, 2020, all portions of this meeting were conducted via Webex in accordance with Government Code Section 54953(b). The meeting was conducted under Governor Gavin Newsom's Executive Order N-25-20 wherein public noticing of teleconference locations for each meeting participant is suspended.

**BOARD MEMBERS PRESENT:** John Gillison, President, PARSAC  
Truc Dever, Vice President, VCJPA  
Stuart Schillinger, Treasurer, BCJPIA  
Scott Ellerbrock, PERMA  
Robert Thompson, CalTIP  
Sean Scully, CSJVRMA  
Don White, ERMAC  
Linda Cox, MPA  
John Duckett, SCORE  
Charlene Calica, CCCHA  
Artesia Dupree, OHA (*Joined at 10:05 a.m.*)

**BOARD MEMBERS ABSENT:** Brett Miller, MBASIA

**ALTERNATE MEMBERS PRESENT:** Kin Ong, PARSAC  
Jamie Scott, VCJPA  
Heather Rowden, BCJPIA  
Deneen Proctor, CSJVRMA  
Mellissa Guerrero, ERMAC  
Jamie Goldstein, MBASIA  
Nataline Jindoian, CCCHA

**ALTERNATE MEMBERS ABSENT:** Yumi Augustus, PERMA  
George Fink, CalTIP  
Reina Schwartz, MPA  
Drew Felder, OHA  
Roger Carroll, SCORE

**OTHERS PRESENT:** Jennifer Jobe, Executive Director  
Mona Hedin, Analyst/Training Coordinator  
Kathy Maylin, Litigation Manager  
Ligia Nicolae, Litigation Analyst  
Alana Theiss, Finance Manager  
Chee Xiong, Senior Accountant  
Doug Alliston, General Counsel  
Jared Bryan, Jackson Lewis  
Geoff Sheldon, Liebert Cassidy Whitmore  
Liz Arce, Liebert Cassidy Whitmore  
Seth Cole, Alliant  
Jaesa McCulligan, BCJPIA  
Chrissy Mack, CalTIP/VCJPA  
Jeanette Workman, CSJVRMA  
Marcus Beverly, ERMAC/SCORE  
Conor Boughey, MBASIA

Joseph Costamagna, PLAN

1. CALL TO ORDER; ROLL CALL

The June 9, 2020, Board of Directors Meeting was called to order at 10:01 a.m., by President John Gillison. Roll call was conducted, and it was determined a quorum was present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Scott Ellerbrock moved to approve the Agenda as posted. Seconded by Charlene Calica. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

Jennifer Jobe, Executive Director, noted item H.- Draft Resolution No. 2020-2, Establishing Meeting Dates for the 2020/21 Program Year is typically presented as a separate item, however has been included in the Consent Calendar for this meeting. She advised in an effort to avoid conflicts with the League of California Cities City Managers' Conference, ERMA's 21<sup>st</sup> Annual Workshop is proposed to be held one week later than the prior year.

Ms. Jobe further noted Item I. - 2020/21 Goals and Objectives Update was inadvertently omitted from the agenda packet and would be distributed after the meeting under separate cover.

**Truc Dever moved to approve the Consent Calendar as follows: A) Minutes of April 28, 2020 Meeting of the Board of Directors and Summary of Action Items; B) General Warrants from April 1, 2020, through April 30, 2020; C) Claims Payments from April 1, 2020, through April 30, 2020; D) Treasurer's Report as of March 31, 2020; E) Internal Financial Statements as of March 31, 2020; F) Notice of Intent to Withdraw: City of Stanton (PERMA); Town of Fort Jones (SCORE); G) PFM: Quarterly Investment Report as of March 31, 2020; H) Draft Resolution No. 2020-2 Establishing Meeting Dates for the 2020/21 Program Year; and I) 2020/21 Goals and Objectives Update. Seconded by Artesia Dupree. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

5. FINANCIAL MATTERS

A. Review of Annual Retrospective Adjustment Calculation

Alana Theiss, Finance Manager, presented the annual retrospective calculation to the Board.

Ms. Theiss reviewed the Retrospective Adjustment Calculation policy and confirmed the final

calculation meets the criteria in which the net position prior to the release of dividends and program years greater than five years old must show a surplus at the 90% Confidence Level (CL).

Ms. Theiss stated the amount available to declare as a dividend is \$1,762,125, which reflects a 1% reduction from the preliminary calculation presented in April.

Ms. Theiss noted the Board's prior approval of a dividend release up to 67% of the total amount available was discussed at the April meeting, and confirmed the Annual Retrospective Calculation of \$1,180,624.

**Artesia Dupree moved to approve a dividend release in the amount of \$1,180,624 drawn proportionately from open Program Years 2012/13, 2013/14 and 2014/15. Seconded by Linda Cox. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

B. Review of Preliminary Administrative and Operating Budget for the 2020/21 Program Year

Ms. Theiss reviewed the following budget considerations approved by the Board at the April 9 meeting:

- Approval of the continuation of pooled funding at an 80% CL and 2% discount;
- Dividends considered in concert with the budget and prevailing circumstances; and
- Members will be provided the option to have the dividend applied against their annual contribution invoice, or released via a cash disbursement.

Ms. Theiss stated the preliminary budget included all 28 members of PLAN including the optional excess coverage. As ultimately, three of the 28 members elected to apply for participation in ERMA, she confirmed the budget was modified to remove the non-participatory Agencies. Ms. Theiss explained the removal of the non-participatory agencies resulted in an increase in member contributions, as costs are allocated across fewer members.

Ms. Theiss completed the review of the budget, advising the Board of an overall 18% increase from the prior year, due to increased loss rates, covered payroll and service provider contracts.

**Linda Cox moved to approve the proposed Administrative and Operating Budget for the 2020/21 Program Year. Seconded by Artesia Dupree. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

6. ADMINISTRATIVE MATTERS

A. Proposed Amendments to the 2020/21 Memorandum of Coverage

Doug Alliston, Board Counsel, reviewed the following proposed amendments to the Memorandum of Coverage (MOC) with the Board:

- Ultimate Net Loss – A proposed definition was presented to include damages and defense costs;
- Claim – Simplified language was proposed to include, “Oral or written notice to the Covered Party that an Employee alleges a Wrongful Employment Practice;”
- Notice of Claim – Removal of the requirement that a “written demand” must be received by a Covered Party;
- Occurrence – Multiple amendments were proposed to clarify the definition; and
- Litigation Manager – Amendment to allow the Litigation Manager “...discretion to accept as timely any claim reported after 30 days except for any of the following: 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.”

B. Proposed Amendments to the 2020/21 Master Program Document

Mr. Alliston reviewed the proposed amendments to the Master Program Document (MPD). He stated the MPD language should be revised to align with the language pertaining to the Litigation Manager’s discretion of claims, as proposed in the MOC amendments discussed in the previous agenda item.

**Truc Dever moved to approve the amendments to the 2020/21 Memorandum of Coverage and 2020/21 Master Program Document, as presented. Seconded by Scott Ellerbrock. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

C. Draft Resolution No. 2020-3, Establishing a Litigation Management Program

Kathy Maylin, Litigation Manager, reviewed the following proposed changes to Resolution No. 2020-3, Establishing a Litigation Management Program:

- Defense counsel must certify upon claim assignment that the law firm has not previously provided advice and counsel to the member regarding the facts and circumstances of the particular claim;
- Defense counsel must inform claimants’ attorneys that a provision of W9 forms completed by claimant and the attorney is a settlement term requirement;
- A joint defense agreement between defendants must first be approved by the Litigation Manager;
- A “reminder” guideline that defense counsel may not bill for non-ERMA covered services, such as the administrative disciplinary process related to claimants or subjects of investigations; and



- A revision of the threshold monetary trigger for the Litigation Manager to conduct an “exit analysis” with the covered member and defense counsel.

Ms. Maylin noted the proposed changes provide assurances of the Litigation Manager’s involvement at inception of the claim, as well as streamline the billing process.

**Linda Cox moved to approve Draft Resolution No. 2020-3, Establishing a Litigation Management Program. Seconded by Artesia Dupree. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

7. COVERGAGE MATTERS

A. Discussion and Action Regarding Excess Coverage for the 2020/21 Program Year

Seth Cole, Alliant, presented a renewal proposal for ERMA’s optional Excess Employment Practices Liability Program. He advised Royal Specialty Underwriting, Inc. (RSUI) proposed a flat rate renewal at expiring terms with limits of \$2M per claim, per member, \$4M per member aggregate and a \$10M policy aggregate. Mr. Cole noted the premium reflects a 5.3% increase, commensurate with an increase in total covered payroll. He concluded by stating RSUI’s final renewal terms will be effective July 1, 2020.

**Artesia Dupree moved to authorize staff to bind excess coverage with RSUI for the 2020/21 Program Year, as presented. Seconded by Brett Miller. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

8. MEMBERSHIP MATTERS

A. Review of Prospective New Member Applications – Pooled Liability Assurances Network (PLAN and Underlying Member Entities)

Ms. Jobe advised the Board the Pooled Liability Assurances Network (PLAN) applied for participation in ERMA. She noted of their 28 member agencies, three applied for participation in ERMA as underlying members for the 2020/21 program year, but believes additional agencies will apply in future years.

Ms. Jobe stated the Underwriting Committee reviewed the application and supporting information for PLAN JPA and the three underlying members.

**City of American Canyon**

Ms. Jobe stated the City of American Canyon (City) applied for participation and requested a \$50,000 SIR. The City reported payroll of \$7.2M for the 2019 calendar year and has seventy-

one full-time and fifteen part-time employees. The City reported three losses within the previous seven fiscal years, all of which are closed.

Ms. Jobe noted the City has written personnel policies and procedures in place and is currently conducting a comprehensive review and update of these policies with plans for Legal Counsel review upon completion.

The City currently participates in Liebert Cassidy Whitmore's (LCW) Consortium and actively engages LCW to assist in the defense of claims and state-mandated training.

### **The Town of Atherton**

Ms. Jobe advised the Town of Atherton (Town) applied for participation and requested a \$100,000 SIR. The Town reported payroll of \$4.8M for the 2019 calendar year and has thirty-five full-time and ten part-time employees. The Town reported one loss within the previous seven fiscal years.

Ms. Jobe confirmed the Town has written personnel policies and procedures in place that have been updated in the most recent five years and are regularly reviewed by Legal Counsel. The Town is compliant with all state-mandated training.

Ms. Jobe stated the Town currently is insured under a policy with RSUI and if approved for participation in ERMA, staff will provide an indication for "nose coverage" for the transition from the commercial claims-made policy to ERMA's occurrence-based MOC.

### **Town of Woodside**

The Town of Woodside (Town) applied for participation and requested a \$50,000 SIR. The Town reported payroll of \$2.2M for the 2019 calendar year and has nineteen full-time and twenty-four part-time employees. The Town reported no incurred losses within the previous seven fiscal years and issued a Statement of No Known Losses.

Ms. Jobe confirmed the Town has written personnel policies and procedures in place and is in the process of updating their policies as it has been a number of years since a thorough review was conducted. Ms. Jobe noted the Town advised upon completion of the updates to the policies and procedures, a thorough review will be conducted by Legal Counsel. The Town is compliant with state-mandated training requirements.

Ms. Jobe concluded by stating reviews were conducted with each applying agency regarding anticipated furloughs and layoffs in the coming 24 months. She noted that due to COVID-19 and the current economic climate, staff and the Underwriting Committee believed these discussions to be prudent to aid in determining potential exposures.

**Truc Dever moved to approve the Pooled Liability Assurances Network and underlying members – City of American Canyon at a \$50,000 SIR, Town of Atherton at a \$100,000 SIR and Town of Woodside at a \$50,000 SIR, effective July 1, 2020. Seconded by Scott Ellerbrock. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays or abstentions. The motion passed unanimously.**

B. Review of Prospective New Member Application – City of Beaumont (ERMAL)

Ms. Jobe stated the City of Beaumont (City) had previously applied for participation in ERMA for the 2016/17 Program Year and was denied based upon the Committee's concerns of the City's future sustainability following then-pending legal judgements, as well as potential future EPL exposures.

Ms. Jobe noted the City re-applied for participation and has requested a \$500,000 SIR. The City reported payroll of \$13.8M for the 2019 calendar year and has one hundred sixty-three full time and fourteen part-time employees. The City reported two losses in the previous seven fiscal years, both of which are closed.

The City has written personnel policies and procedures in place that are regularly reviewed by legal counsel and is in full compliance with state-mandated training requirements.

Ms. Jobe stated the Committee reviewed the City's application and requested the City agree to the following express conditions for participation in ERMA:

- All employment matters are to be managed by a pre-identified member of ERMA's defense panel;
- Any EPL claims are to be defended by an approved member of ERMA's defense panel; and
- The ERMA Litigation Manager shall have discretion, direction and guidance on a case-by-case basis of employment matters.

She advised the City provided a formal letter acknowledging the conditions required by the Committee.

**Don White moved to approve the City of Beaumont (ERMAL) at a \$500,000 SIR effective July 1, 2020, with the express conditions that: 1) All employment matters are to be managed by a pre-identified member of ERMA's defense panel; 2) Any EPL claims are to be defended by an approved member of ERMA's defense panel; and 3) The ERMA Litigation Manager shall have discretion, direction and guidance on a case-by-case basis. Seconded by Artesia Dupree. Roll call was conducted with affirmative votes by Stuart Schillinger, Scott Ellerbrock, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, Artesia Dupree and John Gillison, with no nays and one abstention from Truc Dever. The motion passed.**

9. 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 11:37 a.m. to discuss the following claim:

- Borja/Moore/Cordero v. City of Adelanto

B. Report from Closed Session

The Board reconvened to Open Session at 11:42 a.m. The Board met to discuss the claims listed above. Mr. Alliston advised no reportable action was taken in Closed Session.

10. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None

11. ADJOURNMENT

The June 9, 2020, ERMA Board of Directors meeting adjourned at 11:46 a.m. by general consent.

*Mona Hedin*

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Mona Hedin, Board Secretary

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**  
**SUMMARY OF ACTION ITEMS**  
**BOARD OF DIRECTORS MEETING OF JUNE 9, 2020**

- ❖ The following consent calendar items were approved by the Board:
  - A. Minutes of April 28, 2020, Meeting of the Board of Directors and Summary of Action Items
  - B. General Warrants from April 1, 2020, through April 30, 2020
  - C. Claims Payments from April 1, 2020, through April 30, 2020
  - D. Treasurer's Report as of March 31, 2020
  - E. Internal Financial Statements as of March 31, 2020
  - F. Notice of Intent to Withdraw: City of Stanton (PERMA); Town of Fort Jones (SCORE)
  - G. PFM: Quarterly Investment Report as of March 31, 2020
  - H. Draft Resolution No. 2020-2, Establishing Meeting Dates for the 2020/21 Program Year
  - I. 2020/21 Goals and Objectives Update
- ❖ The Board approved a dividend release in the amount of \$1,180,624 drawn proportionately from open Program Years 2012/13, 2013/14 and 2014/15.
- ❖ The Board approved the proposed Administrative and Operating Budget for the 2020/21 Program Year.
- ❖ The Board approved the amendments to the 2020/21 Memorandum of Coverage and 2020/21 Master Program Document, as presented.
- ❖ The Board approved Draft Resolution No. 2020-3, Establishing a Litigation Management Program.
- ❖ The Board authorized staff to bind excess coverage with RSUI for the 2020/21 Program Year, as presented.
- ❖ The Board approved the Pooled Liability Assurances Network and underlying members – City of American Canyon at a \$50,000 SIR, Town of Atherton at a \$100,000 SIR and Town of Woodside at a \$50,000 SIR, effective July 1, 2020.
- ❖ The Board approved the City of Beaumont (ERMAC) at a \$500,000 SIR effective July 1, 2020, with the express conditions that: 1) All employment matters are to be managed by a pre-identified member of ERMA's defense panel; 2) Any EPL claims are to be defended by an approved member of ERMA's defense panel; and 3) The ERMA Litigation Manager shall have discretion, direction and guidance on a case-by-case basis.

System: 10/5/2020 10:43:11 AM  
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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	5/1/2020
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
EFT000147	JA100 EFT	Jackson Lewis P.C.	5/14/2020	CBT GENERAL	PMCHK00000701	\$5,007.00
EFT000148	MU110	Murphy, Campbell, Alliston & Q	5/14/2020	CBT GENERAL	PMCHK00000701	\$4,582.50
EFT000149	YO110	York Risk Services Group, Inc.	5/14/2020	CBT GENERAL	PMCHK00000701	\$10,153.00
EFT000151	AG100	in2vate, LLC	6/17/2020	CBT GENERAL	PMCHK00000703	\$18,000.00
EFT000152	BC100	BCJPIA	6/17/2020	CBT GENERAL	PMCHK00000703	\$142,560.00
EFT000153	CS100	CSJVRMA	6/17/2020	CBT GENERAL	PMCHK00000703	\$286,446.00
EFT000154	DR100	Alliant Insurance Services, In	6/17/2020	CBT GENERAL	PMCHK00000703	\$1,282.00
EFT000155	MU110	Murphy, Campbell, Alliston & Q	6/17/2020	CBT GENERAL	PMCHK00000703	\$987.00
EFT000156	PA120	PARSAC	6/17/2020	CBT GENERAL	PMCHK00000703	\$199,699.00
EFT000157	VC100	VCJPA	6/17/2020	CBT GENERAL	PMCHK00000703	\$61,902.00
EFT000159	DR100	Alliant Insurance Services, In	7/10/2020	CBT GENERAL	PMCHK00000706	\$333,029.00
EFT000160	MU110	Murphy, Campbell, Alliston & Q	7/10/2020	CBT GENERAL	PMCHK00000706	\$1,057.50
EFT000161	YO110	York Risk Services Group, Inc.	7/10/2020	CBT GENERAL	PMCHK00000706	\$184,726.25
EFT000163	AG100	in2vate, LLC	8/18/2020	CBT GENERAL	PMCHK00000709	\$11,285.64
EFT000164	MU110	Murphy, Campbell, Alliston & Q	8/18/2020	CBT GENERAL	PMCHK00000709	\$2,538.00
* EFT000166	BE100	Best Best and Krieger LLP	9/22/2020	CBT GENERAL	PMCHK00000731	\$227.00
EFT000167	CS100	CSJVRMA	9/22/2020	CBT GENERAL	PMCHK00000731	\$27.50
EFT000168	DR100	Alliant Insurance Services, In	9/22/2020	CBT GENERAL	PMCHK00000731	\$2,885.95
EFT000169	JA100 EFT	Jackson Lewis P.C.	9/22/2020	CBT GENERAL	PMCHK00000731	\$15,750.00
EFT000170	MU110	Murphy, Campbell, Alliston & Q	9/22/2020	CBT GENERAL	PMCHK00000731	\$611.00
EFT000171	YO110	York Risk Services Group, Inc.	9/22/2020	CBT GENERAL	PMCHK00000731	\$184,726.25
G 003275	OA100	Oakland Housing Authority	6/17/2020	CBT GENERAL	PMCHK00000704	\$30,008.00
G 003276	SC100	SCORE	6/17/2020	CBT GENERAL	PMCHK00000704	\$13,744.00
G 003277	SE105	Secretary of State	8/18/2020	CBT GENERAL	PMCHK00000710	\$1.00

Total Checks:	24	Total Amount of Checks:	\$1,511,008.59
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Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	5/1/2020
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 007372	AD110	City of Adelanto	5/14/2020	CBT CLAIMS	PMCHK00000700	\$15,249.68
L 007373	BE100	Best Best and Krieger LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$8,663.07
L 007374	BE100	Best Best and Krieger LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$689.50
L 007375	CA170	Carpenter Rothans & Dumont LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$8,403.90
L 007376	CL115	City of Clearlake	5/14/2020	CBT CLAIMS	PMCHK00000700	\$10,416.43
L 007377	CS105	CSAC EIA	5/14/2020	CBT CLAIMS	PMCHK00000700	\$672.50
L 007378	HU101	Hunter Pyle Client Trust Accou	5/14/2020	CBT CLAIMS	PMCHK00000700	\$60,000.00
L 007379	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$389.43
L 007380	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$178.76
L 007381	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$3,743.50
L 007382	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$5,552.50
L 007383	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$2,177.15
L 007384	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$2,411.30
L 007385	JA100	Jackson Lewis P.C.	5/14/2020	CBT CLAIMS	PMCHK00000700	\$94.00
L 007386	LI100	Liebert Cassidy Whitmore	5/14/2020	CBT CLAIMS	PMCHK00000700	\$405.50
L 007387	LI100	Liebert Cassidy Whitmore	5/14/2020	CBT CLAIMS	PMCHK00000700	\$188.50
L 007388	LI100	Liebert Cassidy Whitmore	5/14/2020	CBT CLAIMS	PMCHK00000700	\$14,226.90
L 007389	LI100	Liebert Cassidy Whitmore	5/14/2020	CBT CLAIMS	PMCHK00000700	\$12,217.88
L 007390	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$14,898.38
L 007391	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$3,641.24
L 007392	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$8,060.08
L 007393	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$118.00
L 007394	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$4,970.87
L 007395	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$25,135.01
L 007396	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$1,039.25
L 007397	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$1,313.93
L 007398	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$3,895.00
L 007399	LO100	Lozano Smith, LLP	5/14/2020	CBT CLAIMS	PMCHK00000700	\$177.00
L 007400	PA101	Payton Employment Law	5/14/2020	CBT CLAIMS	PMCHK00000700	\$40,000.00
L 007401	PA155	City of Patterson	5/14/2020	CBT CLAIMS	PMCHK00000700	\$3,808.29
L 007402	AT120	City of Atwater	6/17/2020	CBT CLAIMS	PMCHK00000702	\$3,319.80
L 007403	BA110	City of Banning	6/17/2020	CBT CLAIMS	PMCHK00000702	\$4,504.42
L 007404	CA170	Carpenter Rothans & Dumont LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$708.00
L 007405	JA100	Jackson Lewis P.C.	6/17/2020	CBT CLAIMS	PMCHK00000702	\$10,309.00
L 007406	JA100	Jackson Lewis P.C.	6/17/2020	CBT CLAIMS	PMCHK00000702	\$3,184.50
L 007407	JA100	Jackson Lewis P.C.	6/17/2020	CBT CLAIMS	PMCHK00000702	\$8,793.10
L 007408	JA100	Jackson Lewis P.C.	6/17/2020	CBT CLAIMS	PMCHK00000702	\$1,119.25
L 007409	JA100	Jackson Lewis P.C.	6/17/2020	CBT CLAIMS	PMCHK00000702	\$2,569.80
L 007410	LI100	Liebert Cassidy Whitmore	6/17/2020	CBT CLAIMS	PMCHK00000702	\$6,410.50
L 007411	LI100	Liebert Cassidy Whitmore	6/17/2020	CBT CLAIMS	PMCHK00000702	\$501.50
L 007412	LI100	Liebert Cassidy Whitmore	6/17/2020	CBT CLAIMS	PMCHK00000702	\$29,600.00
L 007413	LI100	Liebert Cassidy Whitmore	6/17/2020	CBT CLAIMS	PMCHK00000702	\$682.00
L 007414	LI100	Liebert Cassidy Whitmore	6/17/2020	CBT CLAIMS	PMCHK00000702	\$295.00
L 007415	LO100	Lozano Smith, LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$7,788.20
L 007416	LO100	Lozano Smith, LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$5,066.00
L 007417	LO100	Lozano Smith, LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$2,284.35
L 007418	LO100	Lozano Smith, LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$757.75
L 007419	LO100	Lozano Smith, LLP	6/17/2020	CBT CLAIMS	PMCHK00000702	\$6,355.95
L 007420	BE100	Best Best and Krieger LLP	7/10/2020	CBT CLAIMS	PMCHK00000705	\$364.00
L 007421	BE100	Best Best and Krieger LLP	7/10/2020	CBT CLAIMS	PMCHK00000705	\$295.00
L 007422	BE125	Bernadette Bantly, Esq.	7/10/2020	CBT CLAIMS	PMCHK00000705	\$6,925.00
L 007423	CA170	Carpenter Rothans & Dumont LLP	7/10/2020	CBT CLAIMS	PMCHK00000705	\$370.50
L 007424	JA100	Jackson Lewis P.C.	7/10/2020	CBT CLAIMS	PMCHK00000705	\$936.50
L 007425	JA100	Jackson Lewis P.C.	7/10/2020	CBT CLAIMS	PMCHK00000705	\$753.50
L 007426	JA100	Jackson Lewis P.C.	7/10/2020	CBT CLAIMS	PMCHK00000705	\$5,276.50
L 007427	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	<del>\$2</del> ,968.40

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 007428	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	\$147.00
L 007429	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	\$88.50
L 007430	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	\$9,698.00
L 007431	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	\$29.50
L 007432	LI100	Liebert Cassidy Whitmore	7/10/2020	CBT CLAIMS	PMCHK00000705	\$255.75
L 007433	VI100	City of Victorville	7/10/2020	CBT CLAIMS	PMCHK00000705	\$786.83
L 007434	AV100	City of Avalon	8/18/2020	CBT CLAIMS	PMCHK00000708	\$17,721.26
L 007435	BA110	City of Banning	8/18/2020	CBT CLAIMS	PMCHK00000708	\$3,134.48
L 007436	RE101	Remedy Law Group LLP Client Tr	8/18/2020	CBT CLAIMS	PMCHK00000708	\$125,000.00
L 007437	BE100	Best Best and Krieger LLP	8/20/2020	CBT CLAIMS	PMCHK00000711	\$5,652.36
* L 007438	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000711	\$87,342.74
* L 007439	LI100	Liebert Cassidy Whitmore	8/20/2020	CBT CLAIMS	PMCHK00000711	\$5,910.50
* L 007440	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000711	\$20,897.45
* L 007441	VC100	VCJPA	8/20/2020	CBT CLAIMS	PMCHK00000711	\$2,566.40
* L 007442	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000711	\$87,342.74
* L 007443	LI100	Liebert Cassidy Whitmore	8/20/2020	CBT CLAIMS	PMCHK00000711	\$5,910.50
* L 007444	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000711	\$20,897.45
* L 007445	VC100	VCJPA	8/20/2020	CBT CLAIMS	PMCHK00000711	\$2,566.40
L 007446	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000712	\$1,644.76
L 007447	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000728	\$176.98
L 007448	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000729	\$11,136.00
* L 007449	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000713	\$5,790.00
L 007450	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000714	\$5,790.00
L 007451	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000730	\$4,762.50
L 007452	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000715	\$10,703.00
L 007453	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000716	\$13,707.00
L 007454	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000717	\$33,500.00
L 007455	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000718	\$47.00
L 007456	JA100	Jackson Lewis P.C.	8/20/2020	CBT CLAIMS	PMCHK00000719	\$5,875.50
L 007457	LI100	Liebert Cassidy Whitmore	8/20/2020	CBT CLAIMS	PMCHK00000720	\$1,786.00
L 007458	LI100	Liebert Cassidy Whitmore	8/20/2020	CBT CLAIMS	PMCHK00000721	\$3,888.50
L 007459	LI100	Liebert Cassidy Whitmore	8/20/2020	CBT CLAIMS	PMCHK00000722	\$236.00
L 007460	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000723	\$276.47
L 007461	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000724	\$13,556.05
L 007462	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000725	\$606.50
L 007463	LO100	Lozano Smith, LLP	8/20/2020	CBT CLAIMS	PMCHK00000726	\$6,458.43
L 007464	VC100	VCJPA	8/20/2020	CBT CLAIMS	PMCHK00000727	\$2,566.40
L 007465	AL101	Alderson Law Firm Client Trust	9/22/2020	CBT CLAIMS	PMCHK00000733	\$100,000.00
L 007466	AL101	Alderson Law Firm Client Trust	9/22/2020	CBT CLAIMS	PMCHK00000733	\$475,000.00
L 007467	AL101	Alderson Law Firm Client Trust	9/22/2020	CBT CLAIMS	PMCHK00000733	\$100,000.00
L 007468	AL101	Alderson Law Firm Client Trust	9/22/2020	CBT CLAIMS	PMCHK00000733	\$200,000.00
L 007469	AL101	Alderson Law Firm Client Trust	9/22/2020	CBT CLAIMS	PMCHK00000733	\$60,000.00
L 007470	AN101	Law Offices of Andy Katz	9/22/2020	CBT CLAIMS	PMCHK00000733	\$68,947.00
L 007471	EL101	Elliott & Associates	9/22/2020	CBT CLAIMS	PMCHK00000733	\$61,400.00
L 007472	JO101	Mary Johnson	9/22/2020	CBT CLAIMS	PMCHK00000733	\$88,600.00
* L EFT000001	BE100	Best Best and Krieger LLP	8/18/2020	CBT CLAIMS	PMCHK00000707	\$5,652.36
* L EFT000002	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$1,644.76
* L EFT000003	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$176.98
* L EFT000004	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$11,136.00
* L EFT000005	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$5,790.00
* L EFT000006	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$4,762.50
* L EFT000007	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$10,703.00
* L EFT000008	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$13,707.00
* L EFT000009	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$33,500.00
* L EFT000010	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$47.00
* L EFT000011	JA100	Jackson Lewis P.C.	8/18/2020	CBT CLAIMS	PMCHK00000707	\$5,875.50
* L EFT000012	LI100	Liebert Cassidy Whitmore	8/18/2020	CBT CLAIMS	PMCHK00000707	\$1,786.00
* L EFT000013	LI100	Liebert Cassidy Whitmore	8/18/2020	CBT CLAIMS	PMCHK00000707	\$3,888.50
* L EFT000014	LI100	Liebert Cassidy Whitmore	8/18/2020	CBT CLAIMS	PMCHK00000707	\$236.00
* L EFT000015	LO100	Lozano Smith, LLP	8/18/2020	CBT CLAIMS	PMCHK00000707	\$276.47
* L EFT000016	LO100	Lozano Smith, LLP	8/18/2020	CBT CLAIMS	PMCHK00000707	\$13,556.05
* L EFT000017	LO100	Lozano Smith, LLP	8/18/2020	CBT CLAIMS	PMCHK00000707	\$606.50
* L EFT000018	LO100	Lozano Smith, LLP	8/18/2020	CBT CLAIMS	PMCHK00000707	\$6,458.43



\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
* L EFT000019	VC100	VCJPA	8/18/2020	CBT CLAIMS	PMCHK00000707	\$2,566.40
L EFT000021	BE100	Best Best and Krieger LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$227.00
L EFT000022	BE100	Best Best and Krieger LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$3,313.29
L EFT000023	BE100	Best Best and Krieger LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$4,801.54
L EFT000024	BE100	Best Best and Krieger LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$536.50
L EFT000025	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$1,102.00
L EFT000026	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$59.00
L EFT000027	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$295.00
L EFT000028	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$7,965.95
L EFT000029	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$29,281.85
L EFT000030	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$888.00
L EFT000031	JA100	Jackson Lewis P.C.	9/22/2020	CBT CLAIMS	PMCHK00000732	\$3,919.00
L EFT000032	LI100	Liebert Cassidy Whitmore	9/22/2020	CBT CLAIMS	PMCHK00000732	\$1,770.00
L EFT000033	LI100	Liebert Cassidy Whitmore	9/22/2020	CBT CLAIMS	PMCHK00000732	\$1,644.90
L EFT000034	LO100	Lozano Smith, LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$38,851.56
L EFT000035	LO100	Lozano Smith, LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$3,049.50
L EFT000036	LO100	Lozano Smith, LLP	9/22/2020	CBT CLAIMS	PMCHK00000732	\$1,287.75
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Total Checks:	136	Total Amount of Checks:				\$1,897,046.68
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# Employment Risk Management Authority

## Cash & Investment Report

June 30, 2020

Accounts	Book Value	Market Value *	% of Total	Effective Yield
California Bank & Trust - Administration <sup>1</sup>	\$ 3,506	\$ 3,506	0.01%	0.00%
California Bank & Trust - General Operating <sup>1</sup>	36,093	36,093	0.13%	0.00%
California Bank & Trust - Claims Payment <sup>2</sup>	(24,363)	(24,363)	-0.09%	0.00%
Local Agency Investment Fund	1,677,848	1,686,091	5.91%	1.36%
CAMP - Liquidity Account	709,611	709,611	2.49%	0.51%
CAMP - Money Market	377,801	377,801	1.32%	0.51%
CAMP - Investments managed by PFM	24,934,871	25,738,406	90.22%	2.05%
<b>Total</b>	<b>\$ 27,715,367</b>	<b>\$ 28,527,145</b>		<b>1.95%</b>

\* Yield to Maturity at Cost

Notes:

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

<sup>2</sup> 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

California State Treasurer  
**Fiona Ma, CPA**



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

July 06, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

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EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[Tran Type](#)  
[Definitions](#)

**Account Number:** 35-34-011

June 2020 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	1,677,848.05
Total Withdrawal:	0.00	Ending Balance:	1,677,848.05

**ERMA  
LAIF Market Value  
6/30/2020**

<b>Adjustment for Market Value</b>	
LAIF Statement Balance	\$ 1,677,848.05
Fair Value Factor per LAIF Performance Report	<u>1.004912795</u>
Adjusted Market Value	<u><u>\$ 1,686,090.97</u></u>



## PMIA/LAIF Performance Report as of 07/15/20



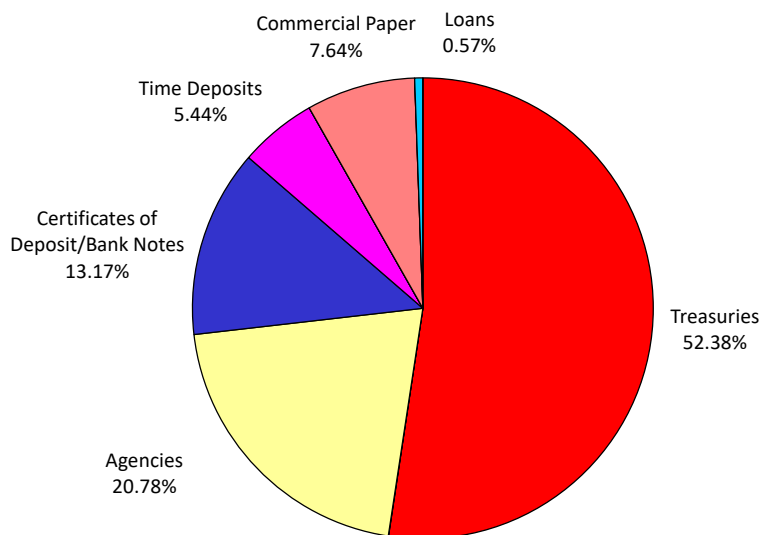
### PMIA Average Monthly Effective Yields<sup>(1)</sup>

Jun	1.217
May	1.363
Apr	1.648

### Quarterly Performance Quarter Ended 06/30/20

LAIF Apportionment Rate <sup>(2)</sup> :	1.36
LAIF Earnings Ratio <sup>(2)</sup> :	0.000037106682614
LAIF Fair Value Factor <sup>(1)</sup> :	1.004912795
PMIA Daily <sup>(1)</sup> :	1.08%
PMIA Quarter to Date <sup>(1)</sup> :	1.41%
PMIA Average Life <sup>(1)</sup> :	191

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 06/30/20 \$101.0 billion



Percentages may not total 100% due to rounding

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller

California State Treasurer  
**Fiona Ma, CPA**



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

June 12, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

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EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[Tran Type](#)  
[Definitions](#)

**Account Number:** 35-34-011

May 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
5/18/2020	5/15/2020	RW	1641900	1601969	ALANA THEISS	-250,000.00

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	1,927,848.05
Total Withdrawal:	-250,000.00	Ending Balance:	1,677,848.05

California State Treasurer  
**Fiona Ma, CPA**



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

May 06, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

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EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[Tran Type](#)  
[Definitions](#)

**Account Number:** 35-34-011

April 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2020	4/14/2020	QRD	1636468	N/A	SYSTEM	13,983.04
4/17/2020	4/16/2020	RW	1638398	1600133	ALANA THEISS	-495,000.00

**Account Summary**

Total Deposit:	13,983.04	Beginning Balance:	2,408,865.01
Total Withdrawal:	-495,000.00	Ending Balance:	1,927,848.05



## Account Statement

For the Month Ending **June 30, 2020**

### 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
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>1,549,093.77</b>
06/19/20	06/19/20	Redemption - ACH Redemption	1.00	(840,000.00)	709,093.77
06/30/20	07/01/20	Accrual Income Div Reinvestment - Distributions	1.00	517.72	709,611.49
<b>Closing Balance</b>					<b>709,611.49</b>

	Month of June	Fiscal YTD January-June		
<b>Opening Balance</b>	1,549,093.77	2,667,271.71	<b>Closing Balance</b>	709,611.49
<b>Purchases</b>	517.72	12,339.78	<b>Average Monthly Balance</b>	1,213,111.03
<b>Redemptions (Excl. Checks)</b>	(840,000.00)	(1,970,000.00)	<b>Monthly Distribution Yield</b>	0.51%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>709,611.49</b>	<b>709,611.49</b>		
<b>Cash Dividends and Income</b>	517.72	12,339.78		





## Account Statement

For the Month Ending **May 31, 2020**

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
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>1,548,216.44</b>
05/29/20	06/01/20	Accrual Income Div Reinvestment - Distributions	1.00	877.33	1,549,093.77
<b>Closing Balance</b>					<b>1,549,093.77</b>

	Month of May	Fiscal YTD January-May		
<b>Opening Balance</b>	1,548,216.44	2,667,271.71	<b>Closing Balance</b>	1,549,093.77
<b>Purchases</b>	877.33	11,822.06	<b>Average Monthly Balance</b>	1,548,301.34
<b>Redemptions (Excl. Checks)</b>	0.00	(1,130,000.00)	<b>Monthly Distribution Yield</b>	0.67%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>1,549,093.77</b>	<b>1,549,093.77</b>		
<b>Cash Dividends and Income</b>	877.33	11,822.06		



## Account Statement

For the Month Ending **April 30, 2020**

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
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>1,546,972.88</b>
04/30/20	05/01/20	Accrual Income Div Reinvestment - Distributions	1.00	1,243.56	1,548,216.44
<b>Closing Balance</b>					<b>1,548,216.44</b>

	Month of April	Fiscal YTD January-April		
<b>Opening Balance</b>	1,546,972.88	2,667,271.71	<b>Closing Balance</b>	1,548,216.44
<b>Purchases</b>	1,243.56	10,944.73	<b>Average Monthly Balance</b>	1,547,014.33
<b>Redemptions (Excl. Checks)</b>	0.00	(1,130,000.00)	<b>Monthly Distribution Yield</b>	0.98%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>1,548,216.44</b>	<b>1,548,216.44</b>		
<b>Cash Dividends and Income</b>	1,243.56	10,944.73		



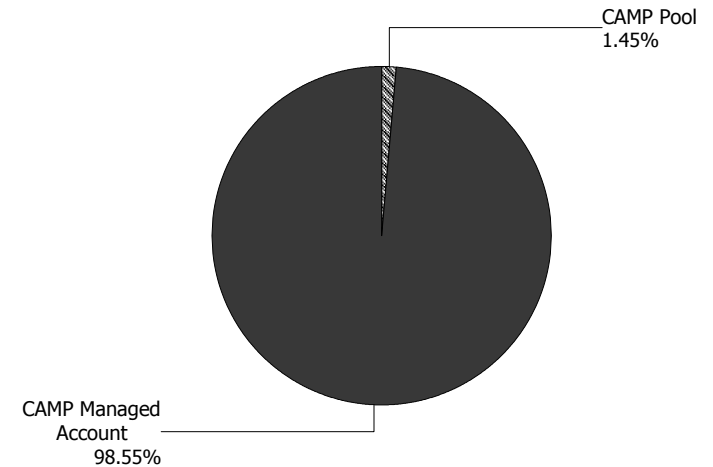
## Account Statement - Transaction Summary

For the Month Ending **June 30, 2020**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00

<b>CAMP Pool</b>	
Opening Market Value	17,494.25
Purchases	486,155.18
Redemptions	(125,848.56)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$377,800.87</b>
Cash Dividends and Income	142.46
<b>CAMP Managed Account</b>	
Opening Market Value	26,064,014.74
Purchases	73,567.90
Redemptions	(407,608.81)
Unsettled Trades	0.00
Change in Value	8,431.99
<b>Closing Market Value</b>	<b>\$25,738,405.82</b>
Cash Dividends and Income	61,313.09

<b>Asset Summary</b>		
	<b>June 30, 2020</b>	<b>May 31, 2020</b>
<b>CAMP Pool</b>	377,800.87	17,494.25
<b>CAMP Managed Account</b>	25,738,405.82	26,064,014.74
<b>Total</b>	<b>\$26,116,206.69</b>	<b>\$26,081,508.99</b>
<b>Asset Allocation</b>		





## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>U.S. Treasury Bond / Note</b>											
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	35,179.83	35,317.19
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	525,000.00	AA+	Aaa	03/15/17	03/17/17	511,362.31	2.02	611.42	522,034.51	530,742.19
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	410,000.00	AA+	Aaa	12/01/16	12/05/16	411,217.19	1.93	2,740.76	410,299.72	418,712.50
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	6,016.31	901,535.30	919,125.00
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	1,103,351.05	1,123,375.00
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	547,222.73	557,906.25
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	AA+	Aaa	01/03/18	01/04/18	271,508.79	2.18	868.72	273,521.16	283,550.80
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	517,570.58	541,324.24
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	591,192.02	618,656.28
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	450,000.00	AA+	Aaa	09/05/18	09/07/18	431,121.09	2.76	2,752.23	439,825.34	463,921.88
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	318,793.71	338,710.94
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	AA+	Aaa	03/04/19	03/06/19	361,391.60	2.53	516.14	365,640.38	390,820.31
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	393,122.23	416,875.00
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	571,696.29	599,257.81



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	AA+	Aaa	07/01/19	07/03/19	322,854.49	1.78	889.77	323,348.46	340,437.50
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	AA+	Aaa	10/02/19	10/04/19	452,583.98	1.48	1,232.00	452,113.38	471,375.00
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	300,000.00	AA+	Aaa	02/03/20	02/07/20	308,144.53	1.36	16.30	307,408.73	321,093.75
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	350,000.00	AA+	Aaa	03/02/20	03/06/20	367,048.83	0.85	19.02	365,783.95	374,609.37
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	650,000.00	AA+	Aaa	01/02/20	01/07/20	659,572.27	1.66	35.33	658,542.49	695,703.13
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	AA+	Aaa	12/02/19	12/05/19	1,218,000.00	1.66	65.22	1,215,745.96	1,284,375.00
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	AA+	Aaa	11/01/19	11/06/19	1,300,798.83	1.55	69.29	1,297,182.74	1,364,648.44
<b>Security Type Sub-Total</b>		<b>11,595,000.00</b>					<b>11,578,868.75</b>	<b>1.88</b>	<b>29,804.52</b>	<b>11,611,110.56</b>	<b>12,090,537.58</b>
<b>Supra-National Agency Bond / Note</b>											
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	624,899.45	626,368.75
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	500,539.19	503,204.50
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	149,912.08	152,802.00
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	499,586.12	513,163.50



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	125,000.00	AAA	Aaa	04/17/20	04/24/20	124,957.50	0.51	64.24	124,960.07	125,735.13

<b>Security Type Sub-Total</b>	<b>1,900,000.00</b>	<b>1,901,592.05</b>	<b>2.02</b>	<b>11,375.16</b>	<b>1,899,896.91</b>	<b>1,921,273.88</b>
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<b>Municipal Bond / Note</b>											
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	50,000.00	A	A1	05/29/20	06/11/20	50,000.00	2.00	55.50	50,000.00	51,620.00
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	AA-	Aa1	11/06/19	12/05/19	60,000.00	2.10	525.25	60,000.00	63,316.20
CT ST T/E GO BONDS DTD 06/25/2020 2.000% 06/01/2025	20772KKK4	70,000.00	A	A1	06/12/20	06/25/20	73,567.90	0.94	23.33	73,556.02	73,358.60

<b>Security Type Sub-Total</b>	<b>180,000.00</b>	<b>183,567.90</b>	<b>1.62</b>	<b>604.08</b>	<b>183,556.02</b>	<b>188,294.80</b>
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<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	90,330.16	AA+	Aaa	04/11/18	04/30/18	92,126.92	2.93	267.98	90,959.03	91,435.45
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	130,000.00	AA+	Aaa	04/04/18	04/09/18	131,107.03	2.88	334.75	130,534.89	133,651.29
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	62,510.90	AA+	Aaa	12/07/18	12/17/18	62,510.71	3.20	166.85	62,510.77	64,508.12
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	76,550.68	AA+	Aaa	11/20/19	11/26/19	76,548.83	2.09	133.45	76,549.07	78,404.04
FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	175,000.00	AA+	Aaa	03/19/20	03/25/20	183,667.97	1.97	446.54	183,178.65	192,168.17

<b>Security Type Sub-Total</b>	<b>534,391.74</b>	<b>545,961.46</b>	<b>2.50</b>	<b>1,349.57</b>	<b>543,732.41</b>	<b>560,167.07</b>
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<b>Federal Agency Bond / Note</b>											
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## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	625,000.00	AA+	Aaa	07/14/16	07/15/16	621,199.38	1.25	3,261.72	624,212.80	631,069.38
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	250,000.00	AA+	Aaa	05/05/20	05/07/20	249,895.00	0.39	140.63	249,900.28	250,631.25
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	250,000.00	AA+	Aaa	04/15/20	04/16/20	248,760.00	0.60	260.42	248,811.67	250,617.00
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	250,000.00	AA+	Aaa	04/22/20	04/24/20	249,485.00	0.67	290.80	249,504.20	252,104.50
<b>Security Type Sub-Total</b>		<b>1,375,000.00</b>					<b>1,369,339.38</b>	<b>0.87</b>	<b>3,953.57</b>	<b>1,372,428.95</b>	<b>1,384,422.13</b>
<b>Corporate Note</b>											
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	1,112.31	184,990.76	185,476.01
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	124,998.61	125,758.88
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	249,947.45	251,899.75
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A2	02/01/18	02/06/18	249,877.50	2.67	2,686.81	249,975.50	253,443.25
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	99,974.37	101,621.90
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	149,846.31	152,432.85
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	164,992.59	167,095.34
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	25,044.85	25,437.98



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Corporate Note</b>											
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	150,000.00	A	A1	05/17/16	05/20/16	150,319.50	2.00	495.42	150,049.57	151,873.65
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	149,952.26	151,995.30
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	99,980.07	102,437.80
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	69,953.21	70,959.35
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	159,998.58	163,584.00
BANK OF AMERICA CORP (CALLABLE) NOTES 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	175,705.08
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	224,687.31	232,318.80
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	49,975.59	51,743.95
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	51,186.45
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	2,004.38	250,000.00	259,698.75
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	251,284.40	272,446.50
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	250,000.00	BBB+	A3	07/19/19	07/23/19	264,322.50	2.59	1,668.40	261,494.18	276,175.50
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	A-	A3	07/11/19	07/15/19	248,760.00	2.51	66.67	249,001.28	262,277.75





## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Corporate Note</b>											
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	BBB+	A3	07/08/19	07/11/19	261,645.00	2.84	4,625.35	259,372.18	275,654.75
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	A-	A3	08/01/19	08/05/19	250,415.00	2.46	2,604.17	250,339.65	265,705.25
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	250,000.00	A-	A2	09/03/19	09/06/19	248,980.00	1.83	1,494.79	249,147.57	258,864.00
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	100,000.00	A	A1	01/21/20	01/28/20	100,440.00	2.00	390.83	100,400.60	105,105.30
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	25,000.00	A+	A1	05/21/20	05/26/20	25,348.00	1.49	172.50	25,340.73	25,823.02
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	05/20/20	05/26/20	50,488.50	1.58	345.00	50,478.30	51,646.05
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	125,000.00	A+	A1	05/20/20	05/26/20	126,221.25	1.58	862.50	126,195.75	129,115.13
APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	450,000.00	AA+	Aa1	05/11/20	05/13/20	450,904.50	1.08	703.13	450,879.80	458,785.80
<b>Security Type Sub-Total</b>		<b>4,880,000.00</b>					<b>4,906,734.45</b>	<b>2.38</b>	<b>32,851.87</b>	<b>4,903,301.47</b>	<b>5,056,268.14</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 01/13/2020 0.000% 10/06/2020	62479LK61	250,000.00	A-1	P-1	01/10/20	01/13/20	246,662.50	1.82	0.00	248,787.50	249,809.25
<b>Security Type Sub-Total</b>		<b>250,000.00</b>					<b>246,662.50</b>	<b>1.82</b>	<b>0.00</b>	<b>248,787.50</b>	<b>249,809.25</b>
<b>Certificate of Deposit</b>											
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A-1	P-1	08/01/18	08/03/18	425,000.00	3.19	12,465.37	425,000.00	426,273.73



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Certificate of Deposit</b>											
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	A-1+	P-1	08/03/17	08/07/17	450,000.00	2.05	3,690.00	450,000.00	450,815.40
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A-1	P-1	10/16/18	10/18/18	249,660.00	3.45	1,789.17	249,950.10	252,365.25
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	A-1	P-1	11/16/17	11/17/17	500,000.00	2.27	1,387.22	500,000.00	503,496.00
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	A-1+	P-1	06/07/18	06/08/18	425,000.00	3.24	918.00	425,000.00	436,865.58
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	2.96	2,607.50	250,000.00	260,855.75
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	AA-	Aa3	08/27/19	08/29/19	250,000.00	1.84	1,618.75	250,000.00	257,592.25
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	A+	Aa2	08/29/19	09/03/19	250,000.00	1.85	1,627.50	250,000.00	257,645.75
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	250,000.00	AA-	Aa2	12/04/19	12/06/19	250,000.00	2.03	410.83	250,000.00	259,555.25
<b>Security Type Sub-Total</b>		<b>3,050,000.00</b>					<b>3,049,660.00</b>	<b>2.57</b>	<b>26,514.34</b>	<b>3,049,950.10</b>	<b>3,105,464.96</b>
<b>Asset-Backed Security</b>											
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	5,383.80	NR	Aaa	03/21/17	03/29/17	5,383.16	1.78	4.26	5,383.63	5,386.45
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	15,235.28	AAA	NR	09/25/17	09/29/17	15,233.62	1.79	9.85	15,234.77	15,280.34
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	57,085.81	AAA	Aaa	01/23/18	01/31/18	57,085.15	2.35	59.62	57,085.52	57,527.33
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	3.16	316.00	224,979.31	230,335.70
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	3.22	322.00	224,971.74	231,981.50



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2020**

### 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
<b>Asset-Backed Security</b>											
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	125,000.00	AAA	Aaa	01/21/20	01/29/20	124,985.36	1.85	70.66	124,986.74	128,081.69
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	AAA	NR	08/28/19	09/05/19	499,874.10	1.73	382.22	499,895.01	513,575.00
<b>Security Type Sub-Total</b>		<b>1,152,704.89</b>					<b>1,152,484.64</b>	<b>2.35</b>	<b>1,164.61</b>	<b>1,152,536.72</b>	<b>1,182,168.01</b>
<b>Managed Account Sub-Total</b>		<b>24,917,096.63</b>					<b>24,934,871.13</b>	<b>2.05</b>	<b>107,617.72</b>	<b>24,965,300.64</b>	<b>25,738,405.82</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		377,800.87	AAAm	NR			377,800.87		0.00	377,800.87	377,800.87
<b>Money Market Sub-Total</b>		<b>377,800.87</b>					<b>377,800.87</b>		<b>0.00</b>	<b>377,800.87</b>	<b>377,800.87</b>
<b>Securities Sub-Total</b>		<b>\$25,294,897.50</b>					<b>\$25,312,672.00</b>	<b>2.05%</b>	<b>\$107,617.72</b>	<b>\$25,343,101.51</b>	<b>\$26,116,206.69</b>
<b>Accrued Interest</b>											<b>\$107,617.72</b>
<b>Total Investments</b>											<b>\$26,223,824.41</b>



## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2020**

### 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	
BUY										
05/29/20	06/11/20	CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	50,000.00	(50,000.00)	0.00	(50,000.00)			
06/12/20	06/25/20	CT ST T/E GO BONDS DTD 06/25/2020 2.000% 06/01/2025	20772KKK4	70,000.00	(73,567.90)	0.00	(73,567.90)			
Transaction Type Sub-Total				120,000.00	(123,567.90)	0.00	(123,567.90)			
INTEREST										
06/01/20	06/25/20	FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	175,000.00	0.00	446.54	446.54			
06/01/20	06/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	70,708.94	0.00	188.73	188.73			
06/01/20	06/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
06/01/20	06/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	92,403.95	0.00	277.10	277.10			
06/01/20	06/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	76,676.22	0.00	133.67	133.67			
06/02/20	06/02/20	DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	250,000.00	0.00	2,535.83	2,535.83			
06/07/20	06/07/20	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			
06/15/20	06/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	62,722.55	0.00	122.83	122.83			
06/15/20	06/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
06/15/20	06/15/20	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
06/15/20	06/15/20	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			
06/15/20	06/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	16,360.28	0.00	24.27	24.27			
06/15/20	06/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	716.67	716.67			



## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2020**

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										
06/15/20	06/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	2,751.30	0.00	3.83	3.83			
06/18/20	06/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	18,082.20	0.00	26.97	26.97			
06/20/20	06/20/20	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	125,000.00	0.00	192.71	192.71			
06/27/20	06/27/20	AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	0.00	3,000.00	3,000.00			
06/30/20	06/30/20	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	3,775,000.00	0.00	37,750.00	37,750.00			
Transaction Type Sub-Total				6,669,705.44	0.00	56,210.15	56,210.15			
MATURITY										
06/05/20	06/05/20	HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	125,000.00	125,000.00	1,125.00	126,125.00	72.50	0.00	
06/05/20	06/05/20	BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	250,000.00	3,850.00	253,850.00	95.00	0.00	
Transaction Type Sub-Total				375,000.00	375,000.00	4,975.00	379,975.00	167.50	0.00	
PAYDOWNS										
06/01/20	06/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	2,073.79	2,073.79	0.00	2,073.79	(41.25)	0.00	
06/01/20	06/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	8,198.04	8,198.04	0.00	8,198.04	0.02	0.00	
06/01/20	06/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	125.54	125.54	0.00	125.54	0.00	0.00	
06/15/20	06/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	2,751.30	2,751.30	0.00	2,751.30	0.01	0.00	
06/15/20	06/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	10,976.48	10,976.48	0.00	10,976.48	1.29	0.00	
06/15/20	06/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	5,636.74	5,636.74	0.00	5,636.74	0.06	0.00	



## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2020**

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										
06/18/20	06/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	2,846.92	2,846.92	0.00	2,846.92	0.31	0.00	
Transaction Type Sub-Total				32,608.81	32,608.81	0.00	32,608.81	(39.56)	0.00	
Managed Account Sub-Total					284,040.91	61,185.15	345,226.06	127.94	0.00	
Total Security Transactions					\$284,040.91	\$61,185.15	\$345,226.06	\$127.94	\$0.00	



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2020**

**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										
05/05/20	05/07/20	FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	250,000.00	(249,895.00)	0.00	(249,895.00)			
05/11/20	05/13/20	APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	450,000.00	(450,904.50)	(28.13)	(450,932.63)			
05/20/20	05/26/20	TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	125,000.00	(126,221.25)	(643.75)	(126,865.00)			
05/20/20	05/26/20	TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	(50,488.50)	(257.50)	(50,746.00)			
05/21/20	05/26/20	TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	25,000.00	(25,348.00)	(128.75)	(25,476.75)			
05/29/20	06/11/20	CONNECTICUT ST-A-TXBL MUNICIPAL BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	50,000.00	(50,000.00)	0.00	(50,000.00)			
Transaction Type Sub-Total				950,000.00	(952,857.25)	(1,058.13)	(953,915.38)			
INTEREST										
05/01/20	05/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	78,613.83	0.00	179.13	179.13			
05/01/20	05/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	75,311.95	0.00	189.09	189.09			
05/01/20	05/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	102,165.62	0.00	318.16	318.16			
05/01/20	05/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
05/01/20	05/25/20	FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	175,000.00	0.00	446.54	446.54			
05/03/20	05/03/20	BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	150,000.00	0.00	1,537.50	1,537.50			



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2020**

### 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										
05/05/20	05/05/20	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			
05/09/20	05/09/20	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			
05/13/20	05/13/20	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			
05/15/20	05/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	80,666.57	0.00	133.60	133.60			
05/15/20	05/15/20	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
05/15/20	05/15/20	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			
05/15/20	05/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	8,905.50	0.00	2.71	2.71			
05/15/20	05/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	716.67	716.67			
05/15/20	05/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	54,521.61	0.00	40.94	40.94			
05/15/20	05/15/20	US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	0.00	459.38	459.38			
05/15/20	05/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
05/15/20	05/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	42,231.54	0.00	20.75	20.75			
05/17/20	05/17/20	BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	0.00	874.75	874.75			
05/18/20	05/18/20	SWEDBANK (NEW YORK) CERT DEPOS DTD 05/16/2019 2.270% 11/16/2020	87019U6D6	500,000.00	0.00	5,738.06	5,738.06			
05/18/20	05/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	27,041.87	0.00	31.02	31.02			
05/19/20	05/19/20	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, 2020**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	05/20/20	05/20/20	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	125,000.00	0.00	192.71	192.71			
	05/21/20	05/21/20	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			
	05/24/20	05/24/20	INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	125,000.00	0.00	52.08	52.08			
	05/31/20	05/31/20	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	525,000.00	0.00	3,609.38	3,609.38			
	05/31/20	05/31/20	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	1,675,000.00	0.00	13,609.38	13,609.38			
<b>Transaction Type Sub-Total</b>					<b>6,014,458.49</b>	<b>0.00</b>	<b>42,796.60</b>	<b>42,796.60</b>			

<b>MATURITY</b>											
	05/11/20	05/11/20	APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	200,000.00	1,800.00	201,800.00	204.00	0.00	

<b>Transaction Type Sub-Total</b>					<b>200,000.00</b>	<b>200,000.00</b>	<b>1,800.00</b>	<b>201,800.00</b>	<b>204.00</b>	<b>0.00</b>	
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<b>PAYDOWNS</b>											
	05/01/20	05/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137F03V3	1,811.83	1,811.83	0.00	1,811.83	0.04	0.00	
	05/01/20	05/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	8,148.79	8,148.79	0.00	8,148.79	(162.09)	0.00	
	05/01/20	05/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	131.86	131.86	0.00	131.86	0.00	0.00	
	05/15/20	05/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	5,501.23	5,501.23	0.00	5,501.23	0.06	0.00	
	05/15/20	05/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	11,242.53	11,242.53	0.00	11,242.53	1.33	0.00	
	05/15/20	05/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	12,157.74	12,157.74	0.00	12,157.74	0.04	0.00	
	05/15/20	05/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	1,910.14	1,910.14	0.00	1,910.14	0.16	0.00	



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2020**

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	
PAYDOWNS										
05/18/20	05/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	2,712.67	2,712.67	0.00	2,712.67	0.29	0.00	
Transaction Type Sub-Total				43,616.79	43,616.79	0.00	43,616.79	(160.17)	0.00	
SELL										
05/20/20	05/26/20	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	50,000.00	50,617.19	334.36	50,951.55	1,916.02	930.06	FIFO
05/21/20	05/26/20	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	75,000.00	75,925.78	501.54	76,427.32	2,874.02	1,395.08	FIFO
Transaction Type Sub-Total				125,000.00	126,542.97	835.90	127,378.87	4,790.04	2,325.14	
Managed Account Sub-Total					(582,697.49)	44,374.37	(538,323.12)	4,833.87	2,325.14	
Total Security Transactions					(582,697.49)	\$44,374.37	(\$538,323.12)	\$4,833.87	\$2,325.14	

Bolded items are forward settling trades.



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

### 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										
04/15/20	04/16/20	FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	250,000.00	(248,760.00)	0.00	(248,760.00)			
04/17/20	04/24/20	INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	125,000.00	(124,957.50)	0.00	(124,957.50)			
04/22/20	04/24/20	FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	250,000.00	(249,485.00)	0.00	(249,485.00)			
Transaction Type Sub-Total				625,000.00	(623,202.50)	0.00	(623,202.50)			
INTEREST										
04/01/20	04/01/20	JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	0.00	4,008.75	4,008.75			
04/01/20	04/01/20	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			
04/01/20	04/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	103,879.05	0.00	305.17	305.17			
04/01/20	04/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
04/01/20	04/25/20	FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	175,000.00	0.00	446.54	446.54			
04/01/20	04/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	78,774.16	0.00	137.05	137.05			
04/01/20	04/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	75,447.95	0.00	201.02	201.02			
04/15/20	04/15/20	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	15,726.69	0.00	6.57	6.57			
04/15/20	04/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	12,552.64	0.00	7.58	7.58			
04/15/20	04/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	87,332.38	0.00	146.07	146.07			
04/15/20	04/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	57,384.48	0.00	40.25	40.25			
04/15/20	04/15/20	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

**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										
04/15/20	04/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	68,131.20	0.00	60.45	60.45			
04/15/20	04/15/20	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			
04/15/20	04/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	716.67	716.67			
04/15/20	04/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
04/16/20	04/16/20	SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	0.00	4,308.13	4,308.13			
04/18/20	04/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	30,337.61	0.00	35.59	35.59			
04/19/20	04/19/20	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			
04/19/20	04/19/20	BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	0.00	328.13	328.13			
04/20/20	04/20/20	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	125,000.00	0.00	192.71	192.71			
04/20/20	04/20/20	VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	0.00	420.83	420.83			
04/24/20	04/24/20	BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	100,000.00	0.00	1,050.00	1,050.00			
04/29/20	04/29/20	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	250,000.00	0.00	4,843.75	4,843.75			
04/30/20	04/30/20	US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	0.00	3,437.50	3,437.50			
04/30/20	04/30/20	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	775,000.00	0.00	6,296.88	6,296.88			
04/30/20	04/30/20	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	1,400,000.00	0.00	13,125.00	13,125.00			
Transaction Type Sub-Total				6,249,566.16	0.00	47,301.39	47,301.39			



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

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	
MATURITY										
04/17/20	04/17/20	TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	350,000.00	3,412.50	353,412.50	161.00	0.00	
Transaction Type Sub-Total				350,000.00	350,000.00	3,412.50	353,412.50	161.00	0.00	
PAYDOWNS										
04/01/20	04/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	1,612.88	1,612.88	0.00	1,612.88	(32.08)	0.00	
04/01/20	04/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	4,471.15	4,471.15	0.00	4,471.15	0.01	0.00	
04/01/20	04/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	125.78	125.78	0.00	125.78	0.00	0.00	
04/15/20	04/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	3,439.07	3,439.07	0.00	3,439.07	0.30	0.00	
04/15/20	04/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	14,010.87	14,010.87	0.00	14,010.87	0.05	0.00	
04/15/20	04/15/20	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	4,556.71	4,556.71	0.00	4,556.71	0.54	0.00	
04/15/20	04/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	13,151.57	13,151.57	0.00	13,151.57	1.55	0.00	
04/15/20	04/15/20	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	6,366.60	6,366.60	0.00	6,366.60	0.07	0.00	
04/18/20	04/18/20	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	3,067.24	3,067.24	0.00	3,067.24	0.33	0.00	
Transaction Type Sub-Total				50,801.87	50,801.87	0.00	50,801.87	(29.23)	0.00	
SELL										
04/28/20	04/30/20	VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	247,167.97	140.28	247,308.25	(2,822.63)	(2,823.73)	FIFO
Transaction Type Sub-Total				250,000.00	247,167.97	140.28	247,308.25	(2,822.63)	(2,823.73)	
Managed Account Sub-Total					24,767.34	50,854.17	75,621.51	(2,690.86)	(2,823.73)	



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2020**

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

Total Security Transactions	\$24,767.34	\$50,854.17	\$75,621.51	(\$2,690.86)	(\$2,823.73)
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# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## **Investment Performance Review For the Quarter Ended June 30, 2020**

Client Management Team

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## *Market Update*



## QUARTERLY MARKET SUMMARY

### SUMMARY

- In Q2, U.S. economic conditions were characterized by: (1) unprecedented deterioration in economic fundamentals due to broad lockdowns and stay-at-home orders; (2) economic indicators bottoming out in April and sharply rebounding off historical lows, yet still trailing pre-crisis levels; (3) equity markets posting strong quarterly performance on a positive forward outlook; (4) improving bond market dynamics as the Federal Reserve (Fed) continued to flood the market with liquidity; and (5) COVID-19 hotspots (re)appearing around the nation, raising concerns that the economic recovery may slow.
- The Fed spent the second quarter mobilizing and refining its arsenal of emergency lending programs to provide liquidity and stabilize financial markets. At its two meetings over the quarter, the central bank left the target range for the federal funds rate unchanged at 0% to 0.25%. Released at its June policy meeting, the Federal Open Market Committee's updated economic projections now anticipate a long, slow recovery, with persistently high unemployment, and short-term rates pegged at near 0%.
- Treasury yields were largely range-bound over the second quarter after plummeting to all-time lows in Q1. Returns on Treasuries were muted in Q2, while yield spreads in all other sectors significantly retraced their Q1 widening, resulting in strongly positive excess returns. Diversification was once again a strong benefit in Q2 as diversified portfolios largely recouped the bulk of Q1 underperformance.
- Many nations began to gradually re-open their economies after seemingly containing the spread of the coronavirus. Equity indices, on a global scale, responded positively to the developments and reported solid Q2 returns. U.S. equities performed particularly well, with major indices posting their best quarterly performance in over 20 years.

### ECONOMIC SNAPSHOT

- The U.S. economy contracted at 5.0% in Q1 as the pandemic-induced economic shutdown negatively affected most businesses. The American consumer, generally the driving force behind gross domestic product figures, was the largest detractor in Q1 as consumer spending and confidence experienced record drops.
- The U.S. labor market continued to battle the economic slowdown in Q2. While weekly initial jobless claims leveled off from the record-breaking 6.9 million claims at the end of March, the indicator was greater than one million in each week of Q2, which is much larger than any pre-coronavirus reading on record dating back to 1967. Despite surprisingly strong jobs gains in May and June, total employment still fell by about 17 million jobs in Q2, with the unemployment rate ending the quarter at 11.1%, the highest rate in over 50 years.
- Earlier in the quarter, U.S. manufacturing and services activity fell materially as lockdowns were enacted by state and local authorities to control the spread of COVID-19. In April, the Markit manufacturing PMI reached its lowest level since 2009 due to customers canceling or postponing orders. The services sector faced similar issues with temporary closures. By the end of the quarter, the manufacturing and services sectors stabilized considerably as COVID-19 restrictions eased, with both indices teetering between contraction and expansion levels.

### INTEREST RATES

- U.S. Treasury yields remained near their low levels reached by the end of Q1 while trading in a relatively tight range. By the end of Q2, short-term rates (with maturities less than 6-months) had increased modestly by 4 to 7 basis points (bps) as yields were nudged higher on massive Treasury Bill issuance to finance the stimulus packages. The longest-maturity Treasuries (20 and 30 years), which had fallen to record lows in Q1, rose by 9 to 15 bps. Intermediate-term yields, with maturities between 2 and 7 years, declined between 7 and 10 bps, largely on prospects of potential Fed yield curve control—the targeting by the Fed of specific yields on specific maturities.
- At quarter-end, the yield on a 3-month Treasury bill stood at 0.14%, the 3-year note was 0.17%, the 5-year note was 0.29%, the 10-year note was 0.66%, and the 30-year Treasury ended the quarter at 1.41%.
- As a result of low rates and modest curve steepening, Treasury index returns were mixed for the quarter. For example, the 3-month and 2-year Constant Maturity U.S. Treasury Indices returned 0.02% and 0.10%, respectively. Meanwhile, the 5-year and 30-year indices returned 0.55% and -0.81%.

### SECTOR PERFORMANCE

- In contrast to Q1, most non-U.S. Treasury fixed income investment-grade (IG) sectors generated positive excess returns, making up most of the Q1 underperformance, though most sectors still trailed Treasuries' strong year-to-date returns. Diversification away from Treasuries was significantly additive to fixed income portfolios during Q2.
- Throughout much of the quarter, federal agency spreads remained elevated relative to recent historical levels. Agency yield spreads eventually normalized closer to pre-crisis levels, particularly for securities maturing in three years or less. While the agency spread curve steepened by quarter-end, the general tightening across the board resulted in similar return attributes for fixed-rate maturities less than five years.
- The IG corporate sector was one of the best performing sectors in Q2 as spreads snapped back toward pre-crisis levels. The Fed's corporate bond support programs kicked off in earnest, with the Fed buying both IG ETFs and a broad range of individual corporate bonds in the secondary market. Although longer-duration and lower-quality issues outperformed shorter-duration and higher-quality issues on an absolute basis in Q2, the latter recouped a greater percentage of their relative underperformance in Q1.
- Uncertainties facing the asset-backed security (ABS) sector from Q1 carried into Q2, namely over concern about the consumers' ability to make timely payments on credit cards and car loans. Following the Fed's targeted liquidity support, a resilient consumer, and increased credit enhancements on new issues, the sector regained investor appetite and yield spreads narrowed markedly. The result was attractive positive excess returns.
- The federal agency mortgage-backed security sector (MBS) continued to battle record-low mortgage rates, which led to increased refinancing activity and elevated prepayments. The sector also contended with heightened levels of forbearance, which permitted borrowers to defer mortgage payments. The Fed's unwavering support of the market through unlimited bond purchases supported the sector as spreads tightened from March wides.

## QUARTERLY MARKET SUMMARY

Fixed Income Management

## Economic Snapshot

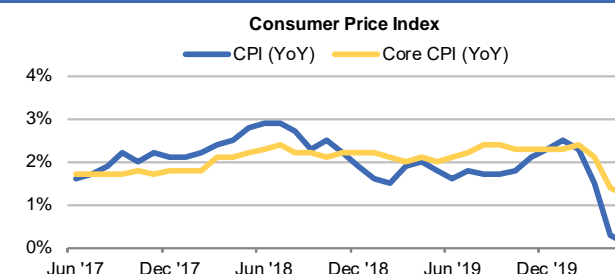
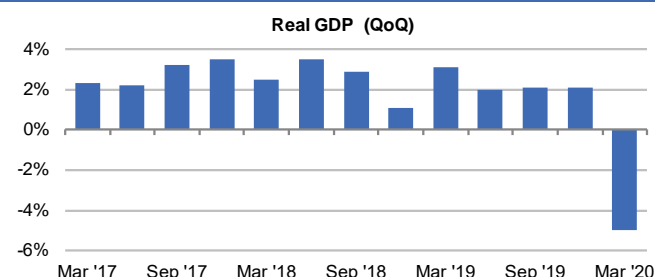
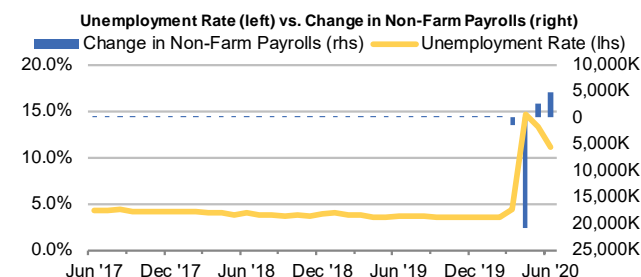
Labor Market		Latest	Mar '20	Jun '19
Unemployment Rate	Jun '20	11.1%	4.4%	3.7%
Change In Non-Farm Payrolls	Jun '20	4,800,000	-1,373,000	182,000
Average Hourly Earnings (YoY)	Jun '20	5.0%	3.4%	3.4%
Personal Income (YoY)	May '20	7.0%	1.4%	4.6%
Initial Jobless Claims (week)	7/4/20	1,314,000	6,867,000	222,000

Growth		Latest	Mar '20	Jun '19
Real GDP (QoQ SAAR)	2020Q1	-5.0%	2.1% <sup>1</sup>	3.1% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2020Q1	-6.8%	1.8% <sup>1</sup>	1.1% <sup>2</sup>
Retail Sales (YoY)	May '20	-6.1%	-5.6%	3.6%
ISM Manufacturing Survey (month)	Jun '20	52.6	49.1	51.6
Existing Home Sales SAAR (month)	May '20	3.91 mil.	5.27 mil.	5.32 mil.

Inflation/Prices		Latest	Mar '20	Jun '19
Personal Consumption Expenditures (YoY)	May '20	0.5%	1.3%	1.4%
Consumer Price Index (YoY)	May '20	0.1%	1.5%	1.6%
Consumer Price Index Core (YoY)	May '20	1.2%	2.1%	2.1%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$39.27	\$20.48	\$58.47
Gold Futures (oz.)	Jun 30	\$1,801	\$1,583	\$1,414



1. Data as of Fourth Quarter 2019.

2. Data as of First Quarter 2019.

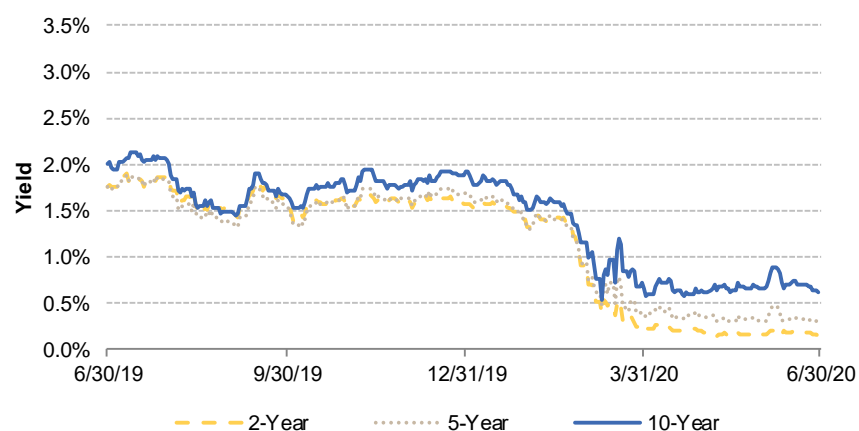
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

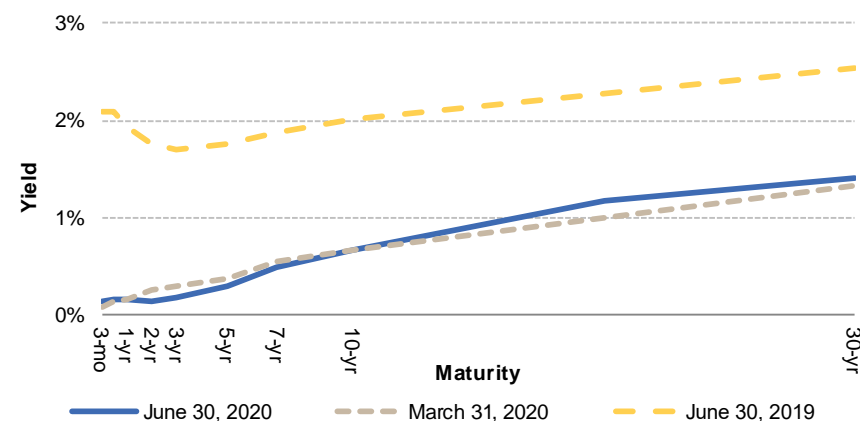
## QUARTERLY MARKET SUMMARY

## Interest Rate Overview

U.S. Treasury Note Yields



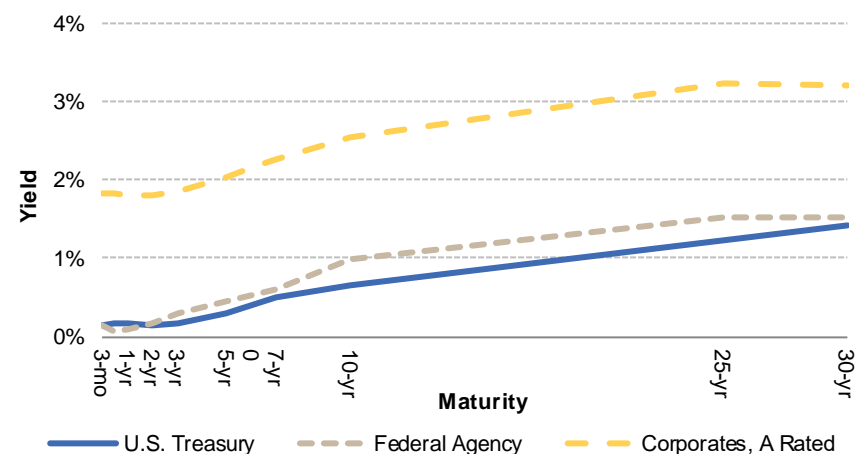
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '20	Mar '20	Change over Quarter	Jun '19	Change over Year
3-Month	0.14%	0.09%	0.05%	2.09%	(1.95%)
1-Year	0.15%	0.16%	(0.01%)	1.93%	(1.78%)
2-Year	0.15%	0.25%	(0.10%)	1.76%	(1.61%)
5-Year	0.29%	0.38%	(0.09%)	1.77%	(1.48%)
10-Year	0.66%	0.67%	(0.01%)	2.01%	(1.35%)
30-Year	1.41%	1.32%	0.09%	2.53%	(1.12%)

Yield Curves as of 06/30/2020



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

Fixed Income Management

## ICE BofAML Index Returns

As of 06/30/2020		Returns for Periods ended 06/30/2020			
June 30, 2020	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.89	0.17%	0.13%	4.07%	2.68%
Federal Agency	1.61	0.31%	0.37%	3.53%	2.55%
U.S. Corporates, A-AAA rated	1.90	0.71%	3.33%	4.80%	3.38%
Agency MBS (0 to 3 years)	2.38	1.53%	0.06%	5.73%	3.89%
Taxable Municipals	1.58	1.74%	2.03%	3.90%	3.46%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.64	0.19%	0.29%	5.25%	3.23%
Federal Agency	2.09	0.38%	0.49%	4.14%	2.82%
U.S. Corporates, A-AAA rated	2.77	0.87%	4.34%	5.98%	4.00%
Agency MBS (0 to 5 years)	1.53	1.31%	0.59%	5.11%	3.40%
Taxable Municipals	2.36	1.59%	2.36%	4.34%	3.60%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	7.44	0.52%	0.20%	10.76%	5.72%
Federal Agency	4.03	0.63%	1.01%	6.98%	4.33%
U.S. Corporates, A-AAA rated	8.52	1.77%	7.12%	10.19%	6.37%
Agency MBS (0 to 30 years)	2.19	1.45%	0.81%	5.80%	4.05%
Taxable Municipals	11.77	2.68%	7.95%	11.42%	8.45%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

## QUARTERLY MARKET SUMMARY

Fixed Income Management

**DISCLOSURES**

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## *Investment Performance Review*

## Portfolio Recap

- Following the plunge in the U.S. Treasury yield curve during the first quarter, yields were relatively stable over the second quarter, leading to muted returns for Treasury indexes.
  - Yield spreads on all other asset classes retraced significantly from March's wide levels as unprecedented fiscal and monetary stimulus helped support the economy and financial markets.
  - In stark contrast to the first quarter, allocations to corporates, asset-backed securities (ABS), and mortgage-backed securities (MBS) were all strongly additive to performance in the second quarter.
- PFM's strategy for the second quarter encompassed the following:
  - We remained proactive in response to the market effects and uncertainty created by the pandemic. We continued to apply our strong credit process, reassessing every issuer for the short- and intermediate-term impact of the disrupted economy. As financial markets began to normalize during the second quarter, investment-grade issuers on PFM's approved issuer list were carefully vetted, with many issuers gradually reapproved.
  - The portfolio duration was maintained in line with the benchmark—a strategy consistent with high levels of market uncertainty as well as expectations that rates will remain low for a prolonged period. Our neutral duration strategy over the past 18 months has been an important element in sustaining performance as yields draw close to all-time lows.
  - Prior to the pandemic, portfolios were structured with increased liquidity and higher-than-normal allocations to U.S. Treasuries. As market conditions stabilized in the second quarter, we began to cautiously reallocate this excess liquidity into sectors and issuers that offered opportunities to safely enhance earnings.
  - Throughout much of the second quarter, yield spreads on federal agencies were wide and attractive, so we took this opportunity to add allocations back to the sector. As yields began to narrow back to pre-crisis lows, especially in maturities under three years, the portfolio benefited from incremental performance.
  - Both taxable and tax-exempt municipals generated positive excess returns for the quarter as the Fed implemented the Municipal Liquidity Facility to support issuance. This improved liquidity allayed investors' fears regarding public sector finances and triggered an increase in new supply, creating select opportunities to add high-quality issues to the portfolio where permitted.

## Portfolio Recap

- Investment grade corporate bonds faced a multitude of uncertainties heading into the second quarter as economies were shut down and companies contended with growing concerns around revenue, profitability, liquidity, and sustainability. Aggressive Fed actions calmed the credit markets and restored liquidity, leading to a sharp tightening of the wide yield spreads from March. This allowed companies to bring a record amount of new issuance to market.
  - A key element to our strategy during the second quarter was to cautiously maintain overall exposure to the credit sector, emphasizing issuers with strong balance sheets and limited overseas exposure.
  - This strategy benefited the portfolio significantly as investment grade corporates significantly outperformed Treasuries during the second quarter and mostly offset the negative underperformance experienced in the first quarter.
- The ABS sector was challenged by many unknowns during the second quarter as high unemployment threatened consumers' ability to make timely payments on credit cards and car loans. The Fed revived a program from 2009 to provide financing to eligible ABS investors, boosting confidence in the sector. In addition, new deals were structured with increased credit enhancements.
  - PFM generally avoided new exposure to ABS during the quarter as risks and uncertainties appeared to outweigh the benefits. The outperformance of existing holdings boosted portfolio performance relative to benchmarks in the second half of the quarter.
- Short-term credit (negotiable CDs and commercial paper) spreads completely reversed the brief, crisis-induced sell-off in March which suppressed the value of most money market instruments.



## Investment Strategy Outlook

- ◆ A cloud of uncertainty hangs over the U.S. and global economies entering the second half of 2020. Economic data has rebounded significantly from April lows but remains well below pre-pandemic levels.
  - To recapture previous economic highs, it will be important that COVID-19 hotspots are contained so that public confidence can be restored. Considering these uncertainties, we plan on structuring portfolios to have neutral durations to their respective benchmarks.
- ◆ Our outlook for major investment grade sectors includes the following:
  - We plan to focus the majority of new federal agency purchases in maturities beyond three years as yield spreads on shorter maturities are now back near pre-pandemic levels. Some callable agencies also appear to have value given low yields and narrowing yield spreads.
  - Supranationals look expensive along most of the curve, although some shorter maturity issues offer decent yield pick-ups relative to agencies. New issues remain the preferred outlet for new allocations.
  - The investment grade corporate market should continue to benefit from Fed support moving into the third quarter. Yield spreads for shorter corporates are back to near pre-crisis levels, but the credit curve is relatively steep. As a result, longer maturity corporates appear attractive, as the “roll down” effect in the credit curve is back in play. We will continue our enhanced due diligence to track the progress of individual issuers as they navigate the recovery phase of the coronavirus pandemic.
  - ABS allocations are expected to remain stable. Liquidity has improved and spreads have narrowed due to Fed support. However, we continue to carefully follow consumer trends for signs of material deterioration in collateral performance.
  - The agency MBS sector continues to benefit from the Fed’s large-scale purchase program, which the central bank has signaled will continue in the coming months. However, near-term prepayment risk remains elevated in the low rate environment as refinancings remain robust. Allocations to the sector will likely be maintained, with additions focused on structures that mitigate prepayment risk.
  - While tax-exempt municipal spreads have narrowed to historical levels and are no longer attractive, taxable municipals appear to be one of the more attractive investment-grade sectors available for purchase. Value remains, and supply is expected to pick up over the coming months. As a result, we expect to add to the sector through participation in new issues.

## Fixed Income Sector Outlook – July 2020

Sector	Our Investment Preferences	Comments
<b>COMMERCIAL PAPER / CD</b>		<ul style="list-style-type: none"> <li>Short-term credit spreads widened slightly in recent days as T-Bills rallied and more issuers re-entered the market after quarter-end.</li> </ul>
<b>TREASURIES</b>		
<b>T-Bill</b>		<ul style="list-style-type: none"> <li>T-Bill yields remain a very attractive investment option, although yields have fallen several basis points across the curve.</li> </ul>
<b>T-Note</b>		<ul style="list-style-type: none"> <li>Treasury yields remain in a defined range. Short to intermediate maturities are anchored by the Fed Funds Rate near 0%. Longer maturities may see upward pressure from increased issuance, although Fed purchases provide support.</li> </ul>
<b>FEDERAL AGENCIES</b>		
<b>Bullets</b>		<ul style="list-style-type: none"> <li>Bullet agency spreads continue to narrow but remain wider than pre-pandemic levels. While the spread curve has flattened as spreads have tightened, the 3s/5s spread curve still appears steep, making longer-maturity bullets attractive. New issue securities at concessions to the curve also represent good value.</li> </ul>
<b>Callables</b>		<ul style="list-style-type: none"> <li>Callable spreads continue to march tighter vs like-maturity Treasuries but remain near the middle of the range YTD. Value remains on a structure-by-structure basis.</li> </ul>
<b>SUPRANATIONALS</b>		<ul style="list-style-type: none"> <li>Supranational spreads tightened across the curve. Most secondary offerings are trading at lower spreads than GSEs, erasing much of the sector's relative value. Seasonality suggests light issuance during the summer that will pick up in the fall.</li> </ul>
<b>CORPORATES</b>		
<b>Financials</b>		<ul style="list-style-type: none"> <li>Corporates recovered most of their first quarter underperformance during the second quarter, helped by the Fed's unprecedented support and signs of recovery in economic activity.</li> </ul>
<b>Industrials</b>		<ul style="list-style-type: none"> <li>We remain cautious regarding the sector, however, due to concerns around consumer finances and weak corporate balance sheets. The recent trend of rising coronavirus infections in parts of the country is worrying, and the presidential election and geopolitical tensions could be another source of market volatility.</li> </ul>
<b>SECURITIZED</b>		
<b>Asset-Backed</b>		<ul style="list-style-type: none"> <li>ABS yield spreads tightened but still offer some relative value to industrial corporate securities. Credit enhancements have increased in new ABS deals to offset increased concerns regarding consumer stress.</li> </ul>
<b>Agency Mortgage-Backed</b>		<ul style="list-style-type: none"> <li>The Fed reaffirmed its commitment "to support the smooth functioning" of the MBS market through its ongoing purchase program. However, prepayments may stay elevated over the near term as refinancings remain robust.</li> </ul>
<b>Agency CMBS</b>		<ul style="list-style-type: none"> <li>Agency CMBS spreads continue to move lower as fear regarding renters' ability to pay has decreased to some degree. Spreads are still above historical averages.</li> </ul>
<b>MUNICIPALS</b>		<ul style="list-style-type: none"> <li>Taxable supply continues to come to market at attractive spreads. We remain focused on the largest issuers and cautious on many sub-sectors given the fiscal impact from COVID-19.</li> </ul>

● Current outlook

○ Outlook one month ago

Negative

Slightly Negative

Neutral

Slightly Positive

Positive

## 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. 3/31/20	Permitted by Policy	In Compliance
U.S. Treasury	\$12,090,538	45.1%	-	100%	✓
Federal Agency	\$1,384,422	5.2%	+3%	100%	✓
Federal Agency CMOs	\$560,167	2.1%	-	20%	✓
Municipal Obligations	\$188,295	0.7%	+1%	100%	✓
Supranationals	\$1,921,274	7.2%	+1%	30%	✓
Negotiable CDs	\$3,105,465	11.6%	-1%	30%	✓
Corporate Notes	\$5,056,268	18.8%	+1%	30%	✓
Commercial Paper	\$249,809	0.9%	-	25%	✓
Asset-Backed Securities	\$1,182,168	4.4%	-1%	20%	✓
<b>Securities Sub-Total</b>	<b>\$25,738,406</b>	<b>95.9%</b>			
Accrued Interest	\$107,618				
<b>Securities Total</b>	<b>\$25,846,024</b>				
CAMP Pool - Portfolio	\$377,801	1.4%	-	100%	✓
CAMP Pool - Liquidity	\$709,611	2.6%	-3%		
<b>Total Investments</b>	<b>\$26,933,436</b>	<b>100.0%</b>			

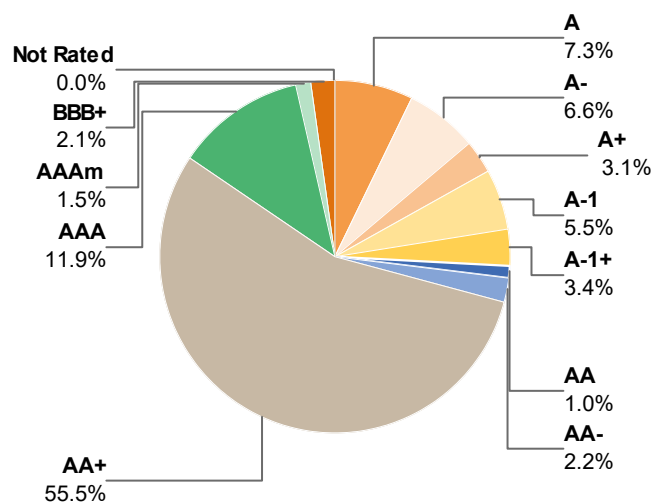
Detail may not add to total due to rounding. Current investment policy as of February 2020.

## Portfolio Statistics

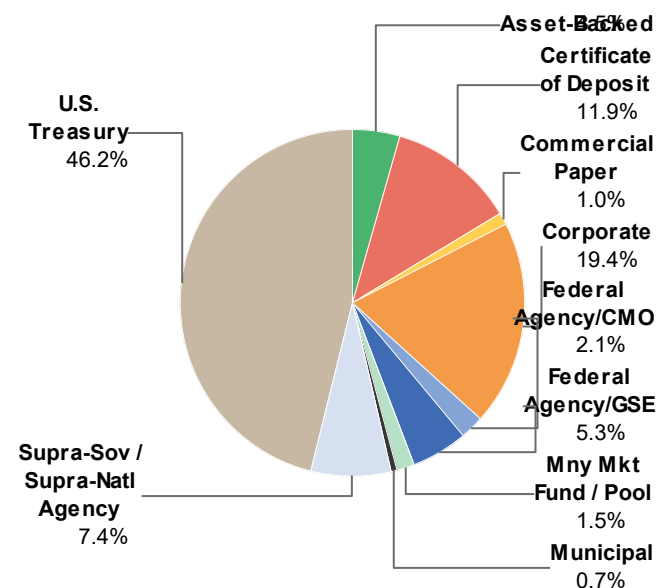
As of June 30, 2020

Par Value:	\$25,294,898
Total Market Value:	\$26,223,824
Security Market Value:	\$25,738,406
Accrued Interest:	\$107,618
Cash:	-
CAMP	\$377,801
Amortized Cost:	\$25,343,102
Yield at Market:	0.48%
Yield at Cost:	2.05%
Effective Duration:	2.12 Years
Average Maturity:	2.30 Years
Average Credit: *	AA

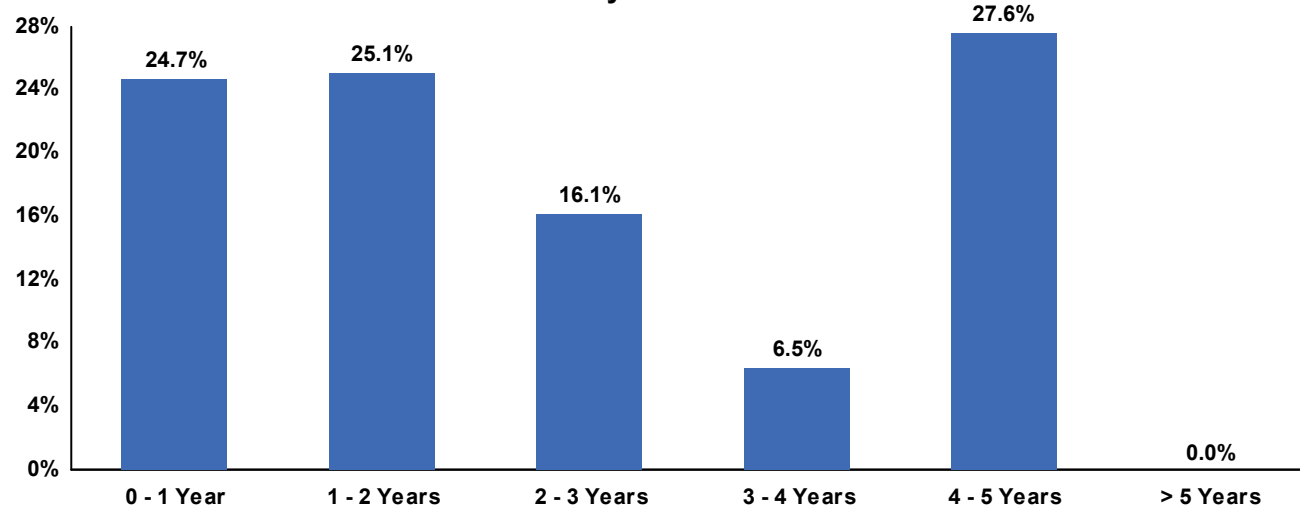
## Credit Quality (S&amp;P Ratings)\*\*



## Sector Allocation



## Maturity Distribution

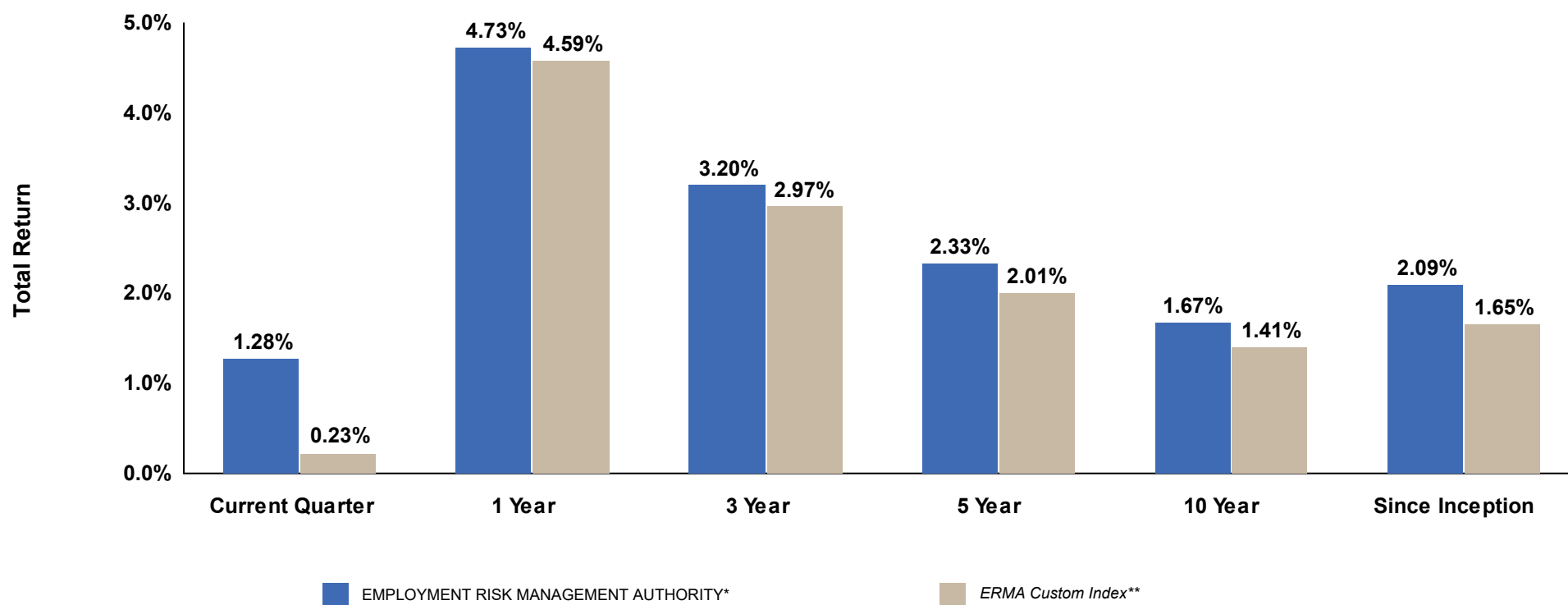


\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated February 2020.

## 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*	2.12	1.28%	4.73%	3.20%	2.33%	1.67%	2.09%
ERMA Custom Index**	2.12	0.23%	4.59%	2.97%	2.01%	1.41%	1.65%
Difference		1.05%	0.14%	0.23%	0.32%	0.26%	0.44%



\*Portfolio performance is gross of fees unless otherwise indicated.

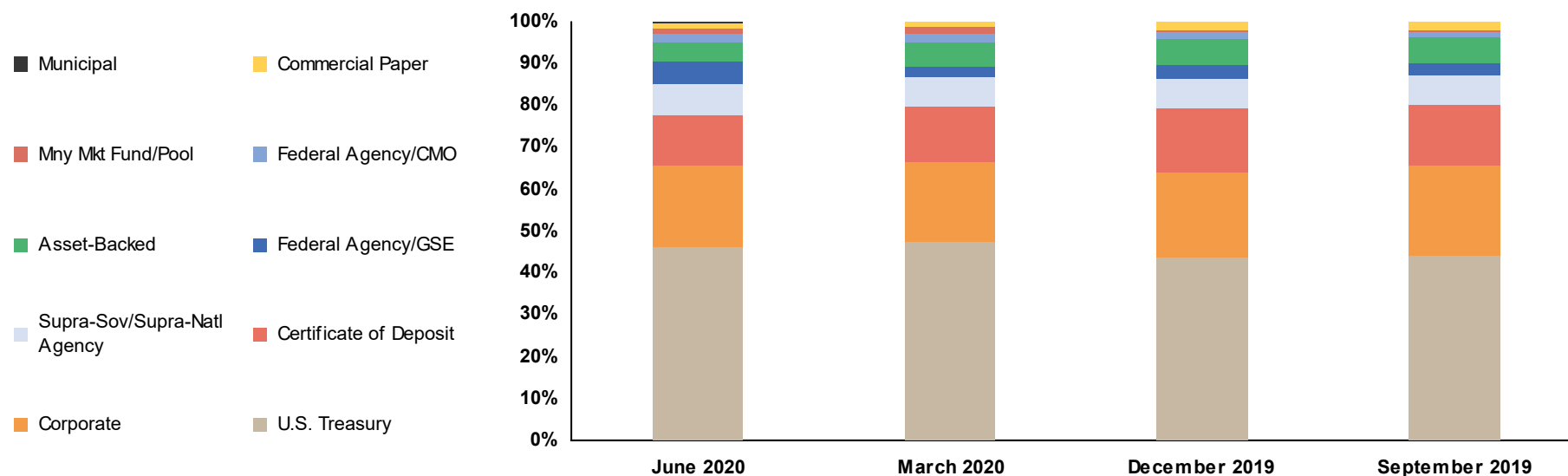
\*\*ERMA's Custom Index is the ICE Bank of America Merrill Lynch (BofAML) 1-3 Year Treasury Index from inception through March 31, 2016 and the ICE BofAML 0-5 Year U.S. Treasury Index thereafter.

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$25,764,390.31	\$25,191,348.62
<b>Net Purchases/Sales</b>	\$150,355.70	\$150,355.70
<b>Change in Value</b>	\$201,460.68	\$1,397.19
<b>Ending Value (06/30/2020)</b>	\$26,116,206.69	\$25,343,101.51
<b>Interest Earned</b>	\$129,070.17	\$129,070.17
<b>Portfolio Earnings</b>	\$330,530.85	\$130,467.36

## Sector Allocation

Sector	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	12.1	46.2%	12.2	47.3%	11.0	43.6%	11.1	44.1%
Corporate	5.1	19.4%	4.9	19.1%	5.2	20.3%	5.4	21.5%
Certificate of Deposit	3.1	11.9%	3.3	13.0%	3.8	15.2%	3.6	14.3%
Supra-Sov/Supra-Natl Agency	1.9	7.4%	1.8	7.0%	1.8	7.1%	1.8	7.1%
Federal Agency/GSE	1.4	5.3%	0.6	2.5%	0.8	3.1%	0.8	3.1%
Asset-Backed	1.2	4.5%	1.5	5.8%	1.6	6.2%	1.5	6.0%
Federal Agency/CMO	0.6	2.1%	0.6	2.3%	0.4	1.7%	0.4	1.4%
Mny Mkt Fund/Pool	0.4	1.5%	0.5	1.8%	0.1	0.6%	0.1	0.5%
Commercial Paper	0.2	1.0%	0.2	1.0%	0.5	2.0%	0.5	2.0%
Municipal	0.2	0.7%	0.1	0.2%	0.1	0.2%	0.0	0.0%
<b>Total</b>	<b>\$26.1</b>	<b>100.0%</b>	<b>\$25.8</b>	<b>100.0%</b>	<b>\$25.3</b>	<b>100.0%</b>	<b>\$25.1</b>	<b>100.0%</b>

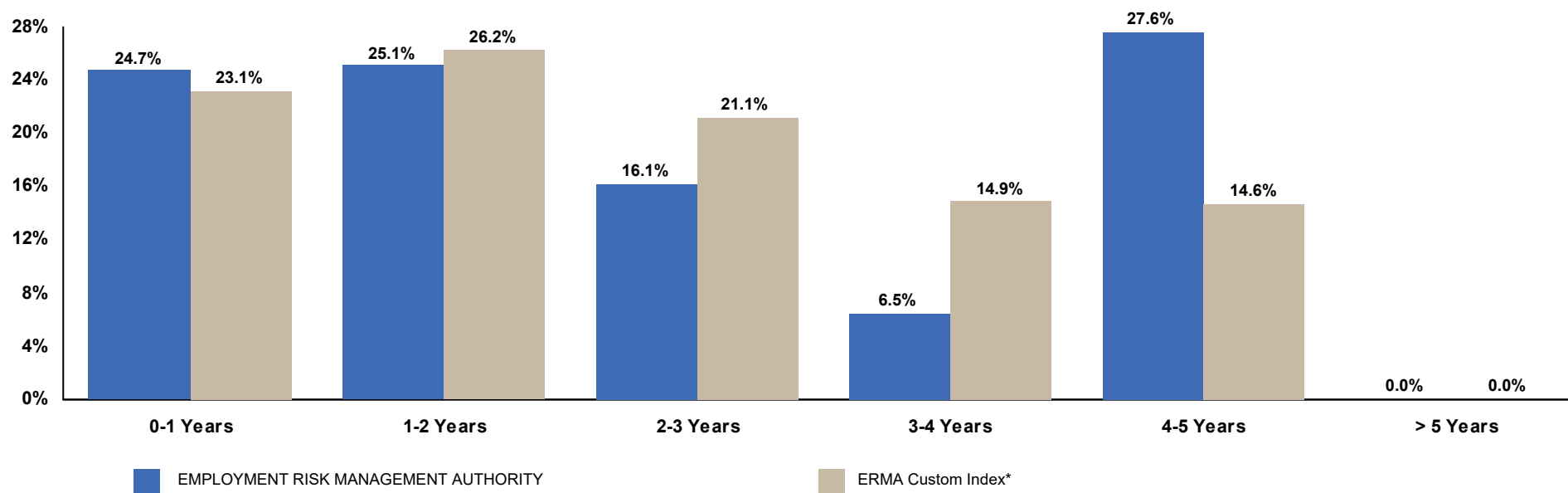


Detail may not add to total due to rounding.

## Maturity Distribution

As of June 30, 2020

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	0.48%	2.30 yrs	24.7%	25.1%	16.1%	6.5%	27.6%	0.0%
ERMA Custom Index*	0.19%	2.25 yrs	23.1%	26.2%	21.1%	14.9%	14.6%	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, 2020

Issuer	Market Value (\$)	% of Portfolio	Top 5 = 59.8%	Top 10 = 69.1%
UNITED STATES TREASURY	12,090,538	46.3%		
INTL BANK OF RECONSTRUCTION AND DEV	1,139,532	4.4%		
FEDERAL HOME LOAN BANKS	881,686	3.4%		
INTER-AMERICAN DEVELOPMENT BANK	781,742	3.0%		
FREDDIE MAC	719,363	2.8%		
CAPITAL ONE FINANCIAL CORP	513,575	2.0%		
MITSUBISHI UFJ FINANCIAL GROUP INC	510,665	2.0%		
SWEDBANK AB	503,496	1.9%		
APPLE INC	458,786	1.8%		
WESTPAC BANKING CORP	450,815	1.7%		
ROYAL BANK OF CANADA	436,866	1.7%		
BANK OF MONTREAL	426,274	1.6%		
CAMP POOL	377,801	1.5%		
FANNIE MAE	343,540	1.3%		
MORGAN STANLEY	276,176	1.1%		
GOLDMAN SACHS GROUP INC	275,655	1.1%		
PNC FINANCIAL SERVICES GROUP	272,447	1.0%		
TRUIST FIN CORP	265,705	1.0%		

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
TOYOTA MOTOR CORP	264,112	1.0%
AMERICAN HONDA FINANCE	262,278	1.0%
JP MORGAN CHASE & CO	259,699	1.0%
DNB ASA	259,555	1.0%
THE WALT DISNEY CORPORATION	258,864	1.0%
SKANDINAVISKA ENSKILDA BANKEN AB	257,646	1.0%
NORDEA BANK AB	257,592	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	256,979	1.0%
NATIONAL RURAL UTILITIES CO FINANCE CORP	254,055	1.0%
IBM CORP	253,443	1.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	252,365	1.0%
BANK OF AMERICA CO	252,330	1.0%
WAL-MART STORES INC	251,900	1.0%
HONDA AUTO RECEIVABLES	245,616	0.9%
DEERE & COMPANY	232,319	0.9%
NISSAN AUTO RECEIVABLES	231,982	0.9%
CATERPILLAR INC	185,476	0.7%
PACCAR FINANCIAL CORP	177,503	0.7%
PEPSICO INC	167,095	0.6%
CHARLES SCHWAB	163,584	0.6%
AMERICAN EXPRESS CO	151,995	0.6%

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
VERIZON OWNER TRUST	128,082	0.5%
STATE OF CONNECTICUT	124,979	0.5%
HERSHEY COMPANY	102,438	0.4%
STATE STREET CORPORATION	70,959	0.3%
CHAFFEY CA JT UNION HS DIST	63,316	0.2%
ALLY AUTO RECEIVABLES TRUST	5,386	0.0%
<b>Grand Total:</b>	<b>26,116,207</b>	<b>100.0%</b>

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## *Portfolio Transactions and Holdings*

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/15/20	4/16/20	250,000	3130AJHU6	FEDERAL HOME LOAN BANK NOTES	0.50%	4/14/25	248,760.00	0.60%	
4/17/20	4/24/20	125,000	4581X0DM7	INTER-AMERICAN DEVEL BK CORPORATE NOTES	0.50%	5/24/23	124,957.50	0.51%	
4/22/20	4/24/20	250,000	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/25	249,485.00	0.67%	
5/5/20	5/7/20	250,000	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/23	249,895.00	0.39%	
5/11/20	5/13/20	450,000	037833DT4	APPLE INC (CALLABLE) CORP NOTES	1.12%	5/11/25	450,932.63	1.08%	
5/20/20	5/26/20	125,000	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	126,865.00	1.58%	
5/20/20	5/26/20	50,000	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	50,746.00	1.58%	
5/21/20	5/26/20	25,000	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	25,476.75	1.49%	
5/29/20	6/11/20	50,000	20772KJW0	CT ST TXBL GO BONDS	1.99%	7/1/24	50,000.00	2.00%	
6/12/20	6/25/20	70,000	20772KKK4	CT ST T/E GO BONDS	2.00%	6/1/25	73,567.90	0.94%	
<b>Total BUY</b>		<b>1,645,000</b>					<b>1,650,685.78</b>		
<b>INTEREST</b>									
4/1/20	4/1/20	175,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	2,037.00		
4/1/20	4/1/20	250,000	46647PBB1	JPMORGAN CHASE & CO BONDS	3.20%	4/1/23	4,008.75		
4/1/20	4/25/20	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/22	334.75		
4/1/20	4/25/20	78,614	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	137.05		
4/1/20	4/25/20	102,166	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	305.17		
4/1/20	4/25/20	175,000	3137BGK24	FHMS K043 A2	3.06%	12/25/24	446.54		
4/1/20	4/25/20	75,312	3137FKK39	FHMS KP05 A	3.20%	7/1/23	201.02		
4/15/20	4/15/20	165,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	1,650.00		
4/15/20	4/15/20	28,920	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	40.25		
4/15/20	4/15/20	40,754	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	60.45		
4/15/20	4/15/20	74,590	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	146.07		

## 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)
4/15/20	4/15/20	5,349	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	7.58		
4/15/20	4/15/20	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
4/15/20	4/15/20	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
4/15/20	4/15/20	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	716.67		
4/15/20	4/15/20	4,557	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	6.57		
4/16/20	4/16/20	250,000	86565BPC9	SUMITOMO MITSUI BANK NY CERT DEPOS	3.39%	10/16/20	4,308.13		
4/18/20	4/18/20	23,862	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	35.59		
4/19/20	4/19/20	150,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	1,968.75		
4/19/20	4/19/20	25,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	328.13		
4/20/20	4/20/20	125,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	192.71		
4/20/20	4/20/20	250,000	92867XAE6	VWALT 2019-A A4	2.02%	8/20/24	420.83		
4/24/20	4/24/20	100,000	06406RAL1	BANK OF NY MELLON CORP	2.10%	10/24/24	1,050.00		
4/29/20	4/29/20	250,000	61746BDQ6	MORGAN STANLEY CORP NOTES	3.87%	4/29/24	4,843.75		
4/30/20	4/30/20	775,000	912828T91	US TREASURY NOTES	1.62%	10/31/23	6,296.88		
4/30/20	4/30/20	550,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	3,437.50		
4/30/20	4/30/20	1,400,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	13,125.00		
5/1/20	5/25/20	100,553	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	318.16		
5/1/20	5/25/20	78,488	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	179.13		
5/1/20	5/25/20	175,000	3137BGK24	FHMS K043 A2	3.06%	12/25/24	446.54		
5/1/20	5/25/20	70,841	3137FKK39	FHMS KP05 A	3.20%	7/1/23	189.09		
5/1/20	5/25/20	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/22	334.75		
5/3/20	5/3/20	150,000	06406FAB9	BANK OF NEW YORK MELLON (CALLABLE) NOTES	2.05%	5/3/21	1,537.50		
5/5/20	5/5/20	150,000	0258M0EB1	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.25%	5/5/21	1,687.50		
5/9/20	5/9/20	500,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	5,312.50		
5/13/20	5/13/20	125,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,281.25		
5/15/20	5/15/20	1,910	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	2.71		
5/15/20	5/15/20	27,603	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	40.94		
5/15/20	5/15/20	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
5/15/20	5/15/20	35,000	912828PC8	US TREASURY NOTES	2.62%	11/15/20	459.38		
5/15/20	5/15/20	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)
5/15/20	5/15/20	68,224	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	133.60		
5/15/20	5/15/20	14,909	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	20.75		
5/15/20	5/15/20	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
5/15/20	5/15/20	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	716.67		
5/17/20	5/17/20	50,000	06051GHH5	BANK OF AMERICA CORP NOTES	3.49%	5/17/22	874.75		
5/18/20	5/18/20	500,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	5,738.06		
5/18/20	5/18/20	20,795	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	31.02		
5/19/20	5/19/20	70,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	682.50		
5/20/20	5/20/20	125,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	192.71		
5/21/20	5/21/20	160,000	808513AW5	CHARLES SCHWAB CORP NOTES	3.25%	5/21/21	2,600.00		
5/24/20	5/24/20	125,000	4581X0DM7	INTER-AMERICAN DEVEL BK CORPORATE NOTES	0.50%	5/24/23	52.08		
5/31/20	5/31/20	1,675,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	13,609.38		
5/31/20	5/31/20	525,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	3,609.38		
6/1/20	6/25/20	76,676	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	133.67		
6/1/20	6/25/20	175,000	3137BGK24	FHMS K043 A2	3.06%	12/25/24	446.54		
6/1/20	6/25/20	92,404	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	277.10		
6/1/20	6/25/20	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/1/22	334.75		
6/1/20	6/25/20	70,709	3137FKK39	FHMS KP05 A	3.20%	7/1/23	188.73		
6/2/20	6/2/20	250,000	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/22	2,535.83		
6/7/20	6/7/20	425,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	6,885.00		
6/15/20	6/15/20	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	716.67		
6/15/20	6/15/20	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
6/15/20	6/15/20	62,723	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	122.83		
6/15/20	6/15/20	250,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	2,375.00		
6/15/20	6/15/20	16,360	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	24.27		
6/15/20	6/15/20	2,751	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	3.83		
6/15/20	6/15/20	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
6/18/20	6/18/20	18,082	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	26.97		
6/20/20	6/20/20	125,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	192.71		
6/27/20	6/27/20	250,000	02665WCZ2	AMERICAN HONDA FINANCE CORP NOTE	2.40%	6/27/24	3,000.00		

## 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)
6/30/20	6/30/20	3,775,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	37,750.00		
<b>Total INTEREST</b>		<b>18,752,152</b>					<b>146,308.14</b>		

## MATURITY

4/17/20	4/17/20	350,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	353,412.50		0.00
5/11/20	5/11/20	200,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	201,800.00		0.00
6/5/20	6/5/20	250,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	253,850.00		0.00
6/5/20	6/5/20	125,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	126,125.00		0.00
<b>Total MATURITY</b>		<b>925,000</b>					<b>935,187.50</b>		<b>0.00</b>

## PAYDOWNS

4/1/20	4/25/20	4,471	3137FKK39	FHMS KP05 A	3.20%	7/1/23	4,471.15		0.00
4/1/20	4/25/20	1,613	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	1,612.88		0.00
4/1/20	4/25/20	126	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	125.78		0.00
4/15/20	4/15/20	13,152	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	13,151.57		0.00
4/15/20	4/15/20	4,557	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	4,556.71		0.00
4/15/20	4/15/20	14,011	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	14,010.87		0.00
4/15/20	4/15/20	6,367	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	6,366.60		0.00
4/15/20	4/15/20	3,439	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	3,439.07		0.00
4/18/20	4/18/20	3,067	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	3,067.24		0.00
5/1/20	5/25/20	8,149	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	8,148.79		0.00
5/1/20	5/25/20	132	3137FKK39	FHMS KP05 A	3.20%	7/1/23	131.86		0.00
5/1/20	5/25/20	1,812	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	1,811.83		0.00
5/15/20	5/15/20	12,158	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	12,157.74		0.00
5/15/20	5/15/20	1,910	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	1,910.14		0.00
5/15/20	5/15/20	11,243	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	11,242.53		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)
5/15/20	5/15/20	5,501	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	5,501.23		0.00
5/18/20	5/18/20	2,713	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	2,712.67		0.00
6/1/20	6/25/20	2,074	3136B1XP4	FNA 2018-M5 A2	3.56%	9/1/21	2,073.79		0.00
6/1/20	6/25/20	126	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	125.54		0.00
6/1/20	6/25/20	8,198	3137FKK39	FHMS KP05 A	3.20%	7/1/23	8,198.04		0.00
6/15/20	6/15/20	5,637	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	5,636.74		0.00
6/15/20	6/15/20	10,976	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	10,976.48		0.00
6/15/20	6/15/20	2,751	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	2,751.30		0.00
6/18/20	6/18/20	2,847	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	2,846.92		0.00
<b>Total PAYDOWNS</b>		<b>127,027</b>					<b>127,027.47</b>		<b>0.00</b>
<b>SELL</b>									
4/28/20	4/30/20	250,000	92867XAE6	VWALT 2019-A A4	2.02%	8/20/24	247,308.25		(2,823.73)
5/20/20	5/26/20	50,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	50,951.55		930.06
5/21/20	5/26/20	75,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	76,427.32		1,395.08
<b>Total SELL</b>		<b>375,000</b>					<b>374,687.12</b>		<b>-498.59</b>

## 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
<b>U.S. Treasury Bond / Note</b>											
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	35,179.83	35,317.19
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	525,000.00	AA+	Aaa	3/15/2017	3/17/2017	511,362.31	2.02	611.42	522,034.51	530,742.19
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	1,103,351.05	1,123,375.00
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	6,016.31	901,535.30	919,125.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	410,000.00	AA+	Aaa	12/1/2016	12/5/2016	411,217.19	1.93	2,740.76	410,299.72	418,712.50
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	547,222.73	557,906.25
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	591,192.02	618,656.28
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	AA+	Aaa	1/3/2018	1/4/2018	271,508.79	2.18	868.72	273,521.16	283,550.80
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	517,570.58	541,324.24
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	450,000.00	AA+	Aaa	9/5/2018	9/7/2018	431,121.09	2.76	2,752.23	439,825.34	463,921.88
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	318,793.71	338,710.94
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	571,696.29	599,257.81
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	393,122.23	416,875.00
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	AA+	Aaa	3/4/2019	3/6/2019	361,391.60	2.53	516.14	365,640.38	390,820.31
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	AA+	Aaa	10/2/2019	10/4/2019	452,583.98	1.48	1,232.00	452,113.38	471,375.00

## 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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	AA+	Aaa	7/1/2019	7/3/2019	322,854.49	1.78	889.77	323,348.46	340,437.50
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	350,000.00	AA+	Aaa	3/2/2020	3/6/2020	367,048.83	0.85	19.02	365,783.95	374,609.37
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	650,000.00	AA+	Aaa	1/2/2020	1/7/2020	659,572.27	1.66	35.33	658,542.49	695,703.13
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	AA+	Aaa	11/1/2019	11/6/2019	1,300,798.83	1.55	69.29	1,297,182.74	1,364,648.44
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	300,000.00	AA+	Aaa	2/3/2020	2/7/2020	308,144.53	1.36	16.30	307,408.73	321,093.75
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	AA+	Aaa	12/2/2019	12/5/2019	1,218,000.00	1.66	65.22	1,215,745.96	1,284,375.00
<b>Security Type Sub-Total</b>		<b>11,595,000.00</b>					<b>11,578,868.75</b>	<b>1.88</b>	<b>29,804.52</b>	<b>11,611,110.56</b>	<b>12,090,537.58</b>
<b>Supra-National Agency Bond / Note</b>											
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	624,899.45	626,368.75
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	500,539.19	503,204.50
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	149,912.08	152,802.00
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	499,586.12	513,163.50
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	125,000.00	AAA	Aaa	4/17/2020	4/24/2020	124,957.50	0.51	64.24	124,960.07	125,735.13

## 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
<b>Security Type Sub-Total</b>		<b>1,900,000.00</b>					<b>1,901,592.05</b>	<b>2.02</b>	<b>11,375.16</b>	<b>1,899,896.91</b>	<b>1,921,273.88</b>
<b>Municipal Bond / Note</b>											
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	50,000.00	A	A1	5/29/2020	6/11/2020	50,000.00	2.00	55.50	50,000.00	51,620.00
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	AA-	Aa1	11/6/2019	12/5/2019	60,000.00	2.10	525.25	60,000.00	63,316.20
CT ST T/E GO BONDS DTD 06/25/2020 2.000% 06/01/2025	20772KKK4	70,000.00	A	A1	6/12/2020	6/25/2020	73,567.90	0.94	23.33	73,556.02	73,358.60
<b>Security Type Sub-Total</b>		<b>180,000.00</b>					<b>183,567.90</b>	<b>1.62</b>	<b>604.08</b>	<b>183,556.02</b>	<b>188,294.80</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	90,330.16	AA+	Aaa	4/11/2018	4/30/2018	92,126.92	2.93	267.98	90,959.03	91,435.45
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	130,000.00	AA+	Aaa	4/4/2018	4/9/2018	131,107.03	2.88	334.75	130,534.89	133,651.29
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	62,510.90	AA+	Aaa	12/7/2018	12/17/2018	62,510.71	3.20	166.85	62,510.77	64,508.12
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	76,550.68	AA+	Aaa	11/20/2019	11/26/2019	76,548.83	2.09	133.45	76,549.07	78,404.04
FHMS K043 A2 DTD 03/01/2015 3.062% 12/25/2024	3137BGK24	175,000.00	AA+	Aaa	3/19/2020	3/25/2020	183,667.97	1.97	446.54	183,178.65	192,168.17
<b>Security Type Sub-Total</b>		<b>534,391.74</b>					<b>545,961.46</b>	<b>2.50</b>	<b>1,349.57</b>	<b>543,732.41</b>	<b>560,167.07</b>
<b>Federal Agency Bond / Note</b>											
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	624,212.80	631,069.38
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	250,000.00	AA+	Aaa	5/5/2020	5/7/2020	249,895.00	0.39	140.63	249,900.28	250,631.25

## 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
<b>Federal Agency Bond / Note</b>											
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	250,000.00	AA+	Aaa	4/15/2020	4/16/2020	248,760.00	0.60	260.42	248,811.67	250,617.00
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	250,000.00	AA+	Aaa	4/22/2020	4/24/2020	249,485.00	0.67	290.80	249,504.20	252,104.50
<b>Security Type Sub-Total</b>		<b>1,375,000.00</b>					<b>1,369,339.38</b>	<b>0.87</b>	<b>3,953.57</b>	<b>1,372,428.95</b>	<b>1,384,422.13</b>
<b>Corporate Note</b>											
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	184,990.76	185,476.01
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	124,998.61	125,758.88
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	249,947.45	251,899.75
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A2	2/1/2018	2/6/2018	249,877.50	2.67	2,686.81	249,975.50	253,443.25
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	149,846.31	152,432.85
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	99,974.37	101,621.90
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	164,992.59	167,095.34
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	25,044.85	25,437.98
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	150,000.00	A	A1	5/17/2016	5/20/2016	150,319.50	2.00	495.42	150,049.57	151,873.65
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	149,952.26	151,995.30

## 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
<b>Corporate Note</b>											
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	99,980.07	102,437.80
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	69,953.21	70,959.35
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	159,998.58	163,584.00
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	175,705.08
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	224,687.31	232,318.80
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	49,975.59	51,743.95
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	51,186.45
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	2,004.38	250,000.00	259,698.75
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	251,284.40	272,446.50
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	250,000.00	BBB+	A3	7/19/2019	7/23/2019	264,322.50	2.59	1,668.40	261,494.18	276,175.50
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	A-	A3	7/11/2019	7/15/2019	248,760.00	2.51	66.67	249,001.28	262,277.75
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	BBB+	A3	7/8/2019	7/11/2019	261,645.00	2.84	4,625.35	259,372.18	275,654.75
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	A-	A3	8/1/2019	8/5/2019	250,415.00	2.46	2,604.17	250,339.65	265,705.25
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	250,000.00	A-	A2	9/3/2019	9/6/2019	248,980.00	1.83	1,494.79	249,147.57	258,864.00

## 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
<b>Corporate Note</b>											
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	100,000.00	A	A1	1/21/2020	1/28/2020	100,440.00	2.00	390.83	100,400.60	105,105.30
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	5/20/2020	5/26/2020	50,488.50	1.58	345.00	50,478.30	51,646.05
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	25,000.00	A+	A1	5/21/2020	5/26/2020	25,348.00	1.49	172.50	25,340.73	25,823.02
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	125,000.00	A+	A1	5/20/2020	5/26/2020	126,221.25	1.58	862.50	126,195.75	129,115.13
APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	450,000.00	AA+	Aa1	5/11/2020	5/13/2020	450,904.50	1.08	703.13	450,879.80	458,785.80
<b>Security Type Sub-Total</b>		<b>4,880,000.00</b>					<b>4,906,734.45</b>	<b>2.38</b>	<b>32,851.87</b>	<b>4,903,301.47</b>	<b>5,056,268.14</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 01/13/2020 0.000% 10/06/2020	62479LK61	250,000.00	A-1	P-1	1/10/2020	1/13/2020	246,662.50	1.82	0.00	248,787.50	249,809.25
<b>Security Type Sub-Total</b>		<b>250,000.00</b>					<b>246,662.50</b>	<b>1.82</b>	<b>0.00</b>	<b>248,787.50</b>	<b>249,809.25</b>
<b>Certificate of Deposit</b>											
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A-1	P-1	8/1/2018	8/3/2018	425,000.00	3.19	12,465.37	425,000.00	426,273.73
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	A-1+	P-1	8/3/2017	8/7/2017	450,000.00	2.05	3,690.00	450,000.00	450,815.40
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A-1	P-1	10/16/2018	10/18/2018	249,660.00	3.45	1,789.17	249,950.10	252,365.25

## 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
<b>Certificate of Deposit</b>											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	A-1	P-1	11/16/2017	11/17/2017	500,000.00	2.27	1,387.22	500,000.00	503,496.00
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	A-1+	P-1	6/7/2018	6/8/2018	425,000.00	3.24	918.00	425,000.00	436,865.58
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	2.96	2,607.50	250,000.00	260,855.75
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	A+	Aa2	8/29/2019	9/3/2019	250,000.00	1.85	1,627.50	250,000.00	257,645.75
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	AA-	Aa3	8/27/2019	8/29/2019	250,000.00	1.84	1,618.75	250,000.00	257,592.25
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	250,000.00	AA-	Aa2	12/4/2019	12/6/2019	250,000.00	2.03	410.83	250,000.00	259,555.25
<b>Security Type Sub-Total</b>		<b>3,050,000.00</b>					<b>3,049,660.00</b>	<b>2.57</b>	<b>26,514.34</b>	<b>3,049,950.10</b>	<b>3,105,464.96</b>
<b>Asset-Backed Security</b>											
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	5,383.80	NR	Aaa	3/21/2017	3/29/2017	5,383.16	1.78	4.26	5,383.63	5,386.45
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	15,235.28	AAA	NR	9/25/2017	9/29/2017	15,233.62	1.79	9.85	15,234.77	15,280.34
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	57,085.81	AAA	Aaa	1/23/2018	1/31/2018	57,085.15	2.35	59.62	57,085.52	57,527.33
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	3.16	316.00	224,979.31	230,335.70
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	3.22	322.00	224,971.74	231,981.50
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	125,000.00	AAA	Aaa	1/21/2020	1/29/2020	124,985.36	1.85	70.66	124,986.74	128,081.69



## 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
<b>Asset-Backed Security</b>											
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	AAA	NR	8/28/2019	9/5/2019	499,874.10	1.73	382.22	499,895.01	513,575.00
<b>Security Type Sub-Total</b>		<b>1,152,704.89</b>					<b>1,152,484.64</b>	<b>2.35</b>	<b>1,164.61</b>	<b>1,152,536.72</b>	<b>1,182,168.01</b>
<b>Managed Account Sub Total</b>		<b>24,917,096.63</b>					<b>24,934,871.13</b>	<b>2.05</b>	<b>107,617.72</b>	<b>24,965,300.64</b>	<b>25,738,405.82</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		377,800.87	AAAm	NR			377,800.87		0.00	377,800.87	377,800.87
<b>Money Market Sub Total</b>		<b>377,800.87</b>					<b>377,800.87</b>		<b>0.00</b>	<b>377,800.87</b>	<b>377,800.87</b>
<b>Securities Sub-Total</b>		<b>\$25,294,897.50</b>					<b>\$25,312,672.00</b>	<b>2.05%</b>	<b>\$107,617.72</b>	<b>\$25,343,101.51</b>	<b>\$26,116,206.69</b>
<b>Accrued Interest</b>											<b>\$107,617.72</b>
<b>Total Investments</b>											<b>\$26,223,824.41</b>

Bolded items are forward settling trades.

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# *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 Refinitiv, 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 of 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.
- **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.
- **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.

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## GLOSSARY

- **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.

## BOARD DOCUMENT REVIEW SCHEDULE

### I. Governing Documents

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Joint Powers Authority Agreement	June 1999	July 2020	As Needed	The joint powers agreement by and between member agencies. Any changes need to be signed by all JPA members.
2. Bylaws	August 2005	April 2019	As Needed	Establishes the rules for governance.
3. Memorandum of Coverage	June 1999	July 2020	July 2021	Provides coverage for pooled risk sharing.
4. Master Program Document	June 1999	July 2020	July 2021	Sets forth the manner in which services shall be delivered to the membership.
5. Financial Stability Plan	February 2012	February 2016	As Needed	Tool to provide long-term financial viability and sustainability.
6. Investment Policy	August 1998	February 2020	February 2021	Applies to activities with regard to investing the Authority's financial assets.

## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Resolution 1-1998	January 1998			Authorizing the President to Approve a Demand For Payment
2. Resolution 3-1998	March 1998			Establishing the Office of Assistant Treasurer
3. Resolution 4-1998	April 1998			Establishing an Investment Policy
4. Resolution 1-2001	January 2001			Establishing a Policy for Conference Attendance
5. Resolution 3-2004	March 2004			Canceling Obsolete Resolutions
6. Resolution 4-2005	April 2005			Establishing Guidelines for the Implementation for Risk Assessments of the Underlying ERMA Members
7. Resolution 4-2007	April 2007			Authorizing ERMA to Join with Other Public Agencies as a Participant of the CA Asset Management Trust and to Invest in Shares of the Trust and in Individual Portfolios
8. Resolution 6-2007	February 2006	June 2007		Establishing Implementation Deadlines for the Employee Practices Protection Program
9. Resolution 3-2010	March 2010			Retroactivity of 2010-11 Definition of "Occurrence" in Memorandum of Coverage
10. Resolution 4-2010	April 2010			Establishing a Records Retention Policy
11. Resolution 1-2015	January 2015			Precluding Existing Members Participating Through an ERMA Affiliated JPA from Applying for Individual Membership
12. Resolution 2-2015	February 2015			Appreciation for Services to Judy Hayes (CCHA)
13. Resolution 1-2016	January 2016			Appreciation for Services to Craig Downs (VCJPA)
14. Resolution 2-2016	February 2016			Appreciation for Services to Florice Lewis (OHA)

## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies Continued

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
15. Resolution 4-2016	June 1998	April 2016		Establishing All Bank Accounts And Authorized Signatures
16. Resolution 5-2016	May 2016			Establishing Criteria for Adding And Removing Defense Counsel to the Panel of Approved Attorney Firms
17. Resolution 8-2016	August 2016			Appreciation for Services to Dan Weakley (BCJPIA)
18. Resolution 2-2017	November 2017			Regarding an Underwriting Policy and Related Processes
19. Resolution 3-2017	March 2017			Electronic Data Security and Disaster Recovery
20. Resolution 4-2017	February 2017			Travel and Expense Policy
21. Resolution 5-2017	May 2017			Establishing Guidelines Regarding Members Self-Insured Retentions
22. Resolution 3-2018	February 2003	March 2018		Establishing Criteria for Approval of Investigators
23. Resolution 4-2018	January 2011	April 2018		Establishing Target Performance Standards and Assistance Program
24. Resolution 5-2018	April 2004			Establishing Approval for Payments to Vendors
25. Resolution 1-2020	May 2005	February 2020		Requiring Members to Provide Proof of Compliance with Training Mandated by State Law
26. Resolution 2-2020	March 2014	June 2020		Establishing a Litigation Management Program
27. Resolution 3-2020	June 2020	June 2019	June 2021	Establishing Meeting Dates for the 2020/21 Fiscal Year



## BOARD DOCUMENT REVIEW SCHEDULE

### III. Operational Documents

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Underwriting Guidelines	April 2010	February 2014	February 2021	Document sets the “rules” used to underwrite coverage including the methodology by which rates will be set.

### IV. Contracts and Agreements

Document Name	Origination	Last Review or Amendment	Next Scheduled Review	Description/Comments
1. Bickmore Actuarial	January 2010	January 2020	June 2022	Actuarial services and annual study. <i>Current term: 7/1/2020 – 7/1/2022.</i>
2. Alliant	July 2007	July 2018	June 2021	Broker of record relationship for reinsurance and other insurance placed. <i>Current term: 7/1/2018 – 7/1/2021.</i>
3. Farley Consulting Services	March 2012	July 2017	June 2023	Claims auditing services. <i>Current term: 7/1/2018 – 7/1/2021.</i>
4. In2vate (Formerly the AGOS Group)	June 1999	December 2017	N/A	Online training platform and reporting protection line for members. <i>Current term: 9/1/14 - Auto renewal unless terminated.</i>
5. Jackson Lewis & Liebert Cassidy Whitmore	July 1999	April 2020	June 2023	Training, 24/7 hotline, legal updates and litigation services. <i>Current term: 7/1/2020 – 7/1/2023.</i>
6. Murphy, Campbell, Alliston Quinn	November 2019	November 2019	N/A	Board & Coverage Counsel services <i>Current term: 11/1/19 – terminated by mutual agreement.</i>
7. Sampson, Sampson & Patterson	June 2007	June 2019	June 2021	Financial audit services. <i>Current term: 7/1/2020 – 7/1/2021.</i>
8. Sedgwick	May 2002	June 2019	June 2023	Pool administration, finance, accounting, and litigation management services. <i>Current term: 7/1/2018 – 6/30/2023.</i>

## BOARD DOCUMENT REVIEW SCHEDULE

### V. Audits and Recognition

Document Name	Last Review	Next Review	Description/Comments
1. Actuarial Study	April 2020	April 2021	Independent actuarial audit and study performed annually.
2. Financial Audit	June 2020	June 2021	Independent financial audits performed annually.
3. California Association of Joint Powers Authority Accreditation	July 2017	Currently pending	Ensures quality and professional standards for risk management pools.
4. Claims Audit	June 2019	June 2021	Independent claims audits performed biennially.

**CONSENT CALENDAR**

**SUBJECT: 2020/21 Goals and Objectives Update**

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**BACKGROUND AND STATUS:**

At the February 2020 Annual Workshop, the Board of Directors established three goals and objectives for the 2020/21 Program Year, as follows:

**Goal #1:** Create “Marketing/Growth” Committee to develop outline to determine desire to:

- Expand ERMA membership;
- Re-evaluate payroll participation thresholds; and
- Review governance structure.

**UPDATE:** Staff provided an overview of the ERMA program to the California Intergovernmental Risk Authority (CIRA) Transition Committee on October 19, 2020. CIRA is a joint venture wherein participating members of the Redwood Empire Municipal Insurance Fund (REMIF) and the Public Agency Risk Sharing Authority of California (PARSAC) are discussing a merger of the two programs and current REMIF members are considering participation in the ERMA program.

**Goal #2:** Continue expansion of ERMA training efforts to include implementation of a Model Policy Library and Training and Risk Management Consortium.

**UPDATE:** The Training and Risk Management Consortium program began on July 1, 2020, providing member agencies the ability to access funds to a training and loss control reimbursement program for expenses related to employment-related training and other loss control activities.

**Goal #3:** Review Target Equity Benchmarking/Ratios.

**PENDING.**

**PRESENTATION**

**SUBJECT: in2vate - Online Training & Employee Reporting Protection Line**

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**BACKGROUND AND STATUS:**

In2vate has served as a strategic training partner since inception of the program, providing members with online training, training registration management, data warehouse services and the employee reporting protection line.

Roger Duffield, President, and Traci Maxey, Director of Client and Support Services, in2vate, will be in attendance to review services and answer questions from the Board of Directors.

**RECOMMENDATION:**

*None*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Discussion Regarding the 21<sup>st</sup> Annual Workshop**

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**BACKGROUND AND STATUS:**

The Board of Directors holds a strategic planning workshop in conjunction with a Board meeting each year in February. Pursuant to Resolution No. 2020-3, Establishing Meeting Dates for the 2020/21 Fiscal Year, the 21<sup>st</sup> Annual Workshop is scheduled to be held on February 11, 2021 with a Board meeting to follow on February 12, 2021. Staff was previously directed to evaluate meeting venues in Napa County and have identified a venue that suits the needs of the group.

In preparation of the workshop, each November, the Board reviews the proposed agenda and typically directs staff to work with the President to finalize the schedule.

The annual workshop serves multiple purposes including; education for new Board members, a “year in review” of ERMA’s programs and claims and the opportunity to conduct long-term strategic planning and goal setting for the coming program years. As the format of the workshop is not conducive to a remote meeting environment and many intended participants remain under travel restrictions, staff recommends the Board review the proposed agenda and provide feedback as to whether it is prudent to continue with plans to meet in person. Should the Board determine an in-person meeting is not viable, staff recommends the Board delay the workshop to February 2022.

A regular meeting of the Board will be held, as planned, in February 2021.

**RECOMMENDATION:**

*Staff recommends the Board of Directors review the proposed workshop agenda and provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- Draft February 11, 2021, Annual Workshop Agenda



## **EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

### **21st ANNUAL WORKSHOP AGENDA**

**Thursday, February 11, 2021  
11:00 a.m.**

**TBD**

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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.

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|--------------------|---|
| <b><u>Page</u></b> | <b>1. WELCOME AND INTRODUCTIONS</b> <ul style="list-style-type: none"><li>A. President’s Welcome</li><li>B. Introductions</li></ul>   |
|                    | <b>2. ERMA OVERVIEW</b> <ul style="list-style-type: none"><li>A. Review of Mission Statement</li><li>*B. Accomplishments and Review of Goals &amp; Objectives</li><li>C. Status of ERMA Program<ul style="list-style-type: none"><li>*1. Claims Overview</li><li>*2. Financial Overview</li><li>*3. State of the Market Presentation</li></ul></li><li>D. Loss Prevention<ul style="list-style-type: none"><li>1. Live and Online (<i>in2vate</i>) Training</li><li>2. Employee Reporting Line</li><li>3. Member Risk Assessments</li><li>4. Attorney Hotline</li><li>5. State of the Program: Jackson Lewis &amp; Liebert Cassidy Whitmore</li></ul></li></ul> |
|                    | <b>3. PLANNING AND PROJECTED OVERVIEW FOR 2021/22 AND BEYOND</b> <ul style="list-style-type: none"><li>A. Long Range Planning<ul style="list-style-type: none"><li>1. Succession</li></ul></li></ul>  |

- 2. Program
- B. Financial
  - \*1. Review and Approval of Target Equity Ratios
  - \*2. Uses of Equity
- 4. STRATEGIC OUTCOME**
  - \*A. Establish 2021/22 Goals & Strategic Objectives
- 5. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM**
  - \*A. Subject: To be determined
- 6. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM**
  - \*A. Subject: To be determined
- 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.

**FINANCIAL MATTERS**

**SUBJECT: Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2020**

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**BACKGROUND AND STATUS:**

Attached are the draft Audited Financial Statements for the Fiscal Year Ended June 30, 2020. 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, 2020.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2020
- Letter to the Governing Board from Sampson, Sampson & Patterson, LLP



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EMPLOYMENT RISK MANAGEMENT AUTHORITY

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REPORT ON AUDITED  
FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY INFORMATION

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YEAR ENDED JUNE 30, 2020

## CONTENTS

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 REQUIRED SUPPLEMENTARY INFORMATION:	
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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 <i>Government Auditing Standards</i>	27-28

## 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, 2020 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, 2019, and in our report dated November 4, 2019, 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, 2020, 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 , 2020 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  
, 2020

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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10/14/20

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, 2020. 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, 2020, 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 (ERMCA), 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), 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 of \$2.0 million was available in the 2019/2020 program year for those members that purchased this 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 eighteen 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, 2020

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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 can access risk pooling intelligence, education, networking, best practices and advocacy on the national level.

### **Program Highlights for the Fiscal Year Ended June 30, 2020**

- **Membership Changes:** During 2019/2020, ERMA's Board of Directors accepted two new underlying members.
- **Dividend Release:** In June 2020, the Board of Directors approved ERMA's eighth dividend to its membership since the program began on July 1, 1999. The dividend was released in the amount of \$1,180,624 for program years 2012/2013 through 2014/2015, although equity of \$1,762,125 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.
- **Training Program:**
  - ❖ In response of the implementation of Senate Bill 778, the Board adopted Resolution 2019-3, which was superseded by Resolution 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law. The Resolution extended the date of compliance and frequency of training.
  - ❖ 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.
  - ❖ Introduced the ERMA Training Bulletin, a weekly bulletin distributed electronically containing training information relative to the ERMA program.

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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### Financial Highlights for the Fiscal Year Ended June 30, 2020

Revenues	\$9.1 million	Total Revenues increased \$733,000 or 8.7% over the prior year. Operating revenue increased \$611,000 or 8.5%, due to an increase in member contributions and non-operating income increased \$122,000 or 10.2%, due to improved investment earnings.
Expenses	\$10.7 million	Total Expenses increased \$1.6 million over the prior year, or 17.0%, due to an increase in claims expense of \$3.4 million. and a decrease of \$1.8 million in dividend release.
Assets	\$28.7 million	Total Assets decreased \$320,000, or 1.1% year over year. A net decrease in cash resulted from payments for claims, member dividends and other expenses exceeding the member contributions collected of \$1.5 million. This was offset by a net increase in investment portfolio balance of more than \$1.1 million.
Liabilities	\$18.5 million	Total Liabilities increased \$1.2 million, or 7.1%, largely due to an increase in claims liabilities of \$4.0 million driven by changes in actuarial reserve projections for prior program years. This was offset by a decrease in member dividends payable of a little over \$2.5 million and a drop in accounts payable of \$254 thousand.

### 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 with the difference between the two representing net position, or pool equity.

The **Statement of Revenues, Expenses, and Changes 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, 2020

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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			
	June 30, 2020	June 30, 2019	Percentage Change
Current Assets	\$9,046,404	\$7,307,794	23.8%
Long-term Investments	19,666,330	21,724,593	-9.5%
Total Assets	28,712,734	29,032,387	-1.1%
Current Liabilities	\$5,532,337	\$7,370,836	-24.9%
Non-current Claims Liabilities	12,930,386	9,867,840	31.0%
Total Liabilities	18,462,723	17,238,676	7.1%
Net Position	\$10,250,011	\$11,793,711	-13.1%

### Pool Assets

Total assets decreased by \$320,000, or 1.1% from the prior year. A net decrease in cash resulted from payments for claims, member dividends and other expenses exceeding the member contributions collected of \$1.5 million. This was offset by a net increase in investment portfolio balance of more than \$1.1 million resulting from the reinvestment of earnings and changes in the fair market value.



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

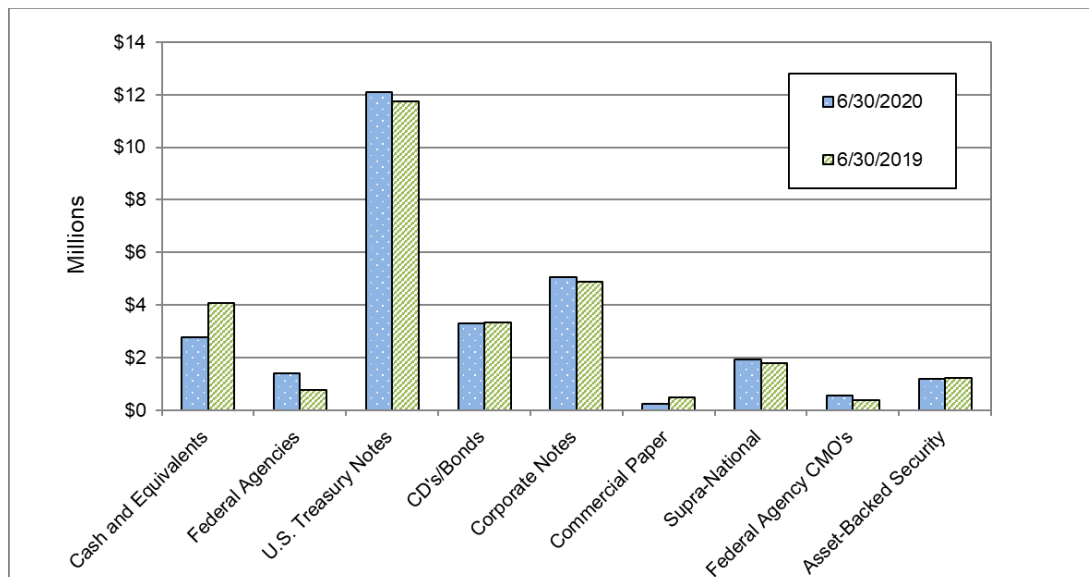
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ERMA maintains liquid funds not immediately needed for the payment of claims and administrative expenses in the Local Agency Investment Fund (LAIF) and in the California Asset Management Program (the "CAMP Liquidity" account). The LAIF account and CAMP Liquidity account balances were approximately \$1.7 million and \$710,000 at June 30, 2020, respectively. Management executed a transfer from CAMP Liquidity account in June 2020, to fund dividend payments for those members who elected to receive a cash payment.

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 \$26.1 million at June 30, 2020, as compared to \$24.9 million at June 30, 2019. 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 \$378,000 that are reported as an element of cash and cash equivalents at June 30, 2020. ERMA's investment earnings increased 10.2%, or \$122,000, 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, 2020, the fair market value of ERMA's investments was \$804,000 more than the book value, as compared to June 30, 2019 when the fair market value of ERMA's investments was \$282,000 more 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.

**Total Cash by Category at June 30, 2020, and June 30, 2019**



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

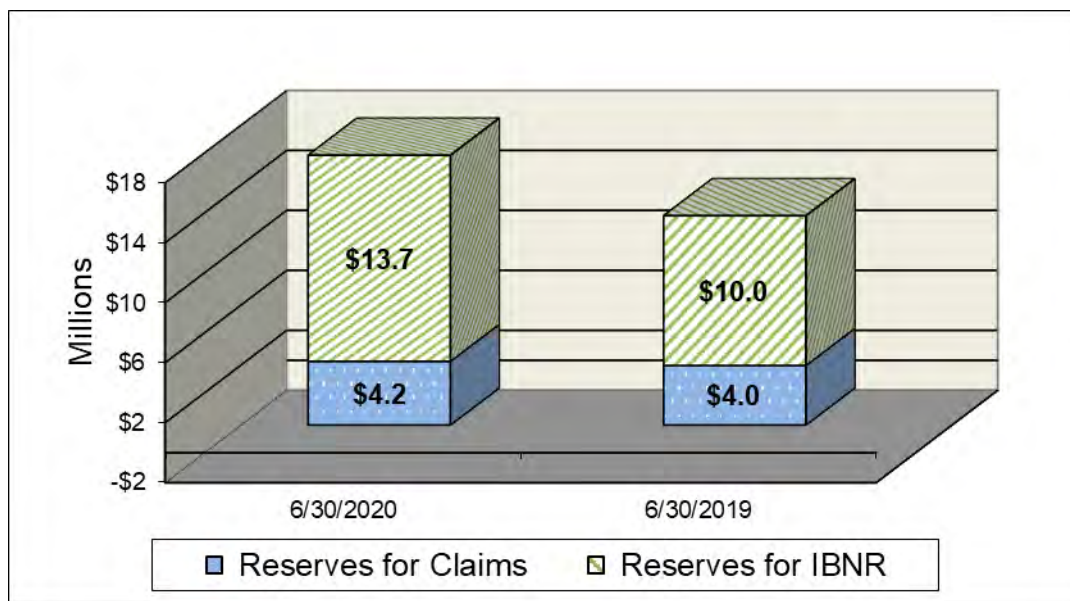
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### Pool Liabilities

As shown in the chart below, claim liabilities increased 28.9% or \$4.0 million over the prior year. Reserves for known claims increased \$276,000 and reserves for anticipated future claims and claims development (IBNR) increased over \$3.7 million. The net increase in claim liability is attributable to an increase in actuarial ultimate loss projections for prior program years totaling \$2.3 million and the introduction of the liabilities of a new program year of \$6.0 million, offset by claims payments of \$4.2 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, 2020 is projected to be \$5.1 million, an increase of \$970,000 over the prior year. ERMA's long-term claims liability is projected to be \$12.9 million, an increase of \$3.1 million over the prior year.

**Comparison of Claims Liabilities at June 30, 2020 and June 30, 2019**



### 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 six years is shown in a grid found in the following page.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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<b>ERMA Capital Contribution Fund Activity</b>				
<b>Program Year</b>	<b>Contributions</b>	<b>Expenditures</b>	<b>Accumulated Interest</b>	<b>Balance</b>
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
2019/2020	-	-	38,544	\$ 828,307
<b>Totals</b>	<b>\$ 1,000,000</b>	<b>\$ (257,421)</b>	<b>\$ 85,728</b>	

**Revenues and Expenses**

<b>ERMA Statement of Revenues, Expenses, and Change in Net Position</b>			
	<b>Fiscal Year Ended June 30, 2020</b>	<b>Fiscal Year Ended June 30, 2019</b>	<b>Percentage Change</b>
Revenues:			
Member Contributions	\$7,807,782	\$7,197,032	8.5%
Investment Income (Net)	1,320,714	1,198,267	10.2%
Total Revenues	\$9,128,496	\$8,395,299	8.7%
Expenses:			
Excess Insurance	311,540	298,737	4.3%
Claims Payments	4,233,891	3,481,179	21.6%
Increase in Claims Reserves	4,032,157	1,377,532	192.7%
General and Administration	838,805	852,112	-1.6%
Loss Prevention and Training	75,179	109,267	-31.2%
Total Operating Expenses	9,491,572	6,118,827	55.1%
Member Dividend	1,180,624	2,999,999	-60.6%
Change in Net Position	(1,543,700)	(723,527)	113.4%
Net Position, Beginning of Year	11,793,711	12,517,238	-5.8%
Net Position, End of Year	\$10,250,011	\$11,793,711	-13.1%

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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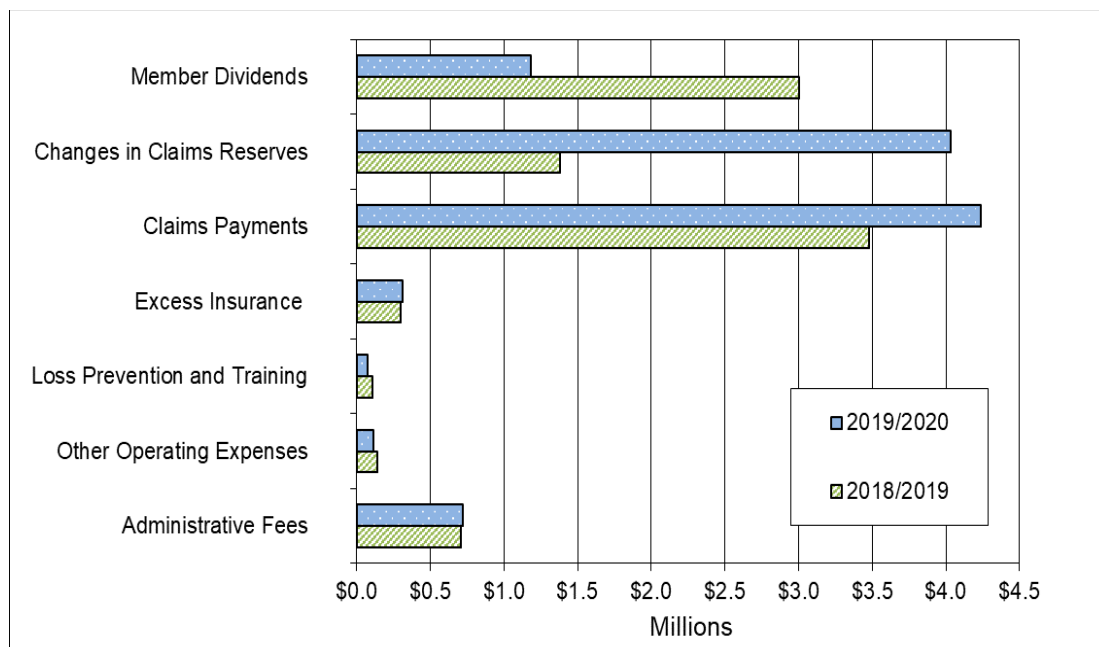
In 2019/2020, revenues consisted of member contributions and interest income. Member contributions increased by 8.5% over the prior year due to the increase in payroll of 3.4% and the increase in the actuarially determined pooling rate of 5.5%, over the prior year's rate. The funding rate for the pooled layer increased to .503 from .477 the prior year, both were at the 80% confidence level. As discussed in an earlier section, interest earnings increased 10.2%, or \$122,000, over the prior year.

In 2019/2020, expenses exceeded revenues by \$1.5 million. The actual claims costs were \$1.8 million more than the budgeted claims costs (including claim payments and changes in reserves). Net investment income of \$1.3 million was largely offset by the dividend returned to members in the amount of \$1.2 million. Other expenses experienced minimal changes. As a result, net position dropped from \$11.8 million at June 30, 2019 to \$10.3 million at June 30, 2020.

For the fiscal year ended June 30, 2019, expenses had exceeded revenues by \$724,000. Actual claims costs were less than the budgeted amount by \$1.0 million and investment income was offset by the dividend returned to members in the amount of \$3.0 million, resulted in program net position of \$11.8 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, 2020 and June 30, 2019**



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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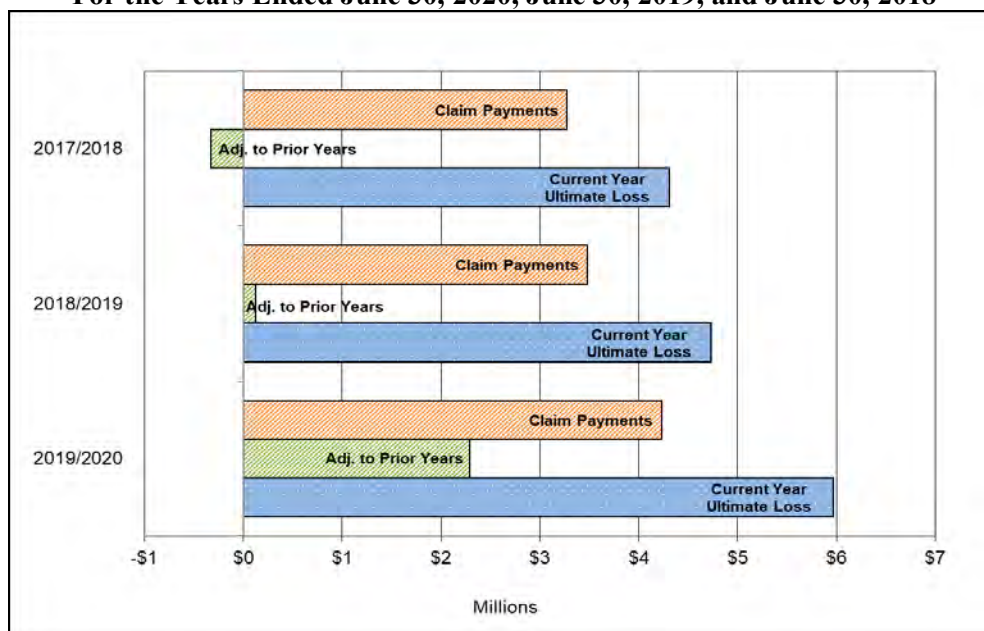
### Provision for Insured Events

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 2019/2020 program year was calculated at the 80% confidence level and discounted at 2.0%. Liabilities were also discounted at 2.0% to recognize the potential for 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:

- Adjustments to Prior Years: Estimates for ultimate losses decreased \$327,000 during the 2017/2018 fiscal year and increased \$124,000 in the 2018/2019 fiscal year. Actuarial projections increased \$2.3 million in 2019/2020 fiscal year.
- Claim Payments: Claim payments increased from \$3.3 million in 2017/2018 to \$3.5 million in 2018/2019, to \$4.2 million in 2019/2020. ERMA's average annual claim payments over the past ten years has been \$2.7 million and claims payments have generally increased.
- Current Year Ultimate Loss: The current year ultimate loss projection increased from \$4.3 million in 2017/2018 to \$4.7 million in 2018/2019, to \$6.0 million in 2019/2020. The sharp increase in the 2019/2020 figure resulted from the actuary's application of adverse development in recent program years to the current year's estimate.

**Claims Activity**  
**For the Years Ended June 30, 2020, June 30, 2019, and June 30, 2018**



EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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**General Administrative Expenses**

General administrative expenses (including the loss prevention and training program) decreased \$47,000 from the prior year. The decrease was primarily due to postponing the remaining in-person live training and decrease in legal counsel expense. Capital Fund was not utilized this fiscal year in comparison to the prior fiscal year's expenditure of \$4,000.

Total general administrative expenses as a percentage of total expenses incurred by ERMA during the current and prior fiscal years were 8.6% and 10.5%, respectively.

**Economic Factors**

In developing the budget for the fiscal year ended June 30, 2020, 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 was also taken 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 enjoys the stability of a JPA which has been in operation for twenty years and carries a net position of \$10.3 million. Membership has been stable and current funding appears to be 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:**

The U.S. economy closed out the calendar year 2019 with strong underlying fundamentals, capping off the longest period of consecutive gross domestic product ("GDP") growth in recent history as the domestic unemployment rate registered at just 4.1%, while GDP for the fourth quarter of the year came in at 2.1%, well above the Federal Reserve's ("Fed") longer-run estimate of 1.9%.

By March 2020, however, the economic landscape had changed entirely as the Coronavirus (COVID-19) pandemic spread rapidly across the globe, disrupting economies and financial markets worldwide as the number of confirmed cases continued to grow and wide swaths of the U.S. economy were forced to shutter operations. In an effort to provide stability to the markets, the Fed intervened in a big way - cutting overnight rates to near zero and committing to a virtually unlimited amount of asset purchases. For its part, Congress authorized nearly \$3 trillion in stimulus packages to bolster the U.S. economy and to help mitigate the effects of the pandemic, with talk of additional stimulus to come.

As "stay-at-home" lockdown orders were imposed across the United States, businesses were confronted with a dramatic slackening in consumer demand. April's unemployment rate of 14.7% was the highest on record since 1948, and retail sales dropped over 20% from the previous year's results. Meanwhile, first quarter 2020 GDP growth came in at -5.0%, but the advanced reading of second quarter 2020 GDP growth was even more dire, registering a decline of 32.9%, the worst reading on record, as personal consumption dropped by over 25%.



EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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In the months following the initial reaction to the pandemic, we were able to observe what we might term the beginnings or foundation of an economic recovery. Evidence of this may be found in June's unemployment rate, which had fallen to 11.1%. However, it is also important to note that headwinds remain and that economic datapoints are likely to stay volatile in the near term. To that end, despite the June unemployment numbers, U.S. consumers have in fact been fiscally cautious throughout the second and into the third quarter of 2020.

Markets remain volatile as numerous uncertainties surrounding the pandemic persist, including the ability to contain the spread and the timeline for a viable vaccine or treatment. Half of all U.S. states have rescinded or modified their plans in some fashion to re-open. These concerns have also caused many economists and strategists to paint a grim picture with regard to the near-term economic outlook.

Not surprisingly, the yields available on high-quality fixed income securities have plummeted and remain near historic lows as investors brace for an extended period of near-zero interest rates. As of June 30, 2020, the yield on the 2-year U.S. Treasury note stood at 0.15%, while the yield on 10-year U.S. Treasury obligations was only slightly higher at 0.66%. In the short run, this was positive for ERMA's investment portfolio as the drop in rates caused an increase in the market valuation of ERMA's investment holdings.

Current market uncertainty highlights the importance of a conservative investment strategy, focused on safety above all else. In this environment, ERMA's investment advisor, PFM Asset Management LLC, has redoubled its efforts to maintain the safety of ERMA's investments. Additionally, ERMA's portfolio remains well diversified and of a very high credit quality, with U.S. Treasury obligations as the largest single investment sector. This conservative positioning will allow the portfolio to weather market uncertainties well. While the recent sharp drop in interest rates will lower earnings in the future, ERMA's portfolio is currently yielding near 2%, which is very attractive relative to current interest rate levels.

ERMA, through its investment advisor, 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 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,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,788,739	\$ 4,086,847
Investments	6,072,076	2,878,391
Receivables:		
Members	15,324	7,390
Excess receivable	3,414	
Other	31,175	4,300
Interest	114,526	131,896
Prepaid expenses	<u>21,150</u>	<u>198,970</u>
Total current assets	<u>9,046,404</u>	<u>7,307,794</u>
Non-current assets:		
Investments	<u>19,666,330</u>	<u>21,724,593</u>
Total non-current assets	<u>19,666,330</u>	<u>21,724,593</u>
 TOTAL ASSETS	 <u>28,712,734</u>	 <u>29,032,387</u>
 <u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
Current liabilities:		
Accounts payable	25,654	280,030
Member dividend payable	446,265	2,999,999
Current portion of claims liabilities	<u>5,060,418</u>	<u>4,090,807</u>
Total current liabilities	<u>5,532,337</u>	<u>7,370,836</u>
Non-current liabilities:		
Claims liabilities	<u>12,930,386</u>	<u>9,867,840</u>
Total non-current liabilities	<u>12,930,386</u>	<u>9,867,840</u>
 TOTAL LIABILITIES	 <u>18,462,723</u>	 <u>17,238,676</u>
 NET POSITION - Unrestricted	 <u>\$10,250,011</u>	 <u>\$11,793,711</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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	<u>Years Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Member contributions	\$ 7,496,242	\$ 6,897,982
Excess insurance contributions	<u>311,540</u>	<u>299,050</u>
TOTAL OPERATING REVENUES	7,807,782	7,197,032
OPERATING EXPENSES:		
Claims paid	4,233,891	3,481,179
Increase in claims liabilities	4,032,157	1,377,532
Excess insurance	311,540	298,737
Loss prevention and training	75,179	109,267
General and administration	<u>838,805</u>	<u>852,112</u>
TOTAL OPERATING EXPENSES	<u>9,491,572</u>	<u>6,118,827</u>
Operating Income (Loss)	(1,683,790)	1,078,205
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	1,320,714	1,198,267
Member dividend	<u>(1,180,624)</u>	<u>(2,999,999)</u>
Total nonoperating revenues (expenses)	<u>140,090</u>	<u>(1,801,732)</u>
CHANGE IN NET POSITION	(1,543,700)	(723,527)
NET POSITION, BEGINNING OF YEAR	<u>11,793,711</u>	<u>12,517,238</u>
NET POSITION, END OF YEAR	<u>\$10,250,011</u>	<u>\$11,793,711</u>

EMPLOYMENT RISK MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS

(Prior Year Data for Comparison Purposes Only)

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	<u>Years Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members	\$ 7,807,782	\$ 7,199,415
Cash paid for claims	(4,473,488)	(3,243,521)
Cash paid for excess insurance	(311,540)	(298,737)
Cash paid for general and administration	<u>(789,166)</u>	<u>(970,654)</u>
Net cash provided by operating activities	2,233,588	2,686,503
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Member dividend	<u>(3,734,358)</u>	<u>                    </u>
Net cash used by capital and related financing activities	(3,734,358)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	816,385	519,027
Purchase of investment securities	(9,868,371)	(9,302,904)
Proceeds from sales and maturities of investment securities	<u>9,254,648</u>	<u>9,165,782</u>
Net cash provided by investing activities	202,662	381,905
Net increase (decrease) in cash and cash equivalents	(1,298,108)	3,068,408
Cash and cash equivalents, beginning of year	<u>4,086,847</u>	<u>1,018,439</u>
Cash and cash equivalents, end of year	<u>\$ 2,788,739</u>	<u>\$ 4,086,847</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net operating income (loss)	\$ (1,683,790)	\$ 1,078,205
Adjustments to reconcile operating income to		
Net cash provided by operating activities:		
Changes in assets and liabilities:		
Member receivables	(7,934)	(707)
Excess receivable	(3,414)	
Other receivables	(26,875)	(4,300)
Prepaid expenses	177,820	(6,417)
Accounts payable	(254,376)	242,190
Claims liabilities	<u>4,032,157</u>	<u>1,377,532</u>
Net cash provided by operating activities	<u>\$ 2,233,588</u>	<u>\$ 2,686,503</u>
SUPPLEMENTAL DISCLOSURES		
Noncash investing, capital and financing activities		
Change in unrealized gain on investments	<u>\$ 521,699</u>	<u>\$ 672,207</u>

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

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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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, 2020, 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 2019/2020, 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.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

(Continued)

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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.

Reclassifications

Certain reclassifications have been made to the prior year balances to conform with the current year presentation.

EMPLOYMENT RISK MANAGEMENT AUTHORITYNOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 2020

(Continued)

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Cash and cash equivalents:	
Cash deposits with financial institutions	\$ 15,236
CAMP pool – Money Market	377,801
CAMP pool – Liquidity	709,611
State investment pool – Local Agency Investment Fund (LAIF)	<u>1,686,091</u>
Total cash and cash equivalents	<u>\$ 2,788,739</u>
Investments:	
Current	\$ 6,072,076
Non-current	<u>19,666,330</u>
Total investments	<u>\$25,738,406</u>
Total cash and investments	<u>\$28,527,145</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 Bonds	5 years	None	5%
Repurchase Agreements	30 days	25%	5%
Money Market Mutual Funds	5 years	20%	10%
Asset Backed Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	5 years	None	Statutory Limit
JPA Pools (other investment pools)	5 years	None	None
Supra-Nationals	5 years	30%	None

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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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	\$12,090,538	\$ 566,060	\$4,462,650	\$ 7,061,828
U.S. Agency Securities	1,944,589		722,504	1,222,085
Corporate Notes	5,056,268	1,904,016	510,954	2,641,298
Commercial Paper	249,809	249,809		
Negotiable Certificates of Deposit	3,105,465	2,069,816	260,856	774,793
Supra-Nationals	1,921,274	1,282,375	513,164	125,735
Asset Backed Securities	1,182,168		78,194	1,103,974
Municipal Bonds	188,295			188,295
Total	<u>\$25,738,406</u>	<u>\$6,072,076</u>	<u>\$6,548,322</u>	<u>\$13,118,008</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	\$1,105,455

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.

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

(Continued)

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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	AA	A	A-1	BBB
U.S. Treasury Notes	\$12,090,538	\$	\$	\$12,090,538	\$	\$	\$
U.S. Agency Securities	1,944,589			1,944,589			
Corporate Notes	5,056,268			710,686	3,793,752		551,830
Commercial Paper	249,809					249,809	
Negotiable Certificates of Deposit	3,105,465			517,148	518,501	2,069,816	
Supra-Nationals	1,921,274		1,921,274				
Asset Backed Securities	1,182,168	5,386	1,176,782				
Municipal Bonds	188,295			63,316	124,979		
Total	<u>\$25,738,406</u>	<u>\$5,386</u>	<u>\$3,098,056</u>	<u>\$15,326,277</u>	<u>\$4,437,232</u>	<u>\$2,319,625</u>	<u>\$551,830</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 (other than U.S. Treasury securities, mutual funds, and external investment pools) 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, 2020, 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, 2020

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None of ERMA's investments were subject to custodial credit risk at June 30, 2020. 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, 2020, ERMA's investment in the California Asset Management Program (CAMP) pool was \$1,087,412. 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, 2020:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$	\$12,090,538	\$	\$12,090,538
U.S. Agency Securities		1,944,589		1,944,589
Corporate Notes		5,056,268		5,056,268
Commercial Paper		249,809		249,809
Negotiable Certificates of Deposit		3,105,465		3,105,465
Supra-Nationals		1,921,274		1,921,274
Asset Backed Securities		1,182,168		1,182,168
Municipal Bonds		188,295		188,295

Investments 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, 2020

(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 2019/2020 and 2018/2019. 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, 2020 and 2019 was \$18,682,754 and \$14,518,371, respectively.

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

	<u>2019/2020</u>	<u>2018/2019</u>
Claims liabilities at beginning of year	\$13,958,647	\$12,581,115
Incurred claims and claims adjustment expenses:		
Provision for insured events of the current year	5,971,321	4,734,368
Change in provision for insured events for prior years	<u>2,294,727</u>	<u>124,343</u>
Total incurred claims and claims adjustment expenses	<u>8,266,048</u>	<u>4,858,711</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of current fiscal year	18,345	27,980
Claims and claims adjustment expenses attributable to insured events of prior years	<u>4,215,546</u>	<u>3,453,199</u>
Total payments	<u>4,233,891</u>	<u>3,481,179</u>
Total claims liabilities at end of year	<u>\$17,990,804</u>	<u>\$13,958,647</u>

The components of the claims liabilities as of June 30, 2020 and 2019 were as follows:

	<u>2019/2020</u>	<u>2018/2019</u>
Reported claims	\$ 4,244,948	\$ 3,968,554
Claims incurred but not reported (IBNR)	12,919,117	9,336,310
Unallocated loss adjustment expenses (ULAE)	<u>826,739</u>	<u>653,783</u>
	<u>\$17,990,804</u>	<u>\$13,958,647</u>

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

(Continued)

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NOTE 5 - MEMBER DIVIDENDS:

In June, 2020, the Board of Directors approved the return of equity at the 90% confidence level totaling \$1,180,624, to members that participated in the program years 2012/2013 through 2014/2015. 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 net position 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, 2020 was \$828,307.

NOTE 7 – SUBSEQUENT EVENTS:

ERMA's management evaluated its June 30, 2020 financial statements for subsequent events through , 2020, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYMENT RISK MANAGEMENT AUTHORITY

CLAIMS DEVELOPMENT INFORMATION

JUNE 30, 2020

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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 for the last ten years. 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.

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EMPLOYMENT RISK MANAGEMENT AUTHORITY

CLAIMS DEVELOPMENT INFORMATION

JUNE 30, 2020

(Continued)

**EMPLOYMENT PRACTICES LIABILITY PROGRAM**

	<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>	<u>2019/2020</u>
1. Required contribution and investment revenue:										
Earned	\$ 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	\$7,807,782
Net assessments/(dividends)	(5,214,509)	(4,539,733)	(1,199,128)	(490,071)	(118,139)					
Ceded	<u>195,995</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>	<u>311,540</u>
Net earned before allocated interest	2,085,122	2,185,585	4,932,280	4,954,254	5,046,694	5,366,161	6,086,241	6,420,352	6,900,795	7,496,242
Allocated interest earned	<u>408,650</u>	<u>433,145</u>	<u>525,727</u>	<u>435,957</u>	<u>257,808</u>	<u>302,730</u>	<u>422,769</u>	<u>429,300</u>	<u>494,811</u>	<u>229,561</u>
Total net earned	2,493,772	2,618,730	5,458,007	5,390,211	5,304,502	5,668,891	6,509,010	6,849,652	7,395,606	7,725,803
2. Unallocated expenses	668,136	702,158	733,423	744,782	789,819	823,781	901,310	1,172,746	961,378	913,984
3. Estimated claims and expenses, end of program year:										
Incurred	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	5,971,321
Ceded										
Net incurred	<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>	<u>5,971,321</u>
4. Net paid (cumulative) as of:										
End of program year	55,365	34,348			3,154				27,980	18,345
One year later	263,439	35,318	223,823	17,342	571,386	549,594	202,129	163,454	578,825	
Two years later	331,235	322,389	932,721	926,832	1,138,422	1,422,765	1,210,214	3,079,649		
Three years later	1,007,931	1,546,668	1,754,660	1,625,601	2,749,312	3,032,900	1,866,797			
Four years later	1,287,633	1,916,982	1,786,551	2,172,644	3,367,741	3,055,127				
Five years later	1,367,157	1,916,982	1,827,552	2,208,703	3,413,372					
Six years later	1,825,609	1,916,982	1,844,591	2,208,703						
Seven years later	1,825,609	1,916,982	1,868,656							
Eight years later	1,825,609	1,916,982								
Nine years later	1,825,609									
5. Reestimated ceded claims and expenses					673	204,905		233,931		
6. Reestimated net incurred claims and expenses:										
End of program year	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	5,971,321
One year later	3,472,863	2,876,295	2,620,642	2,431,322	3,571,092	3,918,988	3,889,398	4,603,354	6,255,070	
Two years later	1,983,665	1,969,700	2,570,866	3,139,528	3,524,645	3,868,253	3,784,898	5,938,019		
Three years later	1,658,382	2,501,089	2,676,825	2,846,320	4,140,235	4,278,651	3,671,902			
Four years later	1,529,388	2,327,372	2,214,660	2,637,369	4,020,623	3,572,729				
Five years later	2,087,601	1,916,982	2,107,528	2,416,483	4,337,518					
Six years later	1,972,333	1,916,982	1,975,855	2,208,703						
Seven years later	1,825,609	1,916,982	2,125,016							
Eight years later	1,825,609	1,916,982								
Nine years later	1,825,609									
7. Increase (decrease) in estimated net incurred claims and expenses from end of program year	<u>\$(2,974,537)</u>	<u>\$(1,679,934)</u>	<u>\$(1,020,517)</u>	<u>\$ (701,760)</u>	<u>\$1,254,943</u>	<u>\$ 136,090</u>	<u>\$ (418,524)</u>	<u>\$1,625,284</u>	<u>\$1,520,702</u>	<u>\$ _____</u>

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OTHER REPORT

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, 2020, and the related notes to the financial statements, which collectively comprise ERMA’s basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2020.

**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.

## **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  
, 2020



November 2, 2020

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, 2020. 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 14, 2020. 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, 2020. 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 2, 2020.

### *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*

**FINANCIAL MATTERS**

**SUBJECT: Financial Status Report for the Fiscal Year Ended June 30, 2020**

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**BACKGROUND AND STATUS:**

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

**Financial Statements**

In fiscal year 2019/20, ERMA recognized a reduction in net position of \$1.5 million decreasing from \$11.8 million at June 30, 2019 to \$10.3 million at June 30, 2020 — a 13% reduction. Cash and investment totals decreased \$163,000 year over year to \$28.5 million as cash payments for claims, member dividends and other expenses exceeded member contributions and investment earnings.

Adverse claims development in program years 2017/18 and 2018/19 was a major driver in the 2019/20 fiscal year net loss. In the March 2020 actuarial study, ERMA's actuaries increased estimates of ultimate losses in past program years by \$2.3 million, or 9% overall. Concurrently, estimated ultimate losses for the 2019/20 program year may reach \$6.0 million. Total claims liability at June 30, 2020 was nearly \$18.0 million.

The dividend declared by the Board in June 2020 totaling \$1.2 million also contributed to the net loss. All other expenditures were largely in line with expectations and the 2019/20 Budget.

Investment income totaling \$1.3 million for 2019/20 served to offset expenditures. About 39% or \$522,000, of this amount was unrealized gains booked to reflect the change in the fair market value of ERMA's portfolio. The remaining 61% represents realized gains, dividends and interest earnings.

**JPA Performance Report**

The JPA Performance Report is meant to provide concise information needed to accurately illustrate the JPA's financial position and results of operations. Highlights of the report include:

- Section A shows the statement of net position as of June 30 from 2013 to 2020. Of note is the relative stability in the assets balance while liabilities have grown and net position shrinks.
- In Section B, the change in net position for these same years is shown, all with net decreases as result of the release of dividends.

**ERMA**  
**BOARD OF DIRECTORS MEETING**  
**November 2, 2020**

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- Section J shows ERMA's loss ratios by program year and is updated annually to compare the original loss fund contributions to the pool with the most up-to-date claims estimates.
- Section K shows the claims count by program year; open and closed claims and litigated claims.

Alana Theiss, Finance Manager, will be in attendance to present the financial status report and answer questions from the Board of Directors.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2020, and JPA Performance Report, as of June 30, 2020.*

**REFERENCE MATERIALS ATTACHED:**

- Internal Financial Statements for the Fiscal Year Ended June 30, 2020
- JPA Performance Report as of June 30, 2020

**EMPLOYMENT RISK MANAGEMENT AUTHORITY****~ STATEMENT OF NET POSITION ~****JUNE 30, 2020****(Unaudited)****ASSETS****CURRENT ASSETS**

Cash in Bank	\$	393,036	
Camp Liquidity Account		709,611	
Local Agency Investment Fund		1,677,848	
Market Valuation - LAIF		8,243	
Investments - Managed Portfolio		6,001,126	
Market Valuation - Investments		70,950	
Accounts Receivable - Members		42,807	
Accounts Receivable - Excess Insurance		3,414	
Accounts Receivable - Miscellaneous		3,692	
Interest Receivable		114,526	
Prepaid Expense		19,186	
Prepaid Insurance		1,965	
<b>TOTAL CURRENT ASSETS</b>			<b>9,046,404</b>

**NONCURRENT ASSETS**

Investments - Managed Portfolio	18,933,745	
Market Valuation - Investments	732,585	
<b>TOTAL NONCURRENT ASSETS</b>		<b>19,666,330</b>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>28,712,734</b>
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**LIABILITIES AND NET POSITION****CURRENT LIABILITIES**

Accounts Payable	\$	25,654	
Dividend Payable		446,265	
Unearned Revenue		0	
Reserve - Claims		4,244,948	
Reserve - IBNR & ULAE		815,470	
<b>TOTAL CURRENT LIABILITIES</b>			<b>5,532,337</b>

**NONCURRENT LIABILITIES**

Reserve - IBNR & ULAE	12,930,386	
<b>TOTAL NONCURRENT LIABILITIES</b>		<b>12,930,386</b>
<b>TOTAL LIABILITIES</b>		<b>18,462,723</b>

**NET POSITION**

Net Position - Undesignated	11,003,949	
Net Position - Capital Fund	789,763	
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>		<b>11,793,712</b>
Change in Net Position - Undesignated	(1,582,245)	
Change in Net Position - Capital Fund	38,544	
<b>TOTAL CHANGE IN NET POSITION - CURRENT YEAR</b>		<b>(1,543,701)</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$</b>	<b>10,250,011</b>

\$ -

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**~ STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION ~**  
**For the Year Ended June 30, 2020**  
**(Unaudited)**

	Actual	2019-20 Budget	% Used	\$ Variance
<b>REVENUES</b>				
Deposit Premium	\$ 7,496,242	\$ 7,466,697	100%	\$ 29,545
Excess Insurance Premium	311,540	311,540	100%	0
Interest Income	1,320,714			1,320,714
<b>TOTAL REVENUES</b>	<b>9,128,496</b>	<b>7,778,237</b>	<b>117%</b>	<b>1,350,259</b>
<b>EXPENSES</b>				
<b>Claims Expense</b>				
Claims Paid	\$ 4,233,891 **	\$ 6,446,930 *	128% +	1,819,118
Incr/(Decr) in Reserves	4,032,157 **			
Excess Insurance	311,540	311,540	100%	0
<b>Subtotal Claims Expense</b>	<b>8,577,588</b>	<b>6,758,470</b>	<b>127%</b>	<b>1,819,118</b>
<b>Loss Prevention &amp; Training</b>				
Employee Reporting	10,238	10,500	98%	(263)
Web-based Training / Training Bulletins	24,000	24,000	100%	0
Additional Web-based Training	12,000	12,000	100%	0
Hotline Services	5,007	6,500	77%	(1,493)
Miscellaneous Training Expenses	4,385	5,000	88%	(615)
Attorney / Training Workshops	19,550	90,300	22%	(70,750)
<b>Subtotal Loss Prevention &amp; Training</b>	<b>75,179</b>	<b>148,300</b>	<b>51%</b>	<b>(73,121)</b>
<b>Capital Fund Expenditures</b>				
Development/ Delivery of Survey/ Results	0			-
<b>Subtotal Capital Fund Expenditures</b>	<b>0</b>			<b>-</b>
<b>General &amp; Administrative Expenses</b>				
Program Management	721,551	709,517	102% +	12,034
Risk Assessments	0	10,000	0%	(10,000)
Board Meetings & Retreat	24,014	30,000	80%	(5,986)
Memberships & Conferences	2,088	7,500	28%	(5,412)
Actuarial Study	10,200	9,950	103% +	250
Legal Services	29,332	50,000	59%	(20,668)
Financial Audit	9,950	10,200	98%	(250)
Accreditation	1,417	1,500	94%	(83)
Fidelity Bond	1,282	1,300	99%	(18)
SLIP Insurance	2,686	2,500	107% +	186
Investment Management Services	26,736	30,000	89%	(3,264)
Claims System	5,000	5,000	100%	0
Miscellaneous	4,550	4,000	114% +	550
<b>Subtotal General &amp; Admin Expenses</b>	<b>838,806</b>	<b>871,467</b>	<b>96%</b>	<b>(32,661)</b>
<b>Dividend Expense - Return of Equity</b>	<b>1,180,624</b>	<b>0</b>		<b>1,180,624</b>
<b>TOTAL EXPENSES</b>	<b>10,672,197</b>	<b>7,778,237</b>	<b>137%</b>	<b>1,713,335</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (1,543,701)</b>	<b>\$ (0)</b>		

\* 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**  
~ STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION ADDENDUM ~  
**Report of Line Items Exceeded Budgeted Amount**  
**For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
<b>Claims Expense</b>				
+ <u>Claims Paid &amp; Incr/(Decr) in Reserves</u>	8,266,048	6,446,930	128%	1,819,118
<i>Adverse claims development resulted in an increase in the ultimate loss per the March 2020 actuarial study; therefore, increase changes in reserves.</i>				
<hr/>				
<b>General &amp; Administrative Expenses</b>				
+ <u>Program Management</u>	721,551	709,517	102%	12,034
<i>This line item includes two new members and an adjustment of ERMA Annual Base Contract Price for 2019/20 program year. City of Rancho Mirage, an underlying member of PERMA - Effective 12/31/2019 City of Dunsmuir, an underlying member of SCORE - Effective 1/1/2020</i>				
+ <u>Actuarial Study</u>	10,200	9,950	103%	250
<i>ERMA paid for actuarial study per contract price of \$10,200.</i>				
+ <u>SLIP Insurance</u>	2,686	2,500	107%	186
<i>Actual SLIP insurance coverage, including fees, exceeds the budget by a small amount.</i>				
+ <u>Miscellaneous</u>	4,550	4,000	114%	550
<i>This line item is bank fees and fees paid is based on the amount of usage.</i>				
<hr/>				



**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**JPA PERFORMANCE REPORT**  
*(Open Program Years)*  
**as of June 30, 2020**

**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.*

<b>A. Statement of Net Position</b>	(14) <b>June 30, 2013</b>	(15) <b>June 30, 2014</b>	(16) <b>June 30, 2015</b>	(17) <b>June 30, 2016</b>	(18) <b>June 30, 2017</b>	(19) <b>June 30, 2018</b>	(20) <b>June 30, 2019</b>	(21) <b>June 30, 2020</b>
<b>Assets:</b>								
Cash	\$ 109,990	\$ 640,812	\$ 1,004,475	\$ 859,624	\$ 684,894	\$ 1,018,439	\$ 4,086,847	\$ 2,788,739
Investments	28,880,072	26,222,903	24,266,440	24,779,394	24,795,799	23,793,656	24,602,984	25,738,406
Receivables	137,125	123,411	58,243	87,571	103,717	131,545	143,586	164,439
Prepays	140,609	149,649	154,137	175,990	179,660	192,553	198,970	21,150
<b>Total Assets</b>	<b>29,267,797</b>	<b>27,136,775</b>	<b>25,483,295</b>	<b>25,902,578</b>	<b>25,764,070</b>	<b>25,136,193</b>	<b>29,032,387</b>	<b>28,712,734</b>
<b>Liabilities:</b>								
* Payables	41,994	51,085	73,283	11,650	34,548	37,840	3,280,029	471,919
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	4,244,948
IBNR & ULAE	8,119,622	6,264,280	7,663,181	8,501,760	9,107,676	9,841,363	9,990,092	13,745,856
<b>Total Liabilities</b>	<b>9,521,772</b>	<b>8,631,638</b>	<b>9,001,165</b>	<b>11,250,564</b>	<b>11,903,844</b>	<b>12,618,955</b>	<b>17,238,676</b>	<b>18,462,723</b>
<b>Net Position</b>	<b>19,746,025</b>	<b>18,505,137</b>	<b>16,482,130</b>	<b>14,652,015</b>	<b>13,860,226</b>	<b>12,517,238</b>	<b>11,793,711</b>	<b>10,250,011</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 29,267,797</b>	<b>\$ 27,136,775</b>	<b>\$ 25,483,295</b>	<b>\$ 25,902,578</b>	<b>\$ 25,764,070</b>	<b>\$ 25,136,193</b>	<b>\$ 29,032,387</b>	<b>\$ 28,712,734</b>

*\*June 30, 2019 balance includes dividends declared, but not paid by year end totaling \$3 million. June 30, 2020 balance includes \$446 thousand of dividends declared, but not paid by year end.*

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**JPA PERFORMANCE REPORT**  
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<b>B. Statement of Revenues, Expenses and Change in Net Position</b>	(14) <b>2012/2013</b>	(15) <b>2013/2014</b>	(16) <b>2014/2015</b>	(17) <b>2015/2016</b>	(18) <b>2016/2017</b>	(19) <b>2017/2018</b>	(20) <b>2018/2019</b>	(21) <b>2019/2020</b>
Member Contributions	\$ 6,333,611	\$ 5,612,129	\$ 5,331,445	\$ 5,542,878	\$ 6,275,797	\$ 6,768,216	\$ 7,197,032	\$ 7,807,782
* 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)	(572,414)
* 2013-2014 (Net Dividend)								(490,071)
* 2014-2015 (Net Dividend)								(118,139)
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	1,320,714
Claims - Payments	(1,595,614)	(1,455,695)	(3,592,494)	(2,878,635)	(2,570,593)	(3,274,235)	(3,481,179)	(4,233,891)
Claims - Changes in Reserves	1,474,354	899,225	(347,329)	(2,311,031)	(630,383)	(711,819)	(1,377,532)	(4,032,157)
Excess Insurance	(192,610)	(193,341)	(195,459)	(204,358)	(219,698)	(235,697)	(298,737)	(311,540)
General Management	(526,834)	(557,773)	(583,680)	(598,742)	(669,060)	(683,492)	(709,942)	(838,805)
Other Expenses	(206,589)	(187,009)	(206,139)	(225,038)	(244,670)	(489,134)	(251,437)	(75,179)
<b>Change in Net Position</b>	<b>\$ 2,521,280</b>	<b>\$ (1,240,888)</b>	<b>\$ (2,023,007)</b>	<b>\$ (1,830,115)</b>	<b>\$ (791,789)</b>	<b>\$ (1,342,988)</b>	<b>\$ (723,527)</b>	<b>\$ (1,543,700)</b>

\* "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.

<b>C. Actual Expense v. Budget</b>	(14) <b>2012/2013</b>	(15) <b>2013/2014</b>	(16) <b>2014/2015</b>	(17) <b>2015/2016</b>	(18) <b>2016/2017</b>	(19) <b>2017/2018</b>	(20) <b>2018/2019</b>	(21) <b>2019/2020</b>
<b>General Management Expense:</b>								
Budget	\$ 526,834	\$ 557,773	\$ 583,680	\$ 597,835	\$ 669,060	\$ 678,949	\$ 698,706	\$ 871,467
Percentage of Budget Used	100%	100%	100%	100%	100%	101%	102%	96%
<b>Other Expenses:</b>								
Budget	\$ 235,190	\$ 217,690	\$ 212,840	\$ 220,640	\$ 239,650	\$ 241,900	\$ 267,500	\$ 148,300
Percentage of Budget Used	88%	86%	97%	102%	102%	202% *	94%	51%

\* Includes unbudgeted Capital Fund expenditures.

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**JPA PERFORMANCE REPORT**  
*(Open Program Years)*  
as of June 30, 2020

	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>D. Member Entities</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>	<b>2019/2020</b>
Number of Joint Powers Authorities	8	8	8	8	9	10	10	10
Number of Individual Cities/Special Districts	2	2	2	2	2	2	2	2
<b>Total Member Entities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Total Underlying Member Entities</b>	<b>175</b>	<b>184</b>	<b>183</b>	<b>189</b>	<b>195</b>	<b>203</b>	<b>206</b>	<b>205</b>

	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>E. Member Payroll</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
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	1,614,537,173
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	780,164,269

	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>F. Rates per \$100 Payroll</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Funding Rate per \$100 Payroll	0.474	0.408	0.372	0.370	0.369	0.377	0.388	0.399
Excess Insurance Rate per \$100 Payroll	0.034	0.033	0.033	0.033	0.033	0.033	0.040	0.040
Budgeted Admin. Rate per \$100 Payroll	0.067	0.068	0.068	0.067	0.065	0.063	0.064	0.054

	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>G. Layers of Coverage</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Retention to \$1,000,000 Layer	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA	100% ERMA
Coverage above \$1,000,000	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$2M Commercial Coverage (Optional)	\$1M - \$3M Commercial Coverage (Optional)	\$1M - \$3M Commercial Coverage (Optional)

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**JPA PERFORMANCE REPORT**  
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<b>H. Confidence Levels (funding):</b>	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020
Per Budget	80%	80%	80%	80%	80%	80%	80%	80%

<b>I. Change in Claims Liabilities</b>	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020
Paid-to-Date	\$ 1,868,656	\$ 2,208,703	\$ 3,413,372	\$ 3,055,127	1,866,797	3,079,649	578,825	18,345
Reserve for Known Claims (Discounted)	256,360	0	746,419	121,750	536,157	842,817	1,358,690	382,755
<b>Total Incurred</b>	<b>2,125,016</b>	<b>2,208,703</b>	<b>4,159,791</b>	<b>3,176,877</b>	<b>2,402,954</b>	<b>3,922,466</b>	<b>1,937,515</b>	<b>401,100</b>
<b>IBNR and ULAE</b>								
Discounted, expected confidence level	0	0	177,727	395,852	1,268,948	2,015,553	4,317,555	5,570,221
<b>Total Projected Claims Expense</b>	<b>\$ 2,125,016</b>	<b>\$ 2,208,703</b>	<b>\$ 4,337,518</b>	<b>\$ 3,572,729</b>	<b>\$ 3,671,902</b>	<b>\$ 5,938,019</b>	<b>\$ 6,255,070</b>	<b>\$ 5,971,321</b>

<b>J. Adverse Experience Indicators</b>	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020
Loss Ratio (Total Incurred/Deposits-Admin)	0.30	0.35	0.68	0.50	0.33	0.49	0.24	0.05
Total Incurred & IBNR/Deposit Premiums	0.34	0.39	0.81	0.64	0.59	0.88	0.87	0.76
Total Incurred per \$100 of Payroll	0.19	0.19	0.36	0.26	0.17	0.27	0.13	0.02
Total Incurred & IBNR per \$100 of Payroll	0.19	0.19	0.37	0.29	0.26	0.41	0.41	0.37

<b>K. Claims Activity</b>	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020
All Claims:								
Number of Open Claims	1	0	4	3	12	16	44	39
Number of Closed Claims	48	47	49	54	74	66	45	17
<b>Total Reported Claims</b>	<b>49</b>	<b>47</b>	<b>53</b>	<b>57</b>	<b>86</b>	<b>82</b>	<b>89</b>	<b>56</b>
<i>Note: Number of Litigated Claims</i>	12	14	13	19	22	19	19	5
Claims - Incurred over Member Retention:								
Number of Open Claims	1	0	3	1	5	10	15	13
Number of Closed Claims	13	13	13	18	17	8	3	2
<b>Total Reported Claims</b>	<b>14</b>	<b>13</b>	<b>16</b>	<b>19</b>	<b>22</b>	<b>18</b>	<b>18</b>	<b>15</b>

**FINANCIAL MATTERS**

**SUBJECT: Resolution No. 2020-4, Establishing All Bank Accounts and Authorized Signatures**

---

**BACKGROUND AND STATUS:**

ERMA processed 364 disbursements last fiscal year — 318 via a physical check and 46 via an electronic funds transfer (EFT). Since some of ERMA's disbursements have moved to EFT payments and the current remote work environment required a modification to check signing procedures, staff proposes an amendment to the Resolution Establishing All Bank Accounts and Authorized Signers to require only one signature on check disbursements. This amendment will align the process for both EFT and check disbursements and as well, align with current remote work environment procedures.

The following sets forth the current disbursement process and observations.

**Current Process**

1. Payment requests for claims and claims expenses are prepared by the Litigation Analyst and reviewed in detail by the Litigation Manager who must provide approval for the request.
2. All other operating expenses are reviewed and approved by the Executive Director prior to processing.
3. Finance staff performs a secondary review of all invoices and back-up documentation supporting the disbursement requests. This review ensures the amounts requested are accurate, have not been previously paid, are coded correctly for financial reporting purposes, and comply with any other disbursement requirements.
4. Finance staff prints checks for members or vendors who have not elected to receive payment via EFT. All indemnity payments are issued via check.
5. Finance staff prepares an EFT listing for those receiving electronic payments.
6. The full disbursement batch is submitted to the Senior Accountant, Finance Manager and Executive Director for review and approval. This review involves matching the payee, amount, and description to the back-up material to ensure accuracy and completeness.
7. For expenses, the disbursement batch is also approved by the Board Treasurer. The Treasurer reviews the amounts and backup material and provides approval via email.
8. Claim checks are signed by the Executive Director and Finance Manager and returned to the Litigation Analyst for mailing.
9. General checks are signed by the Executive Director and mailed by the Analyst to the Board Treasurer for signature. Checks signed by the Board Treasurer are mailed back to the Analyst for final transmittal to the payees.
10. Approved EFT batches are processed by the Staff Accountant. Payment information from the accounting system is uploaded to the bank website by the Staff Accountant and the Finance Manager releases the payments online.
11. Check registers are provided to the Board of Directors at each scheduled meeting.

**Observations**

1. The Board's current banking resolution requires two signatures on disbursements.
2. Due to the remote work environment, staff moved to a single signer on checks as an emergency measure. All disbursements are subjected to the same review as they were previously; *only the number of signatures on the physical checks has changed.*
3. Continued use of one signer is justified due to:
  - a. Banks do not review checks for dual signatures. Checks with only one signature are processed by the bank;
  - b. Checks which are not uploaded to a positive pay system will be flagged as exceptions. The Executive Director does not have access to the positive pay system;
  - c. Checks cannot be issued outside of the accounting system and a designated check printer. The Executive Director does not have access to the accounting system nor the designated printer; and
  - d. Checks are reconciled by Finance staff based upon bank statements received directly from the bank. The Executive Director does not control bank statements.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Resolution No. 2020-4, Establishing All Bank Accounts and Authorized Signatures.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2020-4, Establishing Bank Accounts and Authorized Signatures, redline/strikeout text
- ERMA Internal Controls for Over Disbursements

**RESOLUTION NO. 201620-4**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
ESTABLISHING ALL BANK ACCOUNTS AND AUTHORIZED SIGNATURES**

**WHEREAS**, the Employment Risk Management Authority must maintain various Bank accounts in order to operate and manage the fiscal affairs of ERMA;

**WHEREAS**, to protect and control the cash assets and fiscal integrity of the various Bank accounts, signatory authority should be specifically granted to particular officers;

~~**WHEREAS**, it is a good accounting practice to require two signatures for large disbursements of ERMA funds; and~~

**WHEREAS**, it is an inefficient process to issue checks of small amounts to pay bills occurring with some frequency;

**NOW, THEREFORE, BE IT RESOLVED:**

Resolution No. ~~6-99~~2016-4 Establishing all bank accounts and authorized signatures is herewith canceled.

The Board of Directors of ERMA has determined that it is in the best interests of ERMA to establish bank accounts for the deposit and disbursement of funds and that all positions listed on this Resolution are authorized to enter into all agreements set forth in the California Bank & Trust Business Account Disclosure, or any other bank as authorized by the Board of Directors, to sign/pay checks, make withdrawals and originate wire transfers or ACH EFT transfers against each account listed below:

**General Account** (requires ~~two~~one signatures):

1. President of ERMA
2. Vice President of ERMA
3. Treasurer of ERMA
4. ~~Administrator~~Executive Director of ERMA

**Administration Account** - maximum limit of \$5,000 (requires one signature):

1. ~~Administrator~~Executive Director of ERMA
2. ~~Assistant Treasurer~~Finance Manager of ERMA

**Claims Payment Account** - (requires ~~two~~one signatures):

1. ~~Administrator~~Executive Director of ERMA

[Type text]

2. ~~Assistant Litigation Manager of ERMA~~

3.2. ~~Board Secretary~~ Finance Manager of ERMA

4. ~~Assistant Treasurer of ERMA~~ Director, Pool Management of Sedgwick

The ERMA Board of Directors authorizes the ~~Administrator~~ Executive Director to obtain a Business Credit Card with a credit line of up to \$5,000 and open the Administration Account with a maximum limit of \$5,000;

The ~~Secretary-Treasurer~~ acting alone is hereby authorized, in connection with wire transfers out of our accounts at California Bank & Trust (or other bank, as authorized by the Board of Directors), to designate persons who may request wire or ACH EFT transfers and to execute and deliver such agreements, documents and other instruments, and to perform such other acts, relating to wire or ACH EFT transfers as the ~~Secretary-Treasurer~~ shall approve. However, the Secretary can only designate individuals listed above.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on ~~November 7, 2016, in Sacramento, California~~ November 5, 2020, by the following vote:

AYES	_____
NOES	_____
ABSTAIN	_____
ABSENT	_____

\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
SECRETARY, BOARD OF DIRECTORS



## **ERMA INTERNAL CONTROLS FOR DISBURSEMENTS**

### **NOVEMBER 2020**

The objectives of internal controls for cash disbursements are to ensure that cash is disbursed only upon proper authorization of management, for valid business purposes, and that all disbursements are properly recorded. Generally, the above objectives are met by employing a series of checks and balances along with segregation of duties.

The general cash disbursement cycle for ERMA is designed as follows. Where there are differences between processing of general warrants and claims payments, they are noted below.

#### **Authorization:**

- Authorization for ERMA expenditures is first given by the Board of Directors by their approval of the annual operating budget.
- Authorization for invoices associated with general expenditures is then handled by the Executive Director. Authorization for specific claims payments is given by ERMA's Litigation Manager.
- Upon authorization invoices are further reviewed by the Staff Accountant, Senior Accountant and Finance Manager prior to payment.
- The Executive Director and the Litigation Manager cannot post invoices to the accounting system.
- No payments are authorized without a formal invoice, or other back up documentation.

*Preventative control(s): Transactions are authorized by multiple parties. Authorizing parties cannot access the accounting system. Three levels of internal staff review other than the Authorizing parties.*

#### **Posting of invoices in Accounting System (Recording):**

- Invoices are not posted to the accounting system prior to initial authorization from the Executive Director or Litigation Manager.
- As applicable, the Staff Accountant establishes vendors in the accounting system. New vendor files are reviewed by the Senior Accountant and specific comparison is made between vendor-provided Forms W-9 and electronic payment information, if applicable.
- Coding of invoices in the accounting system by the Staff Accountant is approved by the Senior Accountant prior to posting.
- The accounting system will not allow multiple postings of the same invoice.
- Invoices must be posted to the accounting system prior to a payment being released.
- Each general disbursement payment batch is sent to the Board Treasurer for review and approval prior to release.

*Preventative control(s): Invoices are not posted prior to initial approval. Authorizing parties cannot access the accounting system. Coding is checked prior to posting.*

#### **Electronic Payments:**

- Invoices paid electronically undergo the same authorization process as payments made by checks.

## ERMA INTERNAL CONTROLS FOR DISBURSEMENTS NOVEMBER 2020

- Payment batch information is generated by the accounting system and uploaded to ERMA's bank by the Staff Accountant.
- Staff Accountant provides the fully-approved payment batch to the Finance Manager for review in concert with release of the electronic payments from the bank website.
- Remittance notices for the electronic payments are emailed to the vendors by the Staff Accountant.
- Positive pay for electronic payments has been established with the bank. The bank captures any attempt to make electronic withdrawals from the ERMA accounts that is not initiated by staff. Those transactions are flagged in positive pay and an email message is sent to all of the ERMA finance staff to review the relevant transaction.

*Preventative control(s): Online access to ERMA's bank accounts is limited. The Staff Accountant may upload electronic payment batches to the bank website but cannot release them for payment. The Finance Manager may release payments but may not upload electronic payment batches.*

*Detective control(s): Any electronic payment generated requested from outside parties (e.g. automatic payments, transfers to investments) are subject to positive pay restrictions and all of ERMA finance team is alerted. Vendors are alerted to expect electronic payments by the Staff Accountant and would likely report back if those payments were not received.*

### **Check printing:**

- Checks can only be printed in the office from blank stock on a special, designated printer. The Staff Accountant is the only individual with access to ERMA's file on the accounting system that is also authorized to print checks from the accounting system.
- Positive pay has been established with the bank. The accounting system produces a check register from the system to upload for positive pay. This ensures that only checks that are written through the accounting system and uploaded via positive pay clear the bank account.

*Preventative control(s): Checks may only be printed at the office of ERMA's staff on a special, designated printer. Only invoices that have been posted to the accounting system may be paid. Only the Staff Accountant is authorized to print checks from the accounting system for ERMA. Check data from the accounting system is uploaded to positive pay upon completion of the check run.*

### **Check signing:**

All checks are subject to dual signature requirements.\* Checks written from the general account are signed by the Executive Director and the Board Treasurer. Additionally, the Board President and Vice President are authorized to sign on the ERMA general account but are not typically asked to do so. General account checks are mailed to the Board Treasurer for signature by ERMA's Analyst & Training Coordinator. The checks are returned to the Analyst & Training Coordinator after signing for mailing to the vendors. Checks from the claims account are signed by the Executive Director and the Finance Manager. Claims checks are mailed out by the Litigation Analyst.

**ERMA INTERNAL CONTROLS FOR DISBURSEMENTS  
NOVEMBER 2020**

\*Since the office has been generally closed, except for by appointment, ERMA has allowed a single signer on the checks: the Executive Director.

This practice started on an emergency basis but has continued. Continued use of one signer is justified by the following:

- a. Banks do not review for dual signatures, checks with one signature only will clear. i.e. The application of dual signatures is not preventing checks from clearing the bank.
- b. Checks which are not uploaded to positive pay will be flagged as exceptions. Executive Director does not have access to positive pay system for ERMA.
- c. Checks cannot be written outside the accounting system and designated printer. Executive Director does not have access to GP or the special printer.
- d. Checks are reconciled by Finance based on bank statements received directly from the bank. Executive Director does not control bank statements.

*Preventative control(s): Checks must have an authorized signature to clear the bank.*

**Reconciliation:**

- Bank statements are received and reconciled by the Staff Accountant who is independent of the authorization, check signing and release of electronic payments functions.
- Reconciliations are prepared within the accounting system; only checks written or electronic payments generated from that system would be available on the reconciliation.
- Reconciliations are reviewed by the Senior Accountant prior to being reviewed by the Finance Manager in conjunction with the Treasurer's Report.
- Reconciliations are prepared timely for inclusion of bank balances in the quarterly Treasurer's Report.

*Detective control(s): If a check or electronic payment that was not generated by the accounting system was pushed through positive pay somehow, it would be detected during the bank reconciliation process as only transactions originating from the accounting system are available to reconcile.*

**ERMA INTERNAL CONTROLS FOR DISBURSEMENTS  
NOVEMBER 2020**

**Overall for this cycle:**

*Preventative control(s): Proper segregation of duties is in place. This means that no financial transaction is handled by only one person from beginning to end: different people authorize payments, sign checks, record payments in the books, and reconcile the bank statements.*

*Detective control(s): Budget to actual report evaluated on a quarterly basis. Expenses in excess of budget would be identified and investigated as part of that process. Reconciliations are performed timely and reviewed by more than one person.*

*Mitigating control(s): Volume of expenditures budgeted for ERMA is limited. Number of vendors and claimants is also limited. i.e. It would be difficult to push a fraudulent expense through the cash disbursements cycle. Check registers are routine items on the Consent Agenda and are subject to Board scrutiny.*

**Segregation of Duties**

General Account

Position	Name	Authorization	Recording	Upload Electronic Payments	Release Electronic Payments	Check Printing	Check Signing	Positive Pay	Mailing	Reconciliation
Executive Director	Jennifer Jobe	X					X			
Analyst & Training Coordinator	Mona Hedin								X	
Finance Manager	Alana Theiss		X		X			X		X
Senior Accountant	Chee Xiong		X					X		X
Staff Accountant	Liz Kokhanets		X	X		X		X		X
Board President	John Gillison	X					X			
Board Vice President	Truc Dever	X					X			
Board Treasurer	Stuart Schillinger	X					X			

**ERMA INTERNAL CONTROLS FOR DISBURSEMENTS  
NOVEMBER 2020**

Claims Account

<b>Position</b>	<b>Name</b>	<b>Authorization</b>	<b>Recording</b>	<b>Upload Electronic Payments</b>	<b>Release Electronic Payments</b>	<b>Check Printing</b>	<b>Check Signing</b>	<b>Positive Pay</b>	<b>Mailing</b>	<b>Reconciliation</b>
Executive Director	Jennifer Jobe						X			
Litigation Manager	Kathy Maylin	X								
Litigation Analyst	Cheyenne Herold								X	
Finance Manager	Alana Theiss		X		X		X	X		X
Senior Accountant	Chee Xiong		X					X		X
Staff Accountant	Liz Kokhanets		X	X		X		X		X
Board President	John Gillison	X								
Board Vice President	Truc Dever	X								
Board Treasurer	Stuart Schillinger	X								

**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: 2020 Target Risk Appraisal Recommendations**

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**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 2020 target ratio calculations, staff recommends to the Board of Directors that one member undergo a risk assessment or be subjected to further evaluation on a follow-up basis, with a report to be presented at the June 2021 meeting.*

**REFERENCE MATERIALS ATTACHED:**

- 2020 Target Ratio Calculation Summary

**2020 ERMA Target Ratio Calculation  
Summary ~ All Claims**

	Prior Risk Assmt.	2014/2015			2015/2016			2016/2017			2017/2018			2018/2019			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
<b>ERMA's Target</b>		<b>2.16%</b>	<b>170.31%</b>	<b>358.49%</b>	<b>2.40%</b>	<b>133.79%</b>	<b>315.85%</b>	<b>2.64%</b>	<b>75.04%</b>	<b>171.70%</b>	<b>2.40%</b>	<b>115.50%</b>	<b>277.19%</b>	<b>2.22%</b>	<b>50.12%</b>	<b>122.17%</b>	Assessment Recommended
<b>Insured:</b>																	<b>COMMENTS</b>
City of Adelanto	2017/18	6.18%	2409.12%	10261.00%				13.61%	723.09%	2385.45%	19.98%	0.00%	0.00%	10.70%	1123.15%	2789.59%	City is no longer an ERMA member
City of Atwater		2.15%	242.09%	416.61%				1.89%	141.47%	178.42%	3.68%	183.83%	200.10%	1.83%	109.57%	101.82%	Not recommended; Ratios exceeded due to historical administrative changes
City of Avalon					4.02%	286.93%	709.39%				1.84%	0.00%	0.00%				Not recommended; Ratios exceeded due to one claim
City of Banning	2014/15; 2015/16	0.75%	31.62%	30.92%	1.53%	313.44%	378.75%	0.75%	55.47%	67.95%	0.70%	0.00%	0.00%	1.93%	107.98%	107.64%	Not recommended; Ratios exceeded primarily due to one claim
City of Barstow		0.68%	331.41%	648.25%							0.68%	33.81%	76.62%				Not recommended; Ratios exceeded due to one claim
City of Belvedere														4.09%	79.23%	147.75%	Not recommended; Ratios exceeded due to one claim
City of Brentwood											1.05%	331.40%	1091.05%	0.32%	0.00%	0.00%	Not recommended; Ratios exceeded due to one claim
City of California City		1.74%	0.00%	0.00%				2.88%	0.00%	0.00%	1.40%	279.40%	433.56%	1.47%	0.00%	0.00%	Assessment recommended
City of Cathedral City								0.54%	46.99%	115.12%	0.50%	319.69%	724.49%				Not recommended; Ratios exceeded due to one claim
City of Clearlake											8.96%	285.00%	546.39%	2.75%	0.00%	0.00%	Not recommended; Ratios exceeded due to low loss claim
City of Coalinga		1.76%	0.00%	0.00%							1.88%	375.98%	360.41%	1.78%	0.00%	0.00%	Not recommended; Ratios exceeded due to one claim
Consolidated Mosquito Abatement District														6.75%	110.05%	202.86%	Not recommended; Ratios exceeded due to one claim
Contra Costa Mosquito and Vector Control District		4.44%	55.37%	89.06%				3.31%	0.00%	0.00%	3.16%	0.00%	0.00%	3.04%	106.30%	117.58%	Not recommended; Ratios exceeded due to low loss claims
Town of Danville					1.31%	0.00%	0.00%				1.26%	151.55%	498.94%				Not recommended; Ratios exceeded due to one claim
City of El Cerrito					0.59%	0.00%	0.00%				0.53%	0.00%	0.00%	1.50%	249.93%	843.92%	Not recommended; Ratios exceeded due to one claim
City of Fowler											5.22%	1118.16%	1174.56%	5.20%	0.00%	0.00%	Not recommended; Ratios exceeded due to one claim
City of Hughson		12.03%	1502.18%	1499.62%													Not recommended; No recent claims activity
City of Kingsburg								6.05%	840.66%	1394.16%							Not recommended; No recent claims activity
Los Angeles County West Vector Control District											3.40%	934.13%	1946.08%				Not recommended; Ratios exceeded due to one claim
City of McFarland	12/13; 14/15; 17/18				8.68%	1076.29%	1066.19%	4.41%	10.06%	10.48%	7.61%	0.00%	0.00%				Not recommended; No significant recent claims activity
City of Menifee		3.91%	0.00%	0.00%										5.64%	401.47%	449.24%	Not recommended; Ratios exceeded due to two claims
City of Mt. Shasta											5.14%	1183.29%	2980.82%				Not recommended; Ratios exceeded due to one claim
City of Nevada City					15.08%	0.00%	0.00%							3.98%	457.72%	853.62%	Not recommended; Ratios exceeded due to one claim

**2020 ERMA Target Ratio Calculation  
Summary ~ All Claims**

	Prior Risk Assmt.	2014/2015			2015/2016			2016/2017			2017/2018			2018/2019			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
<b>ERMA's Target</b>		<b>2.16%</b>	<b>170.31%</b>	<b>358.49%</b>	<b>2.40%</b>	<b>133.79%</b>	<b>315.85%</b>	<b>2.64%</b>	<b>75.04%</b>	<b>171.70%</b>	<b>2.40%</b>	<b>115.50%</b>	<b>277.19%</b>	<b>2.22%</b>	<b>50.12%</b>	<b>122.17%</b>	Assessment Recommended
<b>Insured:</b>																	<b>COMMENTS</b>
City of Parlier		4.25%	180.86%	349.00%	5.09%	0.00%	0.00%	4.76%	0.00%	0.00%	10.18%	0.00%	0.00%	4.80%	0.00%	0.00%	City is no longer an ERMA member
City of Patterson								1.59%	0.00%	0.00%	1.42%	0.00%	0.00%	1.24%	186.22%	388.87%	Not recommended; Ratios exceeded due to one claim
City of Piedmont		0.94%	0.00%	0.00%	0.88%	191.03%	555.51%	0.86%	0.00%	0.00%	0.84%	85.00%	230.29%				Not recommended; Ratios exceeded due to one claim
City of Pleasant Hill					1.83%	868.72%	1330.05%										Not recommended; No recent claims activity
City of Pleasanton Fire Department (Livermore-Pleasanton)								0.52%	98.67%	308.23%							Not recommended; No recent claims activity
City of Porterville		0.57%	0.00%	0.00%							1.02%	316.68%	574.54%	0.50%	4.98%	9.26%	Not recommended; Ratios exceeded due to one claim
City of Rialto	2016/17	0.39%	0.00%	0.00%	1.16%	116.59%	287.79%	1.03%	272.16%	532.58%							City is no longer an ERMA member
San Gabriel Valley Mosquito and Vector Control District		5.88%	1092.42%	1130.47%	5.43%	1958.31%	1928.69%	5.35%	0.00%	0.00%							Not recommended; Claims activity and severity arose under prior management
City of Susanville								2.72%	340.20%	862.19%	2.52%	0.00%	0.00%				Not recommended; Ratios exceeded primarily due to one claim
City of Twentynine Palms											4.43%	0.00%	0.00%	4.26%	724.05%	1350.28%	Not recommended; Ratios exceeded due to one claim
City of Victorville											1.16%	0.00%	0.00%	0.72%	68.77%	137.10%	Not recommended; Ratios exceeded due to one claim
City of Wasco					3.56%	255.73%	450.45%										Not recommended; No recent claims activity
City of West Hollywood	2016/17; 2017/18	2.02%	1092.79%	2583.05%	0.46%	0.00%	0.00%										City is no longer an ERMA member
West Valley Mosquito and Vector Control District														7.17%	179.15%	330.25%	Not recommended; Ratios exceeded due to one 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

Members with claims: 102  
Total number of claims: 365



**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Training Update**

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**BACKGROUND AND STATUS:**

**Live & Online Trainings:**

In May of each year, staff schedules Board-allocated live trainings for the coming program year. As a result of Coronavirus (COVID-19), and in accordance with public health orders, live trainings were delayed until September 2020. Due to on-going travel and large, in-person gathering restrictions, trainings scheduled during the months of September through November transitioned to a remote webinar format. Staff continues to evaluate the need to transition future scheduled trainings in accordance with the subject restrictions.

Access to online training including AB 1825 and SB 1343-compliant sessions, remains available to member agencies via *ERMANet*. A detailed report regarding available training and member usage will be provided under a separate agenda item by our strategic training partner, *In2vate*.

**Training and Risk Management Consortium:**

In February 2020, the Board approved implementation of the Training and Risk Management Consortium (Consortium), effective July 1, 2020. The Consortium provides members the ability to seek reimbursement of up to \$2,500 annually for eligible employment-related training and loss control activity expenditures. Funds for this program are allocated from the Capital Contribution Fund, established in 2016 to support expanded training initiatives.

**COVID-19 Webinar:**

ERMA's strategic partner law firms, Jackson Lewis and Liebert Cassidy Whitmore (LCW), presented a two-hour webinar on September 30, 2020 entitled, "Important Steps to Avoid New Employment Claims and Best Practices for Managing COVID-19 Pandemic Issues." Presenters included, Jared Bryan and Jeanette Youngblood, Jackson Lewis, and Geoff Sheldon and Alex Volberding, LCW.

**Training Compliance:**

In accordance with Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law, beginning January 1, 2021, a survey will be issued to members requesting self-certification of compliance with all State-mandated training requirements. The survey will be distributed via the weekly Training Bulletin, included in the bi-annual membership letter and will also be available to members on ERMA's website.

Mona Hedin, Analyst & Training Coordinator, will provide the Board with training program updates and answer any questions from the Board.

**RECOMMENDATION:**

*None*

**COVERAGE MATTERS**

**SUBJECT: City of Lathrop (CSJVRMA) Appeal of Denial of Coverage**

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**BACKGROUND AND STATUS:**

The City of Lathrop, an underlying member of CSJVRMA, untimely reported a DFEH charge in which race/ancestry discrimination claims are stated. The charge was brought by an applicant (Hernandez) for a Sports Recreation Coordinator position. The City received the DFEH charge on July 29, 2019. ERMA received notice of the claim on June 24, 2020. In accordance with the Memorandum of Coverage (MOC), the claim was subsequently denied.

Pursuant to the 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;

The 2018/19 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**  
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**November 2, 2020**

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- (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 Lathrop regarding the Hernandez 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 and appropriately provided the DFEH a position statement setting forth the City's response to the charge.
- The DFEH issued a right-to-sue notice on June 23, 2020 after finding insufficient evidence to conclude a violation of the FEHA occurred.
- The City took all appropriate steps in response to the charge.
- The Litigation Manager received notice of the claim on June 24, 2020 – the day following the City's receipt of the right-to-sue notice from the DFEH.
- The Litigation Manager has 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 \$25,000 SIR. Should the City's appeal be granted, the increase to the City's Retained Limit is 25% or \$6,250.

**RECOMMENDATION:**

*Staff recommends the Board of Directors provide direction as necessary.*

**REFERENCE MATERIALS ATTACHED:**

- Summary of Historical Coverage Appeal Decisions: 2015 - Current

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

Agency	Appeal Date	Appeal Decision	Penalty	Notes
City of El Cerrito	February 7, 2020	Granted	\$500,000 SIR	Untimely Report
City of Hayward	November 4, 2019	Granted	10% SIR increase \$500,000 to \$550,000	Untimely Report
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

**CLAIMS MATTERS**

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

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**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.

<b>Claim</b>	<b>Page Number</b>
Hernandez v. City of Lathrop	N/A
Estarziau v. City of Manteca	Page 20
Soriano v. City of Twentynine Palms	Page 100
Bollinger/Wood v. City of Susanville	Page 130

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

- Confidential Litigation Manager's Report (distributed under separate cover; copies to be deleted following completion of the meeting)