



**EMPLOYMENT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS MEETING
AGENDA**

**Monday, November 1, 2021
10:00 a.m.**

Zoom

**Dial-in Number: (669) 900-6833
Meeting ID: 882 1671 6513
Passcode: ERMAJPA
[Meeting Link](#)**

All portions of this meeting will be conducted by teleconferencing in accordance with Government Code section 54953.

Members of the public may observe and listen to the meeting telephonically. No physical location will be available from which members of the public may observe the meeting and offer public comment. Public comments may be submitted in advance of the meeting by emailing Danielle Davis at danielle.davis3@sedgwick.com. Alternatively, members of the public may offer spoken comments when public comment is requested, either at the beginning of the meeting as to non-agenda items, or regarding an agenda item at the time that item is considered.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Danielle Davis at (916) 244-1116 or danielle.davis3@sedgwick.com. Requests must be made as early as possible, and preferably 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 Committee less than 72 hours prior to a regular meeting will be available for public inspection. Please contact Danielle Davis at (916) 244-1116 or danielle.davis3@sedgwick.com.

Page 1. CALL TO ORDER; ROLL CALL

- 5 2. AUTHORIZATION TO MEET VIA TELECONFERNECE**
- *A. Authorization to meet via teleconference pursuant to Government Code Section 54953, Subdivision (e)(1)(C)
- Recommendation: Staff recommends the Board of Directors consider finding, as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees, and the meeting should be held by teleconference as authorized by subdivision (e)(1)(C) of section 54953 of the Government Code.*

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

- 4. PUBLIC COMMENTS** - The public may submit any questions by contacting Danielle Davis at danielle.davis3@sedgwick.com. This time is reserved for members of the public to address the Board relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law.

5. CLAIMS MATTERS

- 7 *A. Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to Closed Session to discuss the following claims:
- McCarthy, John v. City of Novato
 - Boston, John; Rodarte, Leo; Duque, Adrian v. California City
 - Fisher, Robert v. City of Banning
- 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.*

6. STAFFING UPDATE

- 8 A. Appointment of Danielle Davis as Board Secretary
- Recommendation: Staff recommends the Board of Directors appoint Danielle Davis as Board Secretary, effective November 1, 2021.*

7. ELECTION OF OFFICERS FOR 2021/22 AND 2022/23 PROGRAM YEARS

- 9 A. Nomination and Election of Vice President
- Recommendation: Staff recommends the Board of Directors nominate and elect a Vice President to serve through June 30, 2023.*
- 10 B. Nomination and Election of Treasurer
- Recommendation: Should a vacancy occur in the office of Treasurer, staff recommends the Board nominate and elect a Treasurer to serve through June 30, 2023.*

8. CONSENT CALENDAR

If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- 12 *A. Minutes of June 8, 2021, Board of Directors Meeting
- 22 *B. Minutes of June 29, 2021, Special Board of Directors Meeting
- 25 *C. General Warrants from May 1, 2021, through September 30, 2021
- 26 *D. Claims Payments from May 1, 2021, through September 30, 2021
- 28 *E. Treasurer's Report as of June 30, 2021
- 58 *F. Financial Report for the Fiscal Year Ended June 30, 2021
- 63 *G. PFM Quarterly Ended June 30, 2021, Review of Investment Portfolio
- 102 *H. Resolution No. 2021-6, Establishing Meeting Dates for the 2021/22 Fiscal Year
- 103 *I. EPL Excess Policy & Invoice
- 122 *J. Conflict of Interest Code Biennial Notice to FPPC
- 124 *K. ERMA Board Document Review Schedule

Recommendation: Approval of the Consent Calendar.

* Reference materials enclosed with staff report.

9. FINANCIAL MATTERS

- 130 *A. Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2021
Recommendation: Staff recommends the Board of Directors accept and file the ERMA Audited Financial Statements for the Fiscal Year Ended June 30, 2021.

10. ADMINISTRATIVE MATTERS

- 166 *A. Approval of Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services
Recommendation: Staff recommends the Board of Directors approve Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services, effective November 1, 2021.
- 169 *B. Approval of Service Agreement between ERMA and in2vate
Recommendation: Staff recommends the Board of Directors retroactively approve the proposed Service Agreement Between ERMA and in2vate, effective September 1, 2021.
- 181 *C. Proposed Amendments to Resolution Establishing Criteria for Approval of Investigators
Recommendation: Staff recommends the Board of Directors approve Resolution No. 2021-7, Establishing Criteria for Approval of Investigators, effective November 1, 2021.
- 186 D. 2021/22 Goals and Objectives Update
Recommendation: None
- 187 *E. Review of the 22nd Annual Workshop Agenda
Recommendation: Staff recommends the Board of Directors review the proposed workshop agenda and provide direction.

~~~ 20 MINUTE LUNCH BREAK ~~~

**11. MEMBERSHIP MATTERS**

- 190 \*A. Discussion Regarding the City of California City's (CIRA) Termination of Participation as a Member of ERMA  
*Recommendation: Staff recommends the Board of Directors provide direction as necessary.*
- 194 \*B. Review of Prospective New Member Application – City of Lindsay (CSJVRMA)  
*Recommendation: The Underwriting Committee recommends the Board of Directors approve the City of Lindsay (CSJVRMA) at a \$25,000 SIR, retroactively effective to July 1, 2021, with the condition the City's personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law, and approved by City Council, no later than July 1, 2023.*

\* Reference materials enclosed with staff report.

**12. COVERAGE MATTERS**

- 200        \*A. City of Banning (PERMA) Appeal of Denial of Coverage  
              *Recommendation: Staff recommends the Board of Directors provide direction as necessary.*
- 204        \*B. Proposed Revisions to the Memorandum of Coverage, Effective November 1, 2021  
              *Recommendation: The Coverage Committee recommends the Board of Directors approve the proposed revisions to the Memorandum of Coverage, Effective November 1, 2021.*

**13. TRAINING/LOSS PREVENTION MATTERS**

- 237        \*A. 2021 Target Risk Appraisal Recommendations  
              *Recommendation: 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 2022 meeting, based upon the outcome of the 2021 target ratio calculations.*
- 240        B. Training Update  
              *Recommendation: None*

**14. LITIGATION MANAGEMENT**

- 242        A. Report from Stacey Sullivan, Litigation Manager  
              *Recommendation: None*

**15. 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

**16. ADJOURNMENT**

**NOTICES:**

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

- Thursday, February 10, 2022, at 11:00 a.m. – Annual Workshop, Santa Cruz
- Friday, February 11, 2022, at 9:00 a.m. – Board Meeting, Santa Cruz
- Tuesday, April 26, 2022, at 10:00 a.m. – Board Meeting, TBD
- Monday, June 6, 2022, at 10:00 a.m. – Board Meeting, TBD

\* Reference materials enclosed with staff report.

**AUTHORIZATION TO MEET VIA TELECONFERENCE**

**SUBJECT: Authorization to Meet Via Teleconference Pursuant to Government Code Section 54953, Subdivision (e)(1)(C)**

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**BACKGROUND AND STATUS:**

**Authorization of Teleconference Meeting**

In light of the Governor's declaration that a state of emergency exists due to the incidence and spread of the novel coronavirus, and the pandemic caused by the resulting disease COVID-19, the Committee should consider whether meeting in person would present imminent risks to the health or safety of meeting attendees.

The Centers for Disease Control indicate that COVID-19 is a highly transmissible virus that is spread when an infected person breathes out droplets and very small particles that contain the virus, and such droplets and particles are breathed in by other people.<sup>1</sup> Since June of 2021, a more infectious variant of the virus, known as the Delta Variant, has emerged and now accounts for the vast majority of COVID-19 cases.

Although effective vaccines have been approved by the U.S. Food and Drug Administration for emergency use, vaccination rates are slow and have not yet reached a point to significantly control community transmission. As of October 18, 2021, 72.0% of Californians who are eligible to be vaccinated are fully vaccinated.<sup>2</sup>

Those who become infected with COVID-19 are at risk of serious illness and death. As of October 18, 2021, 724,976 Americans have died from the virus.<sup>3</sup> Many more have been hospitalized with serious illness. Currently, in Sacramento County, 204 people are hospitalized with COVID-19. Additionally, 34.3% of intensive care beds are in use.

Conducting meetings by teleconference would directly reduce the risk of transmission among meeting attendees, including members of the public and agency staff, which has the ancillary effect of reducing risk of serious illness and death as well as reducing community spread of the virus.

If the authorization to meet by teleconference is not approved by a majority vote, then the meeting will adjourn after this item, and the remaining agenda items will be rescheduled to a future in-person meeting.

**Discussion Regarding Format of Future Meetings**

Given the duration of the pandemic, the difficulty surrounding the decision to hold virtual or in-

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<sup>1</sup> <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>

<sup>2</sup> State of California Covid-19 Dashboard <https://covid19.ca.gov/vaccination-progress-data/>

<sup>3</sup> Johns Hopkins University Coronavirus Resource Center <https://coronavirus.jhu.edu/>

person meetings, and the various national, state, and local ordinances regulating in-person gatherings and social distancing, the Board may wish to consider developing guidelines setting forth the conditions that must exist in order for an in-person meeting to be held, and the rules that must be followed for an in-person meeting (e.g. testing or vaccinations, facility size requirement to allow for proper social distancing, personal protective equipment, etc.).

Staff will discuss potential guidelines with the Board of Directors.

**RECOMMENDATION:**

*Staff recommends the Board of Directors consider finding, as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees, and the meeting should be held by teleconference as authorized by subdivision (e)(1)(C) of section 54953 of the Government Code.*

**CLAIMS MATTERS**

**SUBJECT:** Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to Closed Session to discuss claims

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**BACKGROUND AND STATUS:**

The confidential Litigation Manager's Report was distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the Closed Session.

| Claim                                                        | Page Number |
|--------------------------------------------------------------|-------------|
| McCarthy, John v. Novato                                     | 40          |
| Boston, John; Rodarte, Leo; Duque, Adrian v. California City | 106         |
| Fisher, Robert v. Banning                                    | 114         |

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

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

**STAFFING UPDATE**

**SUBJECT: Appointment of Danielle Davis as Board Secretary**

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**BACKGROUND AND STATUS:**

To assist with ERMA's administrative responsibilities, a member of staff is designated to serve as Board Secretary. With the addition of Danielle Davis to the staff team as ERMA's Analyst and Training Coordinator, staff recommends she be appointed Board Secretary effective November 1, 2021.

Ms. Davis joined Sedgwick in June 2021 and currently serves as the Board Secretary for another Sedgwick-administered JPA, the California Affiliated Risk Management Authorities (CARMA).

**RECOMMENDATION:**

*Staff recommends the Board of Directors appoint Daniele Davis as Board Secretary, effective November 1, 2021.*



**ELECTION OF OFFICERS FOR 2021/22 AND 2022/23 PROGRAM YEARS**

**SUBJECT:   Nomination and Election of Vice President**

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**BACKGROUND AND STATUS:**

Truc Dever, General Manager, Greater Los Angeles County Vector Control District (GLACVCD), announced her resignation effective November 19, 2021. The departure of Ms. Dever from GLAVCD creates a vacancy in the position of Vice President. Pursuant to Article VI, Section A, of the ERMA Bylaws:

*“The President, Vice President, and Treasurer/Auditor will serve for their elected term of office until termination of employment or office with a Member; or until removal from office by the affirmative vote of two-thirds of the Members of the entire Board of Directors. Vacancies in the offices of President, Vice President, or Treasurer/Auditor will be filled by a majority vote of the remaining Representatives until the next scheduled election.”*

Presently, John Gillison, California Intergovernmental Risk Authority (CIRA), serves as President and Stuart Schillinger, Bay Cities Joint Powers Insurance Agency (BCJPIA), serves as Treasurer through June 30, 2023.

**RECOMMENDATION:**

*Staff recommends the Board of Directors nominate and elect a Vice President to serve through June 30, 2023.*

**ELECTION OF OFFICERS FOR 2021/22 AND 2022/23 PROGRAM YEARS**

**SUBJECT:   Nomination and Election of Treasurer**

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**BACKGROUND AND STATUS:**

In accordance with Article VI, Section A, of the ERMA Bylaws:

*“The President, Vice President, and Treasurer/Auditor will serve for their elected term of office until termination of employment or office with a Member; or until removal from office by the affirmative vote of two-thirds of the Members of the entire Board of Directors. Vacancies in the offices of President, Vice President, or Treasurer/Auditor will be filled by a majority vote of the remaining Representatives until the next scheduled election.”*

This agenda item shall serve as a placeholder in the event a nomination and election of Treasurer is required.

**RECOMMENDATION:**

*Should a vacancy occur in the office of Treasurer, staff recommends the Board nominate and elect a Treasurer to serve through June 30, 2023.*

**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 8, 2021, Board of Directors Meeting
- B. Minutes of June 29, 2021, Special Board of Directors Meeting
- C. General Warrants from May 1, 2021, through September 30, 2021
- D. Claims Payments from May 1, 2021, through September 30, 2021
- E. Treasurer's Report as of June 30, 2021
- F. Financial Report for the Fiscal Year Ended June 30, 2021
- G. PFM Quarterly Ended June 30, 2021, Review of Investment Portfolio
- H. Resolution No. 2021-6, Establishing Meeting Dates for the 2021/22 Fiscal Year
- I. EPL Excess Policy & Invoice
- J. Conflict of Interest Code Biennial Notice to FPPC
- K. ERMA Board Document Review Schedule

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

### **MINUTES OF THE BOARD OF DIRECTORS MEETING OF JUNE 8, 2021**

A regular meeting of the Board of Directors of ERMA was held on June 8, 2021. All portions of this meeting were conducted via Zoom 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  
Robert Thompson, CalTIP  
Sean Scully, CSJVRMA  
Melissa Guerrero, ERMAC  
Brett Miller, MBASIA  
Linda Cox, MPA  
Artesia Dupree, OHA  
Beth Lyons, PERMA  
Kevin Bryant, PLAN

#### **BOARD MEMBERS ABSENT:**

None

#### **ALTERNATE MEMBERS PRESENT:**

Kin Ong, PARSAC  
Roger Carroll, SCORE (Alternate)  
Nataline Jindoian, CCCHA (Alternate)

#### **ALTERNATE MEMBERS ABSENT:**

Heather Rowden, BCJPIA  
Yumi Augustus, PERMA  
George Fink, CalTIP  
Tina Friend, MBASIA  
Reina Schwartz, MPA  
George Rodericks, PLAN  
Drew Felder, OHA

#### **OTHERS PRESENT:**

Jennifer Jobe, Executive Director  
Kathy Maylin, Litigation Manager  
Ligia Nicolae, Litigation Analyst  
Jim Elledge, Interim Finance Manager  
Chee Xiong, Senior Accountant  
Doug Alliston, General Counsel  
Michael Christian, Jackson Lewis  
Geoff Sheldon, Liebert Cassidy Whitmore  
Elizabeth Arce, Liebert Cassidy Whitmore  
Seth Cole, Alliant  
Tim Farley, Farley Consulting Services  
Jaesa McCulligan, BCJPIA  
Chrissy Mack, CalTIP/VCJPA  
Jeanette Workman, CSJVRMA

Marcus Beverly, ERMAC  
Maria De Leon, Sedgwick  
Rachna Singh, Sedgwick  
Stacey Sullivan, Sedgwick

1. CALL TO ORDER/ROLL CALL

The June 8, 2021, Board of Directors Meeting was called to order at 10:00 a.m., by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Linda Cox moved to approve the Agenda as posted. Seconded by Brett Miller. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison with no nays or abstentions.**

3. PUBLIC COMMENTS

None

4. STAFFING UPDATE

Jennifer Jobe, Executive Director, reminded the Board of Kathy Maylin's upcoming retirement and introduced Stacey Sullivan as Ms. Maylin's successor as ERMA Litigation Manager. She noted Ms. Maylin will be working with Ms. Sullivan to ensure a smooth transition through the end of September. Ms. Jobe provided a summary of Ms. Sullivan's work experience before joining Sedgwick, including serving as an Assistant US Attorney for 13+ years.

Ms. Jobe also announced that a new Analyst will be joining the ERMA team at the end of the month to fill the ERMA Analyst position left vacant by Mona Hedin's departure.

President Gillison expressed appreciation to Ms. Maylin and welcomed Ms. Sullivan to ERMA. Mr. Gillison also acknowledged Jim Elledge and Maria De Leon, Sedgwick, for their assistance as ERMA reconstitutes its core service team.

5. CONSENT CALENDAR

Kevin Bryant, PLAN, requested the minutes of the April 27, 2021, be updated to reflect his votes during the Board meeting.

**Kevin Bryant moved, seconded by Truc Dever, to approve the Consent Calendar with the correction discussed, as follows: A) Minutes of April 27, 2021, Board of Directors Meeting, and Summary of Action Items; B) General Warrants from April 1, 2021, through April 30, 2021; C) Claims Payments from April 1, 2021, through April 30, 2021;**

**D) Treasurer's Report as of March 31, 2021; E) Internal Financial Statements as of March 31, 2021; F) PFM Quarterly Investment Report as of March 31, 2021; G) Conflict of Interest Code for ERMA, Effective June 11, 2021; H) Memorandum of Coverage for the 2021/22 Program Year, in redline/strikeout; I) Master Program Document for the 2021/22 Program Year, in redline/strikeout; and J) ERMA Board Document Review Schedule. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

6. ADMINISTRATIVE MATTERS

A. 2020/21 Goals and Objectives Update

Ms. Jobe reported various activities are in progress according to the goals and objectives the Board established at the 2021 Annual Workshop for the 2021/22 program year and noted recommendations for each of the goals will be brought forward for consideration at the November and January meetings. The goals for 2021/22 are as follows:

**Goal #1: REVIEW CLAIM TYPE CATEGORIES – IN PROGRESS**

- Gender/Sex Discrimination & Harassment
- Retaliation/Whistleblower

**Goal #2: REVIEW FINANCIAL POSITION – IN PROGRESS**

- Identify and conduct net position adequacy stress test
- Review possibility of longer-term investing

**Goal #3: REVIEW INVESTIGATOR PANEL – IN PROGRESS**

- Review Investigation Process & Procedures
- Rates

**Goal #4: REVIEW EXPANSION OF COVERAGE** (to include defense costs associated with wage and hour claims with an applied sub-limit) – **IN PROGRESS**

**Goal #5: DEVELOP CERTIFICATE PROGRAM** (recognition of Agency implementation of recommended policies, procedures, and training pertaining to:) – **IN PROGRESS**

- Electronic communications
- Return-to-Work
- Vaccination
- Hotline

B. Claims Audit Prepared by Farley Consulting Services

Tim Farley, Farley Consulting Services (FCS), provided an overview of the Employment Practices Liability (EPL) Claims Audit Report dated April 14, 2021. Mr. Farley noted only minor deficiencies were observed during the audit, including untimely status updates from

defense counsels and investigators and a recommendation to adjust the claims reserve on one claim. He stated, overall, staff continues to conduct effective administration of ERMA claims.

Ms. Maylin was pleased with the results of the audit and offered her response to the deficiencies Mr. Farley discussed.

**Linda Cox moved, seconded by Truc Dever, to accept and file the Employment Practices Liability Claims Audit Report. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

C. Approval of Amendment Two to the Agreement for Administrative, Litigation Management, and Financial Services

Ms. Jobe advised an earlier draft of the staff report for this item was inadvertently included in the agenda packet that was distributed to the Board. She noted final version is what was presented at the meeting.

Ms. Jobe continued, noting the current contract for program administration expires on June 30, 2023. She indicated that due to the acquisition of Bickmore by York Risk Services (York) in May 2014, an amendment to the contract was approved by the Board in April 2019 that assigned the contract to York. Subsequently, York was acquired by Sedgwick in September 2019. In light the acquisition, a second amendment to the agreement is required to ensure contractual obligations are properly assigned to Sedgwick. Ms. Jobe added that due to the addition of two primary JPA members and each of their underlying members effective July 1, 2021, Amendment Two to the Agreement for Administrative, Litigation Management, and Financial Services proposed a 2% increase to the existing compensation terms in order to meet the needs of the expanded membership. She stated the increase will allow for the continuation of existing allocated staffing resources as well as an expansion to include a full-time Litigation Management and Litigation Analyst, and half-time Administrative Assistant.

Ms. Jobe advised the proposed amendment has been discussed with President Gillison and reviewed by Doug Alliston, General Counsel.

**Artesia moved to approve, seconded by Truc Dever, to approve Amendment Two to the Agreement for Administrative, Litigation Management, and Financial Services. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

7. ELECTION OF OFFICERS FOR THE 2021/22 AND 2022/23 PROGRAM YEARS

Elections were held for Board Officer positions for a term of two years, program years 2021/22 and 2022/23, as follows:

**Truc Dever moved, seconded by Linda Cox, to elect John Gillison as President. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

**Stuart Schillinger moved, seconded by John Gillison, to elect Truc Dever as Vice President. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

**Artesia Dupree moved, seconded by Truc Dever, to elect Stuart Schillinger as Treasurer. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

8. FINANCIAL MATTERS

A. Review of Annual Retrospective Adjustment Calculation

Jim Elledge, Interim Finance Manager, presented the Annual Retrospective Adjustment Calculation as of March 31, 2021. Mr. Elledge reviewed the conditions in which dividends would be eligible for release through the retrospective adjustment calculation process, including the requirement that the program's overall net position is positive with liabilities stated at the 90% confidence level. Based on the calculation, approximately \$4.5M is eligible for release in the form of a dividend.

Mr. Elledge indicated staff recommends for the Board release not to exceed \$3M in dividends and the remaining eligible dividends to be retained and added to the program's equity. Mr. Elledge reviewed charts illustrating the impact of issuing a \$3M dividend to the surplus and ERMA's three key target equity ratios. The charts indicated that despite the issuance of a dividend, the three key ratios improved. Mr. Elledge noted a calculation using the financial statements as of March 31<sup>st</sup>, assuming a \$1M dividend, was included in the agenda so the Board can easily observe the impact of using multiples of \$1M.

In light of the uncertainties in the insurance market and the addition of a large volume of new members into the program, the Board deliberated whether to declare the release of the entire \$3M or only a portion of the amount as dividends to the membership. The calculation indicated the release of the entire amount would bring the program's net position down to \$12M, which is more than 10 times the pool's self-insured retention (SIR). Mr. Elledge advised ERMA's target equity is only five times the SIR. He suggested the pool revisit the target equity in the future to determine whether it is still appropriate. He noted most pools use 10 times the SIR as standard target equity benchmark.

The Board agreed with the staff's recommendation based on the rationale that the program is



still sufficiently funded even with the release of the entire \$3M in dividends, and that there are key metrics in place to ensure appropriate contributions are collected to meet future claims and other financial obligations.

**Roger Carroll moved, seconded by Beth Lyons, to approve a total dividend release of \$3M from program years 2012/13, 2013/14, 2014/15, and 2015/16. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

**B. Proposed Administrative and Operating Budget for the 2021/22 Program Year**

Mr. Elledge discussed the proposed budget for the 2021/22 program year, at the 80% confidence level, and discounted at 1.5%. He noted the proposed budget reflects the additions of the California Intergovernmental Risk Authority (CIRA), which represents the combined membership of Public Agency Risk Sharing Authority of California (PARSAC) and Redwood Empire Municipal Insurance Fund (REMIF), Yolo County Public Risk Management Authority (YCPARMIA), City of Sierra Madre (to PARSAC/CIRA), and City of Murietta Fire Department (to PERMA). The budget also reflected an approximate 5% increase in funding rates over last year and flat excess renewal rates.

Mr. Elledge noted staff will incorporate into the final budget the 2%, or \$75,000, increase in the program administration annual base contract price as approved in the prior agenda item. In addition, staff recommended incorporating a \$3,600 increase in the in2vate contract into the final budget, as well as the addition of City of Exeter to CSJVRMA.

Ms. Jobe advised in2vate has not requested a fee increase in over 10 years. She noted the renewal of the contract, which expires in September, was inadvertently omitted from the agenda and the proposed budget. She added in discussion with President Gillison, the renewal contract will be presented for Board consideration at the November meeting, with the increase retroactive to September 1<sup>st</sup>, and clean-up of other items in the contract.

Ms. Jobe added the City of Exeter (CSJVRMA) will also be incorporated into the final budget. The City of Exeter's membership application was approved by the Board later in the agenda.

A question was raised whether to increase the budget for meetings and retreat for 2021/22 program year. Upon a brief discussion, the Board provided direction to adjust the meetings and retreat budget line item accordingly.

**Linda Cox moved, seconded by Artesia Dupree, to approve the proposed Administrative and Operating Budget for the 2021/22 program year at the 80% confidence level, discounted at 1.5%, and to authorize the Executive Director to further adjust the approved budget for billing if CIRA does not elect excess insurance coverage, and for**

**other modifications discussed. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

9. COVERAGE MATTERS

Seth Cole, Alliant, reported the RSUI has proposed a flat rate renewal for 2021/22 at a premium of \$347,272, a 4% increase over the expiring premium due to increased member payroll for 2021/22. He will be working with staff in securing excess quotes for new members. He advised ERMA to consider a higher aggregate limit for the group, should participation in the excess layers continue to grow in the future.

Ms. Jobe reminded the Board the addition of new members would be a part of the adjustments that will be incorporated into the final budget for 2021/22.

**Artesia Dupree moved, seconded by Roger Carroll, to authorize binding excess coverage through RSUI for the 2021/22 program year, subject to adjustments based on the final decisions from the new members of CIRA and YCPARMIA to participate in the excess layer. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

10. MEMBERSHIP MATTERS

A. Review of Prospective New Member Application – City of Exeter (CSJVRMA)

President Gillison stated the Underwriting Committee met several times to review a number of membership applications. He expressed appreciation to staff, particularly Ms. Jobe, for their work in preparing the information for the Committee and Board's consideration. He noted that this is the first time that ERMA has received this volume of membership applications within the same period since its inception.

Ms. Jobe reviewed the application of the City of Exeter (underlying member of CSJVRMA). She noted the Underwriting Committee recommended the Board approve the City's application with the condition the City's personnel policies and procedures be updated, reviewed by legal counsel with expertise in public sector employment law, and approved by the City's governing body no later than July 1, 2023.

She advised the recommended condition is a recurring theme throughout the member applications presented for consideration by the Board at the meeting.

B. Review of Prospective New Member Applications – Redwood Empire Municipal Insurance Fund's (REMIF) Underlying Member Entities

Ms. Jobe reminded the Board of its approval of REMIF and its ten underlying member entities

at the April 2021 meeting. She noted the applications of the remaining five members were reviewed by the Underwriting Committee, and the Committee provided specific recommendations for each entity, mostly about the lack of updated personnel policies and non-compliance with training mandates.

C. Review of Prospective New Member Applications – Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and Underlying Member Entities

Ms. Jobe reminded the Board that the YCPARMIA and eighteen of its underlying members submitted applications for members in ERMA. She noted the Underwriting Committee reviewed the applications and recommended specific recommendations for each entity, as their exposures are not common among the ERMA members, such as cemetery and school districts, and County. These recommendations mostly pertained to the lack of updated personnel policies, non-compliance with training mandates, or the use of ERMA's defense panel attorneys.

**Linda Cox moved, seconded by Truc Dever, to approve the recommendations presented under Agenda Items 10.A., 10.B., and 10.C. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

Ms. Jobe advised the member application from the City of Sierra Madre, an underlying member of REMIF, was inadvertently excluded from the meeting agenda. She noted the application and recommendation were reviewed at the April meeting. She added based on direction from General Counsel, the Board is requested to approve the membership application from the City of Sierra Madre.

**Linda Cox moved, seconded by Beth Lyons, to approve the City of Sierra Madre (REMIF) membership application for participation in ERMA effective July 1, 2021. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison, with no nays or abstentions.**

11. TRAINING/LOSS PREVENTION MATTERS

A. Risk Assessment Update – City of California City (PARSAC)

Kathy Maylin, Litigation Manager, stated that at the November 2020 meeting, the Board authorized a risk assessment of the City of California City. She noted the recommendation was for the Litigation Manager to continue to monitor the City's claims activity. She reported both the City Manager and City Attorney have been receptive and proactive in their early involvement in a claim. She noted there are no further recommendations from staff on this matter.

12. LITIGATION MANAGEMENT

A. Report from Kathy Maylin, Litigation Manager

Ms. Maylin reported that as of May 2018, the volume of litigated claims has declined from 36 to 30, with only 23 active litigated claims. To continue the downward trend in claims volume, she suggested ERMA remain focused in educating the membership about ERMA, its programs, available risk control services, reporting requirements, and availability of best practice training. She also emphasized the importance of the litigation management department's involvement and partnership with members in the early stages of claims, promptly assigning a defense attorney, and expanding the defense attorney panel.

Ms. Maylin also suggested adding to the Board annual workshop a discussion on limiting coverage and exposure on claims brought by city council members, and to reevaluate whether the acceptance of late claims should continue to be at the discretion of the litigation manager or if it should be a Board decision. Staff was directed to add both items for discussion at the annual workshop in February 2022.

The Board expressed appreciation to Ms. Maylin for her years of service on ERMA.

Ms. Maylin thank the Board and wished ERMA continued success.

13. CLAIMS MATTERS

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

Ms. Maylin advised there was no longer a need to discuss the Claims listed on the agenda.

- Choate, Shannon v. City of Shafter
- Soriano, Dina v. City of Twentynine Palms
- Reynolds, DeAndre v. City of Victorville

B. Report from Closed Session

No reportable action was taken.

14. CLOSING COMMENTS

A. Board of Directors

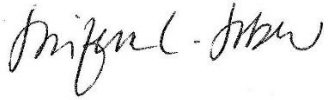
Well-wishes were extended to Ms. Maylin in her upcoming retirement.

B. Staff

15. ADJOURNMENT

The June 8, 2021, ERMA Board of Directors Meeting adjourned at 11:55 a.m. by

general consent.

A handwritten signature in black ink, appearing to read "Jennifer Jobe".

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Jennifer Jobe, Executive Director

DRAFT

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**  
**MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING**  
**OF JUNE 29, 2021**

A special meeting of the Board of Directors of ERMA was held on June 29, 2021. All portions of this meeting were conducted via Zoom 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  
Charlene Calica, CCCHA  
Melissa Guerrero, ERMAC  
Brett Miller, MBASIA  
Linda Cox, MPA  
Artesia Dupree, OHA  
Beth Lyons, PERMA  
Roger Carroll, SCORE

**BOARD MEMBERS ABSENT:**

Robert Thompson, CalTIP  
Sean Scully, CSJVRMA  
Kevin Bryant, PLAN

**ALTERNATE MEMBERS PRESENT:**

Tina Friend, MBASIA (*joined at 1:06 p.m.*)  
Kin Ong, PARSAC  
Wendy Howard, SCORE

**ALTERNATE MEMBERS ABSENT:**

Heather Rowden, BCJPIA  
George Fink, CalTIP  
Nataline Jindoian, CCCHA (Alternate)  
Reina Schwartz, MPA  
Drew Felder, OHA  
Yumi Augustus, PERMA  
George Rodericks, PLAN

**OTHERS PRESENT:**

Jennifer Jobe, Executive Director  
Jim Elledge, Interim Finance Manager  
Doug Alliston, General Counsel  
Jaesa McCulligan, BCJPIA  
Chrissy Mack, CalTIP/VCJPA  
Jeanette Workman, CSJVRMA  
Jon Paulsen, PLAN  
Marcus Beverly, SCORE

**1. CALL TO ORDER/ROLL CALL**

The June 29, 2021, Board of Directors Meeting was called to order at 10:00 a.m., by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Linda Cox moved to approve the Agenda as posted. Seconded by Brett Miller. A roll call was conducted. The motion passed unanimously with affirmative votes by Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Melissa Guerrero, Brett Miller, Artesia Dupree, Kevin Bryant, Beth Lyons, Roger Carroll, Nataline Jindoian, and John Gillison with no nays or abstentions.**

3. PUBLIC COMMENTS

None

4. MEMBERSHIP MATTERS

A. Review of Prospective New Member Applications – Redwood Empire Municipal Insurance Fund’s (REMIF) Underlying Member Entities

Jennifer Jobe, Executive Director, reminded the Board of its approval of REMIF and its eleven underlying member entities at both the April 27 and June 8, 2021 meetings. She noted the applications of the remaining four members were reviewed by the Underwriting Committee, and the Committee provided specific recommendations for each entity.

**Artesia Dupree moved to approve: 1) the Redwood Empire Municipal Insurance Fund underlying members – Cities of Sebastopol and Ukiah at a \$250,000 SIR, effective July 1, 2021; and 2) the Cities of Arcata and Lakeport at a \$250,000 SIR, effective July 1, 2021, with the condition the cities’ personnel policies and procedures are updated, reviewed by legal counsel with public sector employment law expertise, and approved by City Council, no later than July 1, 2023. Seconded by Roger Carroll. Roll call was conducted with affirmative votes by Truc Dever, Stuart Schillinger, Beth Lyons, Melissa Guerrero, Brett Miller, Linda Cox, Roger Carroll, Charlene Calica, Artesia Dupree, and John Gillison, with no nays or abstentions. The motion passed unanimously.**

B. Discussion Regarding Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and Underlying Member Entities

Ms. Jobe stated that at the April 27 and June 8 meetings, the Board of Directors approved YCPARMIA and its 22 underlying members for participation in ERMA, at a \$500,000 SIR, effective July 1, 2021.

Ms. Jobe went on to state that due to current insurance market conditions, the YCPARMIA Board elected to participate in an excess liability program wherein EPL is included under the Memorandum of Coverage. As such, YCPARMIA submitted formal notice to ERMA requesting to rescind their Resolution of Intent to Participate, effective July 1, 2021. Ms. Jobe

advised that YCPARMIA was removed from the program budget previously presented to the Board on June 8, noting that total contributions were minimally affected.

Discussion ensued regarding staff, Committee, and Board member's time expended underwriting YCPARMIA and the underlying members, with the Board expressing a desire to ensure this type of situation does not present itself in the future. Ms. Jobe stated that staff will meet with the Underwriting Committee in the coming months to re-evaluate the existing application fee structure and a recommendation will be presented to the Board at the November 1 meeting.

In closing, Ms. Jobe stated the Addendum to the Sedgwick Administration contract executed at the June 8 meeting would be adjusted after July 1 to ensure the base contract pricing accurately reflects the withdrawal of YCPARMIA.

5. CLOSING COMMENTS

A. Board of Directors

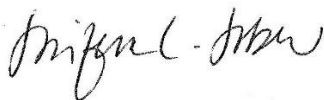
None

B. Staff

None

6. ADJOURNMENT

The June 29, 2021, ERMA Special Board of Directors Meeting adjourned at 1:28 p.m. by general consent.



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Jennifer Jobe, Executive Director



|              |       |      |              |             |
|--------------|-------|------|--------------|-------------|
| Ranges:      | From: | To:  | From:        | To:         |
| Check Number | First | Last | 5/1/2021     | 9/30/2021   |
| 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       |
|--------------|-----------|--------------------------------|------------|--------------|------------------|--------------|
| EFT000199    | FA100     | Farley Consulting Services     | 5/17/2021  | CBT GENERAL  | PMCHK00000767    | \$5,900.00   |
| EFT000200    | JA100 EFT | Jackson Lewis P.C.             | 5/17/2021  | CBT GENERAL  | PMCHK00000767    | \$7,820.00   |
| EFT000201    | YO110     | York Risk Services Group, Inc. | 5/17/2021  | CBT GENERAL  | PMCHK00000767    | \$9,947.19   |
| EFT000203    | AG100     | in2vate, LLC                   | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$18,000.00  |
| EFT000204    | BC100     | BCJPIA                         | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$359,689.00 |
| EFT000205    | CS100     | CSJVRMA                        | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$738,490.00 |
| EFT000206    | JA100 EFT | Jackson Lewis P.C.             | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$2,500.00   |
| EFT000207    | MP100     | Municipal Pooling Authority    | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$600,174.00 |
| EFT000208    | MU110     | Murphy, Campbell, Alliston & Q | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$2,068.00   |
| EFT000209    | PA120     | PARSAC                         | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$499,212.00 |
| EFT000210    | PE100     | PERMA                          | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$473,402.00 |
| EFT000211    | VC100     | VCJPA                          | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$156,511.00 |
| EFT000212    | YO110     | York Risk Services Group, Inc. | 6/16/2021  | CBT GENERAL  | PMCHK00000774    | \$246,957.54 |
| EFT000214    | DR100     | Alliant Insurance Services, In | 7/13/2021  | CBT GENERAL  | PMCHK00000778    | \$341,374.18 |
| EFT000215    | LI100 EFT | Liebert Cassidy Whitmore       | 7/13/2021  | CBT GENERAL  | PMCHK00000778    | \$5,000.00   |
| EFT000216    | MU110     | Murphy, Campbell, Alliston & Q | 7/13/2021  | CBT GENERAL  | PMCHK00000778    | \$1,222.00   |
| EFT000218    | CS100     | CSJVRMA                        | 8/18/2021  | CBT GENERAL  | PMCHK00000781    | \$25.00      |
| EFT000219    | DR100     | Alliant Insurance Services, In | 8/18/2021  | CBT GENERAL  | PMCHK00000781    | \$2,177.00   |
| EFT000220    | MU110     | Murphy, Campbell, Alliston & Q | 8/18/2021  | CBT GENERAL  | PMCHK00000781    | \$70.50      |
| EFT000221    | SA160     | Santa Cruz Dream Inn           | 8/18/2021  | CBT GENERAL  | PMCHK00000781    | \$2,500.00   |
| EFT000223    | AG100     | in2vate, LLC                   | 9/14/2021  | CBT GENERAL  | PMCHK00000787    | \$13,342.83  |
| EFT000224    | YO110     | York Risk Services Group, Inc. | 9/14/2021  | CBT GENERAL  | PMCHK00000787    | \$1,716.60   |
| G 003288     | PI105     | City of Pittsburg              | 5/17/2021  | CBT GENERAL  | PMCHK00000769    | \$2,500.00   |
| G 003289     | RE100     | City of Reedley                | 5/17/2021  | CBT GENERAL  | PMCHK00000769    | \$270.00     |
| G 003290     | SH115     | City of Shafter                | 5/17/2021  | CBT GENERAL  | PMCHK00000769    | \$1,000.00   |
| G 003291     | WE100     | West Valley MVCD               | 5/17/2021  | CBT GENERAL  | PMCHK00000769    | \$2,500.00   |
| G 003292     | CO140     | Contra Costa Housing Authority | 6/16/2021  | CBT GENERAL  | PMCHK00000775    | \$17,711.00  |
| G 003293     | MB100     | MBASIA                         | 6/16/2021  | CBT GENERAL  | PMCHK00000775    | \$45,293.00  |
| G 003294     | OA100     | Oakland Housing Authority      | 6/16/2021  | CBT GENERAL  | PMCHK00000775    | \$74,446.00  |
| G 003295     | SC100     | SCORE                          | 6/16/2021  | CBT GENERAL  | PMCHK00000775    | \$35,072.00  |
| G 003296     | CA195     | City of Capitola               | 7/12/2021  | CBT GENERAL  | PMCHK00000779    | \$2,500.00   |
| G 003297     | CE100     | City of Ceres                  | 7/12/2021  | CBT GENERAL  | PMCHK00000779    | \$2,500.00   |
| G 003298     | BA110     | City of Banning                | 8/18/2021  | CBT GENERAL  | PMCHK00000783    | \$2,500.00   |
| G 003299     | BR115     | City of Brisbane               | 8/18/2021  | CBT GENERAL  | PMCHK00000783    | \$2,500.00   |
| G 003300     | SE105     | Secretary of State             | 8/18/2021  | CBT GENERAL  | PMCHK00000783    | \$1.00       |
| * G 003301   | MU100     | City of Murrieta               | 9/14/2021  | CBT GENERAL  | PMCHK00000789    | \$1,240.00   |
| * G 003302   | MU100     | City of Murrieta               | 9/14/2021  | CBT GENERAL  | PMCHK00000789    | \$1,240.00   |
| * G 003303   | MU100     | City of Murrieta               | 9/14/2021  | CBT GENERAL  | PMCHK00000789    | \$1,240.00   |
| G 003304     | MU100     | City of Murrieta               | 9/14/2021  | CBT GENERAL  | PMCHK00000788    | \$1,240.00   |

|               |    |                         |                |
|---------------|----|-------------------------|----------------|
| Total Checks: | 39 | Total Amount of Checks: | \$3,678,131.84 |
|---------------|----|-------------------------|----------------|

|              |       |      |              |            |
|--------------|-------|------|--------------|------------|
| Ranges:      | From: | To:  | From:        | To:        |
| Check Number | First | Last | 5/1/2021     | 9/30/2021  |
| 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 007503      | AG101     | Teresa Aguilar                 | 5/17/2021  | CBT CLAIMS   | PMCHK00000763    | \$78,912.84  |
| L 007504      | CL101     | Clayeo C. Arnold, PC           | 5/17/2021  | CBT CLAIMS   | PMCHK00000763    | \$41,087.16  |
| L 007505      | CO102     | James Conners                  | 5/17/2021  | CBT CLAIMS   | PMCHK00000764    | \$19,800.00  |
| L 007506      | JO102     | Law Office of Jonathan D. Wint | 5/17/2021  | CBT CLAIMS   | PMCHK00000764    | \$85,000.00  |
| L 007507      | CO101     | Command Consulting and Investi | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$25,496.30  |
| L 007508      | CO110     | City of Coalinga               | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$4,854.00   |
| * L 007509    | PI105     | City of Pittsburg              | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$2,500.00   |
| * L 007510    | PO115     | City of Porterville            | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$12,789.50  |
| * L 007511    | RE100     | City of Reedley                | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$270.00     |
| * L 007512    | SH115     | City of Shafter                | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$1,000.00   |
| * L 007513    | WE100     | West Valley MVCD               | 5/17/2021  | CBT CLAIMS   | PMCHK00000765    | \$2,500.00   |
| L 007514      | PO115     | City of Porterville            | 5/17/2021  | CBT CLAIMS   | PMCHK00000768    | \$12,789.50  |
| L 007515      | CL115     | City of Clearlake              | 6/16/2021  | CBT CLAIMS   | PMCHK00000772    | \$10,000.00  |
| L 007516      | MA105     | City of Manteca                | 6/16/2021  | CBT CLAIMS   | PMCHK00000772    | \$744.50     |
| L 007517      | SU100     | City of Susanville             | 6/16/2021  | CBT CLAIMS   | PMCHK00000772    | \$7,552.00   |
| L 007518      | DI101     | Dina Soriano and Donald R. Hol | 6/16/2021  | CBT CLAIMS   | PMCHK00000773    | \$137,500.00 |
| * L 007519    | DE132     | Debra L. Reilly, PLC           | 7/9/2021   | CBT CLAIMS   | PMCHK00000776    | \$30,725.00  |
| L 007520      | DE132     | Debra L. Reilly, PLC           | 7/9/2021   | CBT CLAIMS   | PMCHK00000776    | \$30,725.00  |
| L 007521      | PO115     | City of Porterville            | 8/18/2021  | CBT CLAIMS   | PMCHK00000782    | \$302.80     |
| L 007522      | YR100     | City of Yreka                  | 8/18/2021  | CBT CLAIMS   | PMCHK00000782    | \$23,295.70  |
| L 007523      | BR155     | Jaime Brown                    | 8/25/2021  | CBT CLAIMS   | PMCHK00000784    | \$30,000.00  |
| L 007524      | RO130     | Robinson Employment Law, PC    | 8/25/2021  | CBT CLAIMS   | PMCHK00000784    | \$24,657.20  |
| L EFT000148   | BE100     | Best Best and Krieger LLP      | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$926.25     |
| L EFT000149   | BE100     | Best Best and Krieger LLP      | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$2,308.00   |
| L EFT000150   | BE100     | Best Best and Krieger LLP      | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$7,601.95   |
| L EFT000151   | BE130     | Bertrand, Fox, Elliot, Osman & | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$4,660.78   |
| L EFT000152   | BE130     | Bertrand, Fox, Elliot, Osman & | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$7,316.00   |
| L EFT000153   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$1,804.00   |
| L EFT000154   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$3,262.50   |
| L EFT000155   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$6,798.50   |
| L EFT000156   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$4,303.50   |
| L EFT000157   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$9,777.00   |
| L EFT000158   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$2,217.50   |
| L EFT000159   | JA100     | Jackson Lewis P.C.             | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$10,405.41  |
| L EFT000160   | LI100     | Liebert Cassidy Whitmore       | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$3,894.00   |
| L EFT000161   | LI100     | Liebert Cassidy Whitmore       | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$118.00     |
| L EFT000162   | LI100     | Liebert Cassidy Whitmore       | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$2,184.50   |
| L EFT000163   | LO100     | Lozano Smith, LLP              | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$22,400.44  |
| L EFT000164   | LO100     | Lozano Smith, LLP              | 5/17/2021  | CBT CLAIMS   | PMCHK00000766    | \$2,826.41   |
| * L EFT000166 | BE130     | Bertrand, Fox, Elliot, Osman & | 6/16/2021  | CBT CLAIMS   | PMCHK00000770    | \$14,306.21  |
| * L EFT000167 | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000770    | \$111,402.44 |
| * L EFT000168 | LI100     | Liebert Cassidy Whitmore       | 6/16/2021  | CBT CLAIMS   | PMCHK00000770    | \$17,172.10  |
| * L EFT000169 | LO100     | Lozano Smith, LLP              | 6/16/2021  | CBT CLAIMS   | PMCHK00000770    | \$19,989.64  |
| * L EFT000170 | BE100     | Best Best and Krieger LLP      | 6/16/2021  | CBT CLAIMS   | PMCHK00000770    | \$5,963.70   |
| L EFT000172   | BE100     | Best Best and Krieger LLP      | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$5,527.95   |
| L EFT000173   | BE100     | Best Best and Krieger LLP      | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$435.75     |
| L EFT000174   | BE130     | Bertrand, Fox, Elliot, Osman & | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$11,680.71  |
| L EFT000175   | BE130     | Bertrand, Fox, Elliot, Osman & | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$2,625.50   |
| L EFT000176   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$11,708.65  |
| L EFT000177   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$4,301.00   |
| L EFT000178   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$30,135.65  |
| L EFT000179   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$236.00     |
| L EFT000180   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$3,400.91   |
| L EFT000181   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$10,076.50  |
| L EFT000182   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$16,834.00  |
| L EFT000183   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$29.50      |
| L EFT000184   | JA100     | Jackson Lewis P.C.             | 26/16/2021 | CBT CLAIMS   | PMCHK00000771    | \$6,960.73   |
| L EFT000185   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$9,594.00   |
| L EFT000186   | JA100     | Jackson Lewis P.C.             | 6/16/2021  | CBT CLAIMS   | PMCHK00000771    | \$10,649.50  |

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User Date: 10/11/2021

Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 2  
User ID: lkokhanets

\* Voided Checks

| Check Number            | Vendor ID | Vendor Check Name           | Check Date | Checkbook ID | Audit Trail Code | Amount       |
|-------------------------|-----------|-----------------------------|------------|--------------|------------------|--------------|
| L EFT000244             | SA095     | Sacks, Ricketts & Case, LLP | 9/14/2021  | CBT CLAIMS   | PMCHK00000785    | \$6,225.00   |
| L EFT000246             | JA100     | Jackson Lewis P.C.          | 9/14/2021  | CBT CLAIMS   | PMCHK00000786    | \$13,865.00  |
| Total Checks: 115       |           |                             |            |              |                  |              |
| Total Amount of Checks: |           |                             |            |              |                  | \$980,984.44 |

# Employment Risk Management Authority

## Cash & Investment Report

6/30/2021

| Accounts                                                 | Book<br>Value        | Market<br>Value *    | % of Total | Effective<br>Yield |
|----------------------------------------------------------|----------------------|----------------------|------------|--------------------|
| California Bank & Trust - Administration <sup>1</sup>    | \$ 3,506             | \$ 3,506             | 0.01%      | 0.00%              |
| California Bank & Trust - General Operating <sup>1</sup> | 55,930               | 55,930               | 0.19%      | 0.00%              |
| California Bank & Trust - Claims Payment <sup>2</sup>    | (15,599)             | (15,599)             | -0.05%     | 0.00%              |
| Local Agency Investment Fund                             | 3,313,570            | 3,313,845            | 11.21%     | 0.33%              |
| CAMP - Liquidity Account                                 | 10,003               | 10,003               | 0.03%      | 0.05%              |
| CAMP - Money Market                                      | 488,616              | 488,616              | 1.65%      | 0.05%              |
| CAMP - Investments managed by PFM                        | 25,398,625           | 25,711,871           | 86.96%     | 1.39%              |
| <b>Total</b>                                             | <b>\$ 29,254,651</b> | <b>\$ 29,568,172</b> |            | <b>1.25%</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,

Accepted,



9/16/2021

Jim Elledge, Interim Finance Manager



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 14, 2021

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

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

Account Number: 35-34-011

June 2021 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount        |
|----------------|------------------|-----------|----------------|--------------------|-------------------|---------------|
| 6/18/2021      | 6/17/2021        | RW        | 1677051        | 1637245            | KATIE O'BRIEN     | -3,590,000.00 |

Account Summary

|                   |               |                    |              |
|-------------------|---------------|--------------------|--------------|
| Total Deposit:    | 0.00          | Beginning Balance: | 6,903,569.74 |
| Total Withdrawal: | -3,590,000.00 | Ending Balance:    | 3,313,569.74 |

**ERMA  
LAIF Market Value  
6/30/2021**

| <b>Adjustment for Market Value</b>            |                               |
|-----------------------------------------------|-------------------------------|
| LAIF Statement Balance                        | \$ 3,313,569.74               |
| Fair Value Factor per LAIF Performance Report | <u>1.000082970</u>            |
| Adjusted Market Value                         | <u><u>\$ 3,313,844.67</u></u> |



# PMIA/LAIF Performance Report as of 07/15/21



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

|     |       |
|-----|-------|
| Jun | 0.262 |
| May | 0.315 |
| Apr | 0.339 |

## Quarterly Performance Quarter Ended 06/30/21

|                                          |                     |
|------------------------------------------|---------------------|
| LAIF Apportionment Rate <sup>(2)</sup> : | 0.33                |
| LAIF Earnings Ratio <sup>(2)</sup> :     | 0.00000897371743018 |
| LAIF Fair Value Factor <sup>(1)</sup> :  | 1.00008297          |
| PMIA Daily <sup>(1)</sup> :              | 0.22%               |
| PMIA Quarter to Date <sup>(1)</sup> :    | 0.30%               |
| PMIA Average Life <sup>(1)</sup> :       | 291                 |

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 06/30/21 \$193.3 billion

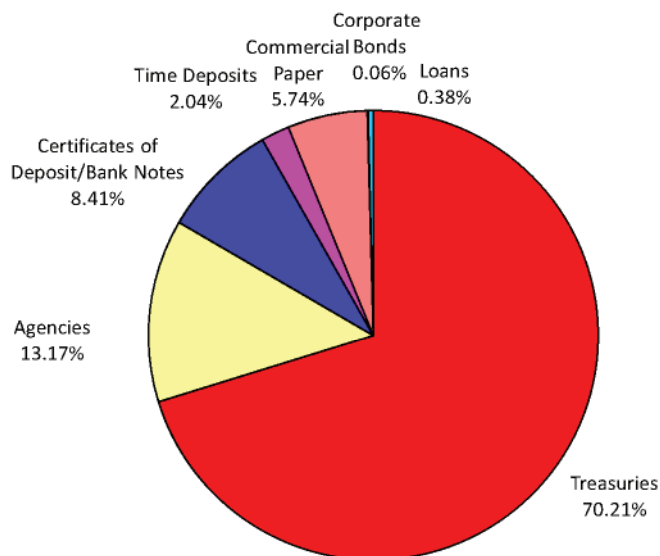


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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 01, 2021

[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 2021 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller  | Amount      |
|----------------|------------------|-----------|----------------|--------------------|--------------------|-------------|
| 5/19/2021      | 5/19/2021        | RW        | 1675312        | N/A                | STUART SCHILLINGER | -400,000.00 |

**Account Summary**

|                   |             |                    |              |
|-------------------|-------------|--------------------|--------------|
| Total Deposit:    | 0.00        | Beginning Balance: | 7,303,569.74 |
| Total Withdrawal: | -400,000.00 | Ending Balance:    | 6,903,569.74 |



# California State Treasurer

## Fiona Ma, CPA



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

May 07, 2021

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

### EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

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

April 2021 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount      |
|----------------|------------------|-----------|----------------|--------------------|-------------------|-------------|
| 4/15/2021      | 4/14/2021        | QRD       | 1671526        | N/A                | SYSTEM            | 8,693.48    |
| 4/16/2021      | 4/16/2021        | RW        | 1673407        | 1633558            | KATIE O'BRIEN     | -180,000.00 |

### Account Summary

|                   |             |                    |              |
|-------------------|-------------|--------------------|--------------|
| Total Deposit:    | 8,693.48    | Beginning Balance: | 7,474,876.26 |
| Total Withdrawal: | -180,000.00 | Ending Balance:    | 7,303,569.74 |



## Account Statement

For the Month Ending **June 30, 2021**

### 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>10,002.86</b>   |
| 06/30/21               | 07/01/21        | Accrual Income Div Reinvestment - Distributions | 1.00                | 0.41                         | 10,003.27          |
| <b>Closing Balance</b> |                 |                                                 |                     |                              | <b>10,003.27</b>   |

|                                   | Month of June    | Fiscal YTD January-June |                                   |           |
|-----------------------------------|------------------|-------------------------|-----------------------------------|-----------|
| <b>Opening Balance</b>            | 10,002.86        | 9,999.50                | <b>Closing Balance</b>            | 10,003.27 |
| <b>Purchases</b>                  | 0.41             | 3.77                    | <b>Average Monthly Balance</b>    | 10,002.87 |
| <b>Redemptions (Excl. Checks)</b> | 0.00             | 0.00                    | <b>Monthly Distribution Yield</b> | 0.05%     |
| <b>Check Disbursements</b>        | 0.00             | 0.00                    |                                   |           |
| <b>Closing Balance</b>            | <b>10,003.27</b> | <b>10,003.27</b>        |                                   |           |
| <b>Cash Dividends and Income</b>  | 0.41             | 3.77                    |                                   |           |



## Account Statement

For the Month Ending **May 31, 2021**

### 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>10,002.40</b>   |
| 05/28/21               | 06/01/21        | Accrual Income Div Reinvestment - Distributions | 1.00                | 0.46                         | 10,002.86          |
| <b>Closing Balance</b> |                 |                                                 |                     |                              | <b>10,002.86</b>   |

|                                   | Month of May     | Fiscal YTD January-May |                                   |           |
|-----------------------------------|------------------|------------------------|-----------------------------------|-----------|
| <b>Opening Balance</b>            | 10,002.40        | 9,999.50               | <b>Closing Balance</b>            | 10,002.86 |
| <b>Purchases</b>                  | 0.46             | 3.36                   | <b>Average Monthly Balance</b>    | 10,002.46 |
| <b>Redemptions (Excl. Checks)</b> | 0.00             | 0.00                   | <b>Monthly Distribution Yield</b> | 0.05%     |
| <b>Check Disbursements</b>        | 0.00             | 0.00                   |                                   |           |
| <b>Closing Balance</b>            | <b>10,002.86</b> | <b>10,002.86</b>       |                                   |           |
| <b>Cash Dividends and Income</b>  | 0.46             | 3.36                   |                                   |           |



## Account Statement

For the Month Ending **April 30, 2021**

### 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>10,001.95</b>   |
| 04/30/21               | 05/03/21        | Accrual Income Div Reinvestment - Distributions | 1.00                | 0.45                         | 10,002.40          |
| <b>Closing Balance</b> |                 |                                                 |                     |                              | <b>10,002.40</b>   |

|                                   | Month of April   | Fiscal YTD January-April |                                   |           |
|-----------------------------------|------------------|--------------------------|-----------------------------------|-----------|
| <b>Opening Balance</b>            | 10,001.95        | 9,999.50                 | <b>Closing Balance</b>            | 10,002.40 |
| <b>Purchases</b>                  | 0.45             | 2.90                     | <b>Average Monthly Balance</b>    | 10,001.97 |
| <b>Redemptions (Excl. Checks)</b> | 0.00             | 0.00                     | <b>Monthly Distribution Yield</b> | 0.06%     |
| <b>Check Disbursements</b>        | 0.00             | 0.00                     |                                   |           |
| <b>Closing Balance</b>            | <b>10,002.40</b> | <b>10,002.40</b>         |                                   |           |
| <b>Cash Dividends and Income</b>  | 0.45             | 2.90                     |                                   |           |



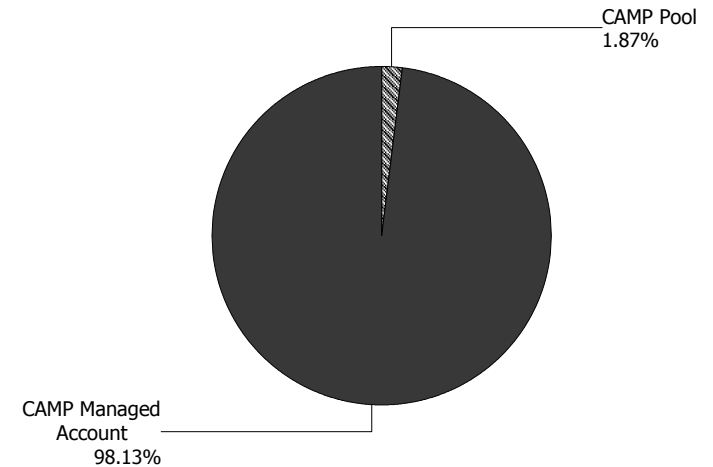
## Account Statement - Transaction Summary

For the Month Ending **June 30, 2021**

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

| <b>CAMP Pool</b>            |                        |
|-----------------------------|------------------------|
| Opening Market Value        | 212,405.13             |
| Purchases                   | 926,931.58             |
| Redemptions                 | (650,720.89)           |
| Unsettled Trades            | 0.00                   |
| Change in Value             | 0.00                   |
| <b>Closing Market Value</b> | <b>\$488,615.82</b>    |
| Cash Dividends and Income   | 19.97                  |
| <b>CAMP Managed Account</b> |                        |
| Opening Market Value        | 25,853,348.21          |
| Purchases                   | 398,134.44             |
| Redemptions                 | (460,777.91)           |
| Unsettled Trades            | 0.00                   |
| Change in Value             | (78,834.17)            |
| <b>Closing Market Value</b> | <b>\$25,711,870.57</b> |
| Cash Dividends and Income   | 63,944.33              |

| <b>Asset Summary</b>        |                        |                        |
|-----------------------------|------------------------|------------------------|
|                             | <b>June 30, 2021</b>   | <b>May 31, 2021</b>    |
| <b>CAMP Pool</b>            | 488,615.82             | 212,405.13             |
| <b>CAMP Managed Account</b> | 25,711,870.57          | 25,853,348.21          |
| <b>Total</b>                | <b>\$26,200,486.39</b> | <b>\$26,065,753.34</b> |
| <b>Asset Allocation</b>     |                        |                        |





## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par          | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---------------------------------------------------------|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>U.S. Treasury Bond / Note</b>                        |           |              |               |                   |               |                |                  |                |                     |                   |                 |
| US TREASURY NOTES<br>DTD 09/02/2014 2.000% 08/31/2021   | 912828D72 | 285,000.00   | AA+           | Aaa               | 12/01/16      | 12/05/16       | 285,846.10       | 1.93           | 1,905.16            | 285,029.83        | 285,890.63      |
| US TREASURY NOTES<br>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            | 900,219.84        | 902,812.50      |
| US TREASURY NOTES<br>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            | 1,100,479.85      | 1,103,437.50    |
| US TREASURY NOTES<br>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            | 549,304.26        | 552,148.41      |
| US TREASURY NOTES<br>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              | 274,329.21        | 279,082.05      |
| US TREASURY NOTES<br>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            | 521,630.07        | 532,792.99      |
| US TREASURY NOTES<br>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            | 596,004.76        | 608,906.28      |
| US TREASURY NOTES<br>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           | 2,747.24            | 444,617.28        | 457,664.04      |
| US TREASURY NOTES<br>DTD 05/31/2016 1.625% 05/31/2023   | 912828R69 | 100,000.00   | AA+           | Aaa               | 06/03/19      | 06/07/19       | 99,214.84        | 1.83           | 137.64              | 99,622.54         | 102,640.62      |
| US TREASURY NOTES<br>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              | 323,843.79        | 334,851.56      |
| US TREASURY NOTES<br>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            | 451,479.54        | 463,640.63      |
| US TREASURY NOTES<br>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               | 305,556.55        | 313,734.36      |
| US TREASURY NOTES<br>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               | 361,837.96        | 366,023.42      |
| US TREASURY NOTES<br>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               | 656,406.87        | 679,757.78      |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                  | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost     | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost    | Market<br>Value      |
|---------------------------------------------------------------------------------|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| <b>U.S. Treasury Bond / Note</b>                                                |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| US TREASURY NOTES<br>DTD 06/30/2017 2.000% 06/30/2024                           | 912828XX3 | 950,000.00           | AA+           | Aaa               | 11/01/19      | 11/06/19       | 969,222.66           | 1.55           | 51.63               | 962,396.24           | 993,492.14           |
| US TREASURY NOTES<br>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               | 1,211,809.47         | 1,254,937.44         |
| US TREASURY NOTES<br>DTD 12/31/2019 1.750% 12/31/2024                           | 912828YY0 | 175,000.00           | AA+           | Aaa               | 08/05/20      | 08/07/20       | 187,044.92           | 0.18           | 8.32                | 184,586.47           | 182,109.37           |
| US TREASURY NOTES<br>DTD 12/31/2019 1.750% 12/31/2024                           | 912828YY0 | 325,000.00           | AA+           | Aaa               | 07/01/20      | 07/06/20       | 346,226.56           | 0.28           | 15.46               | 341,564.23           | 338,203.13           |
| US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                           | 912828ZW3 | 325,000.00           | AA+           | Aaa               | 04/01/21      | 04/05/21       | 318,703.13           | 0.72           | 2.21                | 319,057.25           | 319,210.94           |
| US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                           | 912828ZW3 | 425,000.00           | AA+           | Aaa               | 03/01/21      | 03/04/21       | 419,006.84           | 0.58           | 2.89                | 419,458.51           | 417,429.69           |
| US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                           | 91282CBC4 | 125,000.00           | AA+           | Aaa               | 06/02/21      | 06/07/21       | 123,164.06           | 0.70           | 1.28                | 123,190.48           | 122,617.19           |
| US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                           | 91282CBC4 | 275,000.00           | AA+           | Aaa               | 05/04/21      | 05/06/21       | 270,348.63           | 0.75           | 2.81                | 270,501.85           | 269,757.81           |
| <b>Security Type Sub-Total</b>                                                  |           | <b>10,660,000.00</b> |               |                   |               |                | <b>10,698,693.75</b> | <b>1.64</b>    | <b>26,082.70</b>    | <b>10,702,926.85</b> | <b>10,881,140.48</b> |
| <b>Supra-National Agency Bond / Note</b>                                        |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| INTL BANK OF RECONSTRUCTION AND DEV<br>NOTE<br>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            | 499,976.47           | 500,748.50           |
| INTER-AMERICAN DEVEL BK NOTES<br>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               | 124,973.86           | 125,541.50           |
| INTL BK RECON & DEVELOP NOTES<br>DTD 11/24/2020 0.250% 11/24/2023               | 459058JM6 | 400,000.00           | AAA           | Aaa               | 11/17/20      | 11/24/20       | 399,140.00           | 0.32           | 102.78              | 399,312.00           | 398,851.20           |
| <b>Security Type Sub-Total</b>                                                  |           | <b>1,025,000.00</b>  |               |                   |               |                | <b>1,022,927.50</b>  | <b>1.57</b>    | <b>6,201.74</b>     | <b>1,024,262.33</b>  | <b>1,025,141.20</b>  |
| <b>Municipal Bond / Note</b>                                                    |           |                      |               |                   |               |                |                      |                |                     |                      |                      |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity                 | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|-------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Municipal Bond / Note</b>                                            |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| CT ST TXBL GO BONDS<br>DTD 06/11/2020 1.998% 07/01/2024                 | 20772KJW0 | 50,000.00           | A+            | Aa3               | 05/29/20      | 06/11/20       | 50,000.00           | 2.00           | 499.50              | 50,000.00           | 52,100.50           |
| CHAFFEY UHSD, CA TXBL GO BONDS<br>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           | 62,225.40           |
| SAN JUAN USD, CA TXBL GO BONDS<br>DTD 10/29/2020 0.702% 08/01/2024      | 798306WN2 | 125,000.00          | NR            | Aa2               | 10/16/20      | 10/29/20       | 125,000.00          | 0.70           | 365.63              | 125,000.00          | 125,145.00          |
| NY ST URBAN DEV CORP TXBL REV BONDS<br>DTD 12/23/2020 0.870% 03/15/2025 | 650036DT0 | 250,000.00          | AA+           | NR                | 12/16/20      | 12/23/20       | 250,000.00          | 0.87           | 640.42              | 250,000.00          | 248,937.50          |
| UNIV OF CAL TXBL REV BONDS<br>DTD 07/16/2020 0.883% 05/15/2025          | 91412HGE7 | 70,000.00           | AA            | Aa2               | 07/10/20      | 07/16/20       | 70,000.00           | 0.88           | 78.98               | 70,000.00           | 70,213.50           |
| CT ST T/E GO BONDS<br>DTD 06/25/2020 2.000% 06/01/2025                  | 20772KKK4 | 70,000.00           | A+            | Aa3               | 06/12/20      | 06/25/20       | 73,567.90           | 0.94           | 116.67              | 72,833.33           | 74,213.30           |
| FL ST BOARD OF ADMIN TXBL REV BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 50,000.00           | AA            | Aa3               | 09/03/20      | 09/16/20       | 50,353.50           | 1.11           | 314.50              | 50,295.29           | 50,498.50           |
| FL ST BOARD OF ADMIN TXBL REV BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 65,000.00           | AA            | Aa3               | 09/03/20      | 09/16/20       | 65,430.95           | 1.12           | 408.85              | 65,359.99           | 65,648.05           |
| FL ST BOARD OF ADMIN TXBL REV BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 125,000.00          | AA            | Aa3               | 09/03/20      | 09/16/20       | 125,000.00          | 1.26           | 786.25              | 125,000.00          | 126,246.25          |
| MN ST TXBL GO BONDS<br>DTD 08/25/2020 0.630% 08/01/2025                 | 60412AVJ9 | 80,000.00           | AAA           | Aa1               | 08/11/20      | 08/25/20       | 80,000.00           | 0.63           | 210.00              | 80,000.00           | 79,688.80           |
| LOS ANGELES CCD, CA TXBL GO BONDS<br>DTD 11/10/2020 0.773% 08/01/2025   | 54438CYK2 | 100,000.00          | AA+           | Aaa               | 10/30/20      | 11/10/20       | 100,000.00          | 0.77           | 322.08              | 100,000.00          | 100,028.00          |
| <b>Security Type Sub-Total</b>                                          |           | <b>1,045,000.00</b> |               |                   |               |                | <b>1,049,352.35</b> | <b>1.03</b>    | <b>4,268.13</b>     | <b>1,048,488.61</b> | <b>1,054,944.80</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b>                |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021                      | 3136B1XP4 | 3,178.60            | AA+           | Aaa               | 04/11/18      | 04/30/18       | 3,241.83            | 2.93           | 9.43                | 3,181.81            | 3,178.60            |
| FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022                | 3137BM6P6 | 128,618.95          | AA+           | Aaa               | 04/04/18      | 04/09/18       | 129,714.21          | 2.88           | 331.19              | 128,894.33          | 131,412.44          |





## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity  | CUSIP     | Par               | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost  | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value   |
|----------------------------------------------------------|-----------|-------------------|---------------|-------------------|---------------|----------------|-------------------|----------------|---------------------|-------------------|-------------------|
| <b>Federal Agency Collateralized Mortgage Obligation</b> |           |                   |               |                   |               |                |                   |                |                     |                   |                   |
| FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023          | 3137FKK39 | 10,078.34         | AA+           | Aaa               | 12/07/18      | 12/17/18       | 10,078.31         | 3.20           | 26.90               | 10,078.33         | 10,286.60         |
| FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024         | 3137FO3V3 | 62,778.75         | AA+           | Aaa               | 11/20/19      | 11/26/19       | 62,777.22         | 2.09           | 109.44              | 62,777.75         | 64,082.14         |
| FHMS K043 A2<br>DTD 03/01/2015 3.062% 12/01/2024         | 3137BGK24 | 175,000.00        | AA+           | Aaa               | 03/19/20      | 03/25/20       | 183,667.97        | 1.95           | 446.54              | 181,323.77        | 188,043.30        |
| <b>Security Type Sub-Total</b>                           |           | <b>379,654.64</b> |               |                   |               |                | <b>389,479.54</b> | <b>2.32</b>    | <b>923.50</b>       | <b>386,255.99</b> | <b>397,003.08</b> |
| <b>Federal Agency Bond / Note</b>                        |           |                   |               |                   |               |                |                   |                |                     |                   |                   |
| FHLB GLOBAL NOTE<br>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            | 624,972.93        | 625,243.75        |
| FREDDIE MAC NOTES<br>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           | 145.83              | 249,935.35        | 250,664.25        |
| FREDDIE MAC NOTES<br>DTD 08/21/2020 0.250% 08/24/2023    | 3137EAEV7 | 750,000.00        | AA+           | Aaa               | 08/19/20      | 08/21/20       | 749,235.00        | 0.28           | 661.46              | 749,453.77        | 749,715.00        |
| FREDDIE MAC NOTES<br>DTD 09/04/2020 0.250% 09/08/2023    | 3137EAEW5 | 225,000.00        | AA+           | Aaa               | 09/02/20      | 09/04/20       | 225,041.09        | 0.24           | 176.56              | 225,029.87        | 224,863.88        |
| FREDDIE MAC NOTES<br>DTD 09/04/2020 0.250% 09/08/2023    | 3137EAEW5 | 300,000.00        | AA+           | Aaa               | 09/02/20      | 09/04/20       | 299,901.00        | 0.26           | 235.42              | 299,928.02        | 299,818.50        |
| FREDDIE MAC NOTES<br>DTD 10/16/2020 0.125% 10/16/2023    | 3137EAEY1 | 250,000.00        | AA+           | Aaa               | 10/14/20      | 10/16/20       | 249,067.50        | 0.25           | 65.10               | 249,287.21        | 249,071.25        |
| FREDDIE MAC NOTES<br>DTD 11/05/2020 0.250% 11/06/2023    | 3137EAEZ8 | 275,000.00        | AA+           | Aaa               | 11/03/20      | 11/05/20       | 274,752.50        | 0.28           | 105.03              | 274,806.25        | 274,628.75        |
| FANNIE MAE NOTES<br>DTD 11/25/2020 0.250% 11/27/2023     | 3135G06H1 | 250,000.00        | AA+           | Aaa               | 11/23/20      | 11/25/20       | 249,715.00        | 0.29           | 59.03               | 249,771.64        | 249,654.25        |
| FREDDIE MAC NOTES<br>DTD 12/04/2020 0.250% 12/04/2023    | 3137EAFA2 | 250,000.00        | AA+           | Aaa               | 12/02/20      | 12/04/20       | 249,752.50        | 0.28           | 46.88               | 249,799.74        | 249,530.75        |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---------------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Federal Agency Bond / Note</b>                                               |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FEDERAL HOME LOAN BANK NOTES<br>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           | 267.36              | 249,059.80          | 248,527.25          |
| FANNIE MAE NOTES<br>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           | 299.48              | 249,607.26          | 249,692.25          |
| FREDDIE MAC NOTES<br>DTD 07/23/2020 0.375% 07/21/2025                           | 3137EAEU9 | 325,000.00          | AA+           | Aaa               | 07/21/20      | 07/23/20       | 323,381.50          | 0.48           | 541.67              | 323,685.86          | 320,724.30          |
| FANNIE MAE NOTES<br>DTD 08/27/2020 0.375% 08/25/2025                            | 3135G05X7 | 275,000.00          | AA+           | Aaa               | 08/25/20      | 08/27/20       | 273,713.00          | 0.47           | 360.94              | 273,930.32          | 271,187.68          |
| FEDERAL HOME LOAN BANK NOTES<br>DTD 09/11/2020 0.375% 09/04/2025                | 3130AK5E2 | 115,000.00          | AA+           | Aaa               | 09/10/20      | 09/11/20       | 114,655.00          | 0.44           | 140.16              | 114,710.57          | 113,162.30          |
| FREDDIE MAC NOTES<br>DTD 09/25/2020 0.375% 09/23/2025                           | 3137EAEX3 | 275,000.00          | AA+           | Aaa               | 09/23/20      | 09/25/20       | 274,172.25          | 0.44           | 280.73              | 274,298.86          | 271,003.70          |
| FANNIE MAE NOTES<br>DTD 11/12/2020 0.500% 11/07/2025                            | 3135G06G3 | 275,000.00          | AA+           | Aaa               | 11/09/20      | 11/12/20       | 274,015.50          | 0.57           | 206.25              | 274,140.39          | 272,008.83          |
| <b>Security Type Sub-Total</b>                                                  |           | <b>4,940,000.00</b> |               |                   |               |                | <b>4,926,741.22</b> | <b>0.49</b>    | <b>6,853.62</b>     | <b>4,932,417.84</b> | <b>4,919,496.69</b> |
| <b>Corporate Note</b>                                                           |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| JOHN DEERE CAPITAL CORP NOTES<br>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            | 224,893.32          | 227,857.50          |
| PACCAR FINANCIAL CORP NOTE<br>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              | 49,990.24           | 50,899.70           |
| CATERPILLAR FINL SERVICE CORPORATE<br>NOTES<br>DTD 07/08/2020 0.650% 07/07/2023 | 14913R2D8 | 200,000.00          | A             | A2                | 07/06/20      | 07/08/20       | 199,888.00          | 0.67           | 628.33              | 199,924.65          | 200,810.00          |
| PNC BANK NA CORP NOTES<br>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            | 250,924.06          | 268,106.50          |
| CHARLES SCHWAB CORP NOTES<br>(CALLABLE)<br>DTD 03/18/2021 0.750% 03/18/2024     | 808513BN4 | 85,000.00           | A             | A2                | 03/16/21      | 03/18/21       | 84,957.50           | 0.77           | 182.40              | 84,961.57           | 85,447.78           |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity                      | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|------------------------------------------------------------------------------|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate Note</b>                                                        |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| MORGAN STANLEY CORP NOTES<br>DTD 04/28/2014 3.875% 04/29/2024                | 61746BDQ6 | 250,000.00 | BBB+          | A1                | 07/19/19      | 07/23/19       | 264,322.50       | 2.59           | 1,668.40            | 258,493.19        | 271,528.75      |
| AMAZON.COM INC CORPORATE NOTES<br>DTD 05/12/2021 0.450% 05/12/2024           | 023135BW5 | 230,000.00 | AA            | A1                | 05/10/21      | 05/12/21       | 229,664.20       | 0.50           | 140.88              | 229,679.52        | 229,499.29      |
| AMERICAN HONDA FINANCE CORP NOTE<br>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               | 249,251.48        | 262,644.75      |
| GOLDMAN SACHS GROUP INC BONDS<br>DTD 07/08/2014 3.850% 07/08/2024            | 38141EC23 | 250,000.00 | BBB+          | A2                | 07/08/19      | 07/11/19       | 261,645.00       | 2.84           | 4,625.35            | 257,041.91        | 270,264.25      |
| BB&T CORPORATION CORP BONDS<br>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            | 250,253.82        | 263,464.75      |
| WALT DISNEY COMPANY/THE<br>DTD 09/06/2019 1.750% 08/30/2024                  | 254687FK7 | 250,000.00 | BBB+          | A2                | 09/03/19      | 09/06/19       | 248,980.00       | 1.84           | 1,494.79            | 249,352.13        | 257,925.00      |
| BANK OF NY MELLON CORP<br>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              | 100,307.82        | 104,782.10      |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 25,267.06         | 25,812.17       |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 50,374.88         | 51,624.35       |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 125,937.19        | 129,060.88      |
| BANK OF AMERICA CORP NOTES<br>(CALLABLE)<br>DTD 04/22/2021 0.976% 04/22/2025 | 06051GJR1 | 200,000.00 | A-            | A2                | 04/16/21      | 04/22/21       | 200,000.00       | 0.98           | 374.13              | 200,000.00        | 200,630.20      |
| CITIGROUP INC CORPORATE NOTES<br>DTD 05/04/2021 0.981% 05/01/2025            | 17296MX6  | 95,000.00  | BBB+          | A3                | 04/27/21      | 05/04/21       | 95,000.00        | 0.98           | 147.56              | 95,000.00         | 94,870.99       |
| APPLE INC (CALLABLE) CORP NOTES<br>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              | 450,695.77        | 455,160.60      |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity                    | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|----------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Corporate Note</b>                                                      |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| JPMORGAN CHASE & CO CORPORATE NOTES<br>DTD 06/01/2021 0.824% 06/01/2025    | 46647PCH7 | 250,000.00          | A-            | A2                | 05/24/21      | 06/01/21       | 250,000.00          | 0.82           | 171.67              | 250,000.00          | 249,599.75          |
| UNITEDHEALTH GROUP INC CORPORATE NOTES<br>DTD 05/19/2021 1.150% 05/15/2026 | 91324PEC2 | 200,000.00          | A+            | A3                | 05/17/21      | 05/19/21       | 199,652.00          | 1.19           | 268.33              | 199,660.21          | 199,390.20          |
| <b>Security Type Sub-Total</b>                                             |           | <b>3,785,000.00</b> |               |                   |               |                | <b>3,812,430.20</b> | <b>1.79</b>    | <b>22,060.36</b>    | <b>3,802,008.82</b> | <b>3,899,379.51</b> |
| <b>Certificate of Deposit</b>                                              |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| MUFG BANK LTD/NY CERT DEPOS<br>DTD 02/28/2019 2.980% 02/25/2022            | 55379WZU3 | 250,000.00          | A-1           | P-1               | 02/27/19      | 02/28/19       | 250,000.00          | 2.96           | 2,586.81            | 250,000.00          | 254,752.00          |
| SUMITOMO MITSUI BANK NY CERT DEPOS<br>DTD 07/14/2020 0.700% 07/08/2022     | 86565CKU2 | 250,000.00          | A             | A1                | 07/10/20      | 07/14/20       | 250,000.00          | 0.70           | 845.83              | 250,000.00          | 251,174.50          |
| NORDEA BANK ABP NEW YORK CERT DEPOS<br>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           | 1,605.90            | 250,000.00          | 254,786.50          |
| SKANDINAV ENSKILDA BANK LT CD<br>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           | 1,614.58            | 250,000.00          | 254,815.25          |
| DNB BANK ASA/NY LT CD<br>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          | 256,525.25          |
| CREDIT SUISSE NEW YORK CERT DEPOS<br>DTD 03/23/2021 0.590% 03/17/2023      | 22552G3C2 | 200,000.00          | A+            | Aa3               | 03/19/21      | 03/23/21       | 200,000.00          | 0.59           | 327.78              | 200,000.00          | 200,319.00          |
| <b>Security Type Sub-Total</b>                                             |           | <b>1,450,000.00</b> |               |                   |               |                | <b>1,450,000.00</b> | <b>1.71</b>    | <b>7,391.73</b>     | <b>1,450,000.00</b> | <b>1,472,372.50</b> |
| <b>Asset-Backed Security</b>                                               |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023                        | 43815AAC6 | 78,403.78           | AAA           | Aaa               | 11/20/18      | 11/28/18       | 78,392.06           | 3.16           | 110.11              | 78,399.41           | 79,219.60           |
| NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023                        | 65478NAD7 | 105,966.33          | AAA           | Aaa               | 12/04/18      | 12/12/18       | 105,946.02          | 3.22           | 151.65              | 105,957.52          | 107,194.81          |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Asset-Backed Security</b>                            |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| VZOT 2020-A A1A<br>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               | 124,990.00          | 127,142.18          |
| COMET 2019-A2 A2<br>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              | 499,920.46          | 508,552.95          |
| HAROT 2020-3 A3<br>DTD 09/29/2020 0.370% 10/18/2024     | 43813KAC6 | 115,000.00          | AAA           | NR                | 09/22/20      | 09/29/20       | 114,983.11          | 0.37           | 15.37               | 114,986.25          | 115,140.17          |
| GMALT 2020-3 A4<br>DTD 09/29/2020 0.510% 10/21/2024     | 362569AD7 | 65,000.00           | AAA           | Aaa               | 09/22/20      | 09/29/20       | 64,990.90           | 0.51           | 10.13               | 64,992.59           | 65,196.69           |
| BMWOT 2020-A A3<br>DTD 07/15/2020 0.480% 10/25/2024     | 09661RAD3 | 90,000.00           | AAA           | NR                | 07/08/20      | 07/15/20       | 89,993.21           | 0.48           | 7.20                | 89,994.73           | 90,249.19           |
| CARMX 2020-3 A3<br>DTD 07/22/2020 0.620% 03/17/2025     | 14315FAD9 | 130,000.00          | AAA           | NR                | 07/14/20      | 07/22/20       | 129,977.72          | 0.62           | 35.82               | 129,982.23          | 130,498.23          |
| GMCAR 2020-3 A3<br>DTD 08/19/2020 0.450% 04/16/2025     | 362590AC5 | 150,000.00          | NR            | Aaa               | 08/11/20      | 08/19/20       | 149,965.68          | 0.46           | 28.13               | 149,972.06          | 150,359.34          |
| GMALT 2021-2 A4<br>DTD 05/26/2021 0.410% 05/20/2025     | 380144AD7 | 30,000.00           | AAA           | NR                | 05/18/21      | 05/26/21       | 29,997.47           | 0.41           | 3.76                | 29,997.53           | 29,921.64           |
| VWALT 2020-A A4<br>DTD 12/03/2020 0.450% 07/21/2025     | 92868VAD1 | 150,000.00          | AAA           | NR                | 11/24/20      | 12/03/20       | 149,968.98          | 0.45           | 20.63               | 149,972.83          | 150,002.67          |
| CARMX 2020-4 A3<br>DTD 10/21/2020 0.500% 08/15/2025     | 14316HAC6 | 85,000.00           | AAA           | NR                | 10/14/20      | 10/21/20       | 84,981.29           | 0.50           | 18.89               | 84,983.98           | 84,982.39           |
| HART 2021-A A3<br>DTD 04/28/2021 0.380% 09/15/2025      | 44933LAC7 | 60,000.00           | AAA           | NR                | 04/20/21      | 04/28/21       | 59,993.69           | 0.38           | 10.13               | 59,993.94           | 59,984.01           |
| TAOT 2021-B A3<br>DTD 06/14/2021 0.260% 11/17/2025      | 89190GAC1 | 275,000.00          | AAA           | NR                | 06/08/21      | 06/14/21       | 274,970.38          | 0.26           | 33.77               | 274,970.69          | 273,829.33          |
| CARMX 2021-2 A3<br>DTD 04/21/2021 0.520% 02/17/2026     | 14314OAC8 | 90,000.00           | AAA           | NR                | 04/13/21      | 04/21/21       | 89,980.61           | 0.52           | 20.80               | 89,981.39           | 90,119.11           |
| <b>Security Type Sub-Total</b>                          |           | <b>2,049,370.11</b> |               |                   |               |                | <b>2,049,000.58</b> | <b>1.09</b>    | <b>919.27</b>       | <b>2,049,095.61</b> | <b>2,062,392.31</b> |



## Managed Account Detail of Securities Held

For the Month Ending **June 30, 2021**

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

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP | Par             | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---------------------------------------------------------|-------|-----------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Managed Account Sub-Total                               |       | 25,334,024.75   |               |                   |               |                | 25,398,625.14    | 1.39           | 74,701.05           | 25,395,456.05     | 25,711,870.57   |
| <b>Money Market Mutual Fund</b>                         |       |                 |               |                   |               |                |                  |                |                     |                   |                 |
| CAMP Pool                                               |       | 488,615.82      | AAAm          | NR                |               |                | 488,615.82       |                | 0.00                | 488,615.82        | 488,615.82      |
| Liquid Sub-Total                                        |       | 488,615.82      |               |                   |               |                | 488,615.82       |                | 0.00                | 488,615.82        | 488,615.82      |
| Securities Sub-Total                                    |       | \$25,822,640.57 |               |                   |               |                | \$25,887,240.96  | 1.39%          | \$74,701.05         | \$25,884,071.87   | \$26,200,486.39 |
| Accrued Interest                                        |       |                 |               |                   |               |                |                  |                |                     |                   | \$74,701.05     |
| Total Investments                                       |       |                 |               |                   |               |                |                  |                |                     |                   | \$26,275,187.44 |



## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2021**

### 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                        |          |                                                                         |           |            |              |          |              |              |              |      |
| 05/24/21                   | 06/01/21 | JPMORGAN CHASE & CO CORPORATE NOTES<br>DTD 06/01/2021 0.824% 06/01/2025 | 46647PCH7 | 250,000.00 | (250,000.00) | 0.00     | (250,000.00) |              |              |      |
| 06/02/21                   | 06/07/21 | US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                   | 91282CBC4 | 125,000.00 | (123,164.06) | (204.59) | (123,368.65) |              |              |      |
| 06/08/21                   | 06/14/21 | TAOT 2021-B A3<br>DTD 06/14/2021 0.260% 11/17/2025                      | 89190GAC1 | 275,000.00 | (274,970.38) | 0.00     | (274,970.38) |              |              |      |
| Transaction Type Sub-Total |          |                                                                         |           | 650,000.00 | (648,134.44) | (204.59) | (648,339.03) |              |              |      |
| INTEREST                   |          |                                                                         |           |            |              |          |              |              |              |      |
| 06/01/21                   | 06/01/21 | CT ST T/E GO BONDS<br>DTD 06/25/2020 2.000% 06/01/2025                  | 20772KKK4 | 70,000.00  | 0.00         | 700.00   | 700.00       |              |              |      |
| 06/01/21                   | 06/25/21 | FHMS K043 A2<br>DTD 03/01/2015 3.062% 12/01/2024                        | 3137BGK24 | 175,000.00 | 0.00         | 446.54   | 446.54       |              |              |      |
| 06/01/21                   | 06/25/21 | FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022                | 3137BM6P6 | 128,826.46 | 0.00         | 331.73   | 331.73       |              |              |      |
| 06/01/21                   | 06/25/21 | FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024                        | 3137FQ3V3 | 65,880.71  | 0.00         | 159.89   | 159.89       |              |              |      |
| 06/01/21                   | 06/25/21 | FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021                      | 3136B1XP4 | 9,973.82   | 0.00         | 29.59    | 29.59        |              |              |      |
| 06/01/21                   | 06/25/21 | FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023                         | 3137FKK39 | 10,102.08  | 0.00         | 26.96    | 26.96        |              |              |      |
| 06/02/21                   | 06/02/21 | DNB BANK ASA/NY LT CD<br>DTD 12/06/2019 2.040% 12/02/2022               | 23341VZT1 | 250,000.00 | 0.00         | 2,578.33 | 2,578.33     |              |              |      |
| 06/04/21                   | 06/04/21 | FREDDIE MAC NOTES<br>DTD 12/04/2020 0.250% 12/04/2023                   | 3137EAFA2 | 250,000.00 | 0.00         | 312.50   | 312.50       |              |              |      |
| 06/15/21                   | 06/15/21 | CARMX 2021-2 A3<br>DTD 04/21/2021 0.520% 02/17/2026                     | 14314QAC8 | 90,000.00  | 0.00         | 39.00    | 39.00        |              |              |      |
| 06/15/21                   | 06/15/21 | CARMX 2020-4 A3<br>DTD 10/21/2020 0.500% 08/15/2025                     | 14316HAC6 | 85,000.00  | 0.00         | 35.42    | 35.42        |              |              |      |
| 06/15/21                   | 06/15/21 | TAOT 2018-A A3<br>DTD 01/31/2018 2.350% 05/16/2022                      | 89238BAD4 | 2,364.63   | 0.00         | 4.63     | 4.63         |              |              |      |
| 06/15/21                   | 06/15/21 | HART 2021-A A3<br>DTD 04/28/2021 0.380% 09/15/2025                      | 44933LAC7 | 60,000.00  | 0.00         | 19.00    | 19.00        |              |              |      |



## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2021**

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

| Transaction Type           |          | Security Description                                                    | CUSIP     | Par          | Principal<br>Proceeds | Accrued<br>Interest | Total     | Realized G/L<br>Cost | Realized G/L<br>Amort Cost | Sale<br>Method |
|----------------------------|----------|-------------------------------------------------------------------------|-----------|--------------|-----------------------|---------------------|-----------|----------------------|----------------------------|----------------|
| Trade                      | Settle   |                                                                         |           |              |                       |                     |           |                      |                            |                |
| INTEREST                   |          |                                                                         |           |              |                       |                     |           |                      |                            |                |
| 06/15/21                   | 06/15/21 | COMET 2019-A2 A2<br>DTD 09/05/2019 1.720% 08/15/2024                    | 14041NFU0 | 500,000.00   | 0.00                  | 716.67              | 716.67    |                      |                            |                |
| 06/15/21                   | 06/15/21 | HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023                     | 43815AAC6 | 89,618.46    | 0.00                  | 236.00              | 236.00    |                      |                            |                |
| 06/15/21                   | 06/15/21 | NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023                     | 65478NAD7 | 118,036.50   | 0.00                  | 316.73              | 316.73    |                      |                            |                |
| 06/15/21                   | 06/15/21 | CARMX 2020-3 A3<br>DTD 07/22/2020 0.620% 03/17/2025                     | 14315FAD9 | 130,000.00   | 0.00                  | 67.17               | 67.17     |                      |                            |                |
| 06/16/21                   | 06/16/21 | GMCAR 2020-3 A3<br>DTD 08/19/2020 0.450% 04/16/2025                     | 362590AC5 | 150,000.00   | 0.00                  | 56.25               | 56.25     |                      |                            |                |
| 06/18/21                   | 06/18/21 | HAROT 2020-3 A3<br>DTD 09/29/2020 0.370% 10/18/2024                     | 43813KAC6 | 115,000.00   | 0.00                  | 35.46               | 35.46     |                      |                            |                |
| 06/20/21                   | 06/20/21 | VWALT 2020-A A4<br>DTD 12/03/2020 0.450% 07/21/2025                     | 92868VAD1 | 150,000.00   | 0.00                  | 56.25               | 56.25     |                      |                            |                |
| 06/20/21                   | 06/20/21 | GMALT 2021-2 A4<br>DTD 05/26/2021 0.410% 05/20/2025                     | 380144AD7 | 30,000.00    | 0.00                  | 8.54                | 8.54      |                      |                            |                |
| 06/20/21                   | 06/20/21 | GMALT 2020-3 A4<br>DTD 09/29/2020 0.510% 10/21/2024                     | 362569AD7 | 65,000.00    | 0.00                  | 27.63               | 27.63     |                      |                            |                |
| 06/20/21                   | 06/20/21 | VZOT 2020-A A1A<br>DTD 01/29/2020 1.850% 07/22/2024                     | 92348TAA2 | 125,000.00   | 0.00                  | 192.71              | 192.71    |                      |                            |                |
| 06/25/21                   | 06/25/21 | BMWOT 2020-A A3<br>DTD 07/15/2020 0.480% 10/25/2024                     | 09661RAD3 | 90,000.00    | 0.00                  | 36.00               | 36.00     |                      |                            |                |
| 06/27/21                   | 06/28/21 | AMERICAN HONDA FINANCE CORP<br>NOTE<br>DTD 06/27/2019 2.400% 06/27/2024 | 02665WCZ2 | 250,000.00   | 0.00                  | 3,000.00            | 3,000.00  |                      |                            |                |
| 06/30/21                   | 06/30/21 | US TREASURY NOTES<br>DTD 12/31/2019 1.750% 12/31/2024                   | 912828YY0 | 500,000.00   | 0.00                  | 4,375.00            | 4,375.00  |                      |                            |                |
| 06/30/21                   | 06/30/21 | US TREASURY NOTES<br>DTD 06/30/2017 2.000% 06/30/2024                   | 912828XX3 | 3,450,000.00 | 0.00                  | 34,500.00           | 34,500.00 |                      |                            |                |
| 06/30/21                   | 06/30/21 | US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                   | 912828ZW3 | 750,000.00   | 0.00                  | 937.50              | 937.50    |                      |                            |                |
| 06/30/21                   | 06/30/21 | US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                   | 91282CBC4 | 400,000.00   | 0.00                  | 750.00              | 750.00    |                      |                            |                |
| Transaction Type Sub-Total |          |                                                                         |           | 8,109,802.66 | 0.00                  | 49,995.50           | 49,995.50 |                      |                            |                |





## Managed Account Security Transactions & Interest

For the Month Ending **June 30, 2021**

### 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                    |          |                                                                |           |            |                    |                  |              |              |              |             |
| 06/07/21                    | 06/07/21 | ROYAL BANK OF CANADA NY CD<br>DTD 06/08/2018 3.240% 06/07/2021 | 78012UEE1 | 425,000.00 | 425,000.00         | 6,885.00         | 431,885.00   | 0.00         | 0.00         |             |
| Transaction Type Sub-Total  |          |                                                                |           | 425,000.00 | 425,000.00         | 6,885.00         | 431,885.00   | 0.00         | 0.00         |             |
| PAYDOWNS                    |          |                                                                |           |            |                    |                  |              |              |              |             |
| 06/01/21                    | 06/25/21 | FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022       | 3137BM6P6 | 207.51     | 207.51             | 0.00             | 207.51       | (1.77)       | 0.00         |             |
| 06/01/21                    | 06/25/21 | FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023                | 3137FKK39 | 23.74      | 23.74              | 0.00             | 23.74        | 0.00         | 0.00         |             |
| 06/01/21                    | 06/25/21 | FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024               | 3137FO3V3 | 3,101.96   | 3,101.96           | 0.00             | 3,101.96     | 0.08         | 0.00         |             |
| 06/01/21                    | 06/25/21 | FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021             | 3136B1XP4 | 6,795.22   | 6,795.22           | 0.00             | 6,795.22     | (135.16)     | 0.00         |             |
| 06/15/21                    | 06/15/21 | HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023            | 43815AAC6 | 11,214.68  | 11,214.68          | 0.00             | 11,214.68    | 1.68         | 0.00         |             |
| 06/15/21                    | 06/15/21 | TAOT 2018-A A3<br>DTD 01/31/2018 2.350% 05/16/2022             | 89238BAD4 | 2,364.63   | 2,364.63           | 0.00             | 2,364.63     | 0.03         | 0.00         |             |
| 06/15/21                    | 06/15/21 | NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023            | 65478NAD7 | 12,070.17  | 12,070.17          | 0.00             | 12,070.17    | 2.31         | 0.00         |             |
| Transaction Type Sub-Total  |          |                                                                |           | 35,777.91  | 35,777.91          | 0.00             | 35,777.91    | (132.83)     | 0.00         |             |
| SELL                        |          |                                                                |           |            |                    |                  |              |              |              |             |
| 05/25/21                    | 06/01/21 | JPMORGAN CHASE & CO BONDS<br>DTD 03/22/2019 3.207% 04/01/2023  | 46647PBB1 | 250,000.00 | 256,065.00         | 1,336.25         | 257,401.25   | 6,065.00     | 6,065.00     | FIFO        |
| Transaction Type Sub-Total  |          |                                                                |           | 250,000.00 | 256,065.00         | 1,336.25         | 257,401.25   | 6,065.00     | 6,065.00     |             |
| Managed Account Sub-Total   |          |                                                                |           |            | 68,708.47          | 58,012.16        | 126,720.63   | 5,932.17     | 6,065.00     |             |
| Total Security Transactions |          |                                                                |           |            | \$68,708.47        | \$58,012.16      | \$126,720.63 | \$5,932.17   | \$6,065.00   |             |



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2021**

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

| Transaction Type |          |                                                                               |           |            | Principal    | Accrued  |              | Realized G/L | Realized G/L | Sale   |
|------------------|----------|-------------------------------------------------------------------------------|-----------|------------|--------------|----------|--------------|--------------|--------------|--------|
| Trade            | Settle   | Security Description                                                          | CUSIP     | Par        | Proceeds     | Interest | Total        | Cost         | Amort Cost   | Method |
| BUY              |          |                                                                               |           |            |              |          |              |              |              |        |
| 04/27/21         | 05/04/21 | CITIGROUP INC CORPORATE NOTES<br>DTD 05/04/2021 0.981% 05/01/2025             | 172967MX6 | 95,000.00  | (95,000.00)  | 0.00     | (95,000.00)  |              |              |        |
| 05/04/21         | 05/06/21 | US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                         | 91282CBC4 | 275,000.00 | (270,348.63) | (358.94) | (270,707.57) |              |              |        |
| 05/10/21         | 05/12/21 | AMAZON.COM INC CORPORATE NOTES<br>DTD 05/12/2021 0.450% 05/12/2024            | 023135BW5 | 230,000.00 | (229,664.20) | 0.00     | (229,664.20) |              |              |        |
| 05/17/21         | 05/19/21 | UNITEDHEALTH GROUP INC<br>CORPORATE NOTES<br>DTD 05/19/2021 1.150% 05/15/2026 | 91324PEC2 | 200,000.00 | (199,652.00) | 0.00     | (199,652.00) |              |              |        |
| 05/18/21         | 05/26/21 | GMALT 2021-2 A4<br>DTD 05/26/2021 0.410% 05/20/2025                           | 380144AD7 | 30,000.00  | (29,997.47)  | 0.00     | (29,997.47)  |              |              |        |
| 05/24/21         | 06/01/21 | JPMORGAN CHASE & CO<br>CORPORATE NOTES<br>DTD 06/01/2021 0.824%<br>06/01/2025 | 46647PCH7 | 250,000.00 | (250,000.00) | 0.00     | (250,000.00) |              |              |        |

|                                   |                     |                       |                 |                       |
|-----------------------------------|---------------------|-----------------------|-----------------|-----------------------|
| <b>Transaction Type Sub-Total</b> | <b>1,080,000.00</b> | <b>(1,074,662.30)</b> | <b>(358.94)</b> | <b>(1,075,021.24)</b> |
|-----------------------------------|---------------------|-----------------------|-----------------|-----------------------|

|                 |          |                                                          |           |            |      |        |        |  |  |  |
|-----------------|----------|----------------------------------------------------------|-----------|------------|------|--------|--------|--|--|--|
| <b>INTEREST</b> |          |                                                          |           |            |      |        |        |  |  |  |
| 05/01/21        | 05/25/21 | FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023          | 3137FKK39 | 17,028.06  | 0.00 | 45.45  | 45.45  |  |  |  |
| 05/01/21        | 05/25/21 | FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024         | 3137FO3V3 | 69,779.85  | 0.00 | 201.28 | 201.28 |  |  |  |
| 05/01/21        | 05/25/21 | FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022 | 3137BM6P6 | 129,044.67 | 0.00 | 332.29 | 332.29 |  |  |  |
| 05/01/21        | 05/25/21 | FHMS K043 A2<br>DTD 03/01/2015 3.062% 12/01/2024         | 3137BGK24 | 175,000.00 | 0.00 | 446.54 | 446.54 |  |  |  |
| 05/01/21        | 05/25/21 | FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021       | 3136B1XP4 | 11,587.49  | 0.00 | 34.38  | 34.38  |  |  |  |
| 05/05/21        | 05/05/21 | FREDDIE MAC NOTES<br>DTD 05/07/2020 0.375% 05/05/2023    | 3137EAER6 | 250,000.00 | 0.00 | 468.75 | 468.75 |  |  |  |
| 05/06/21        | 05/06/21 | FREDDIE MAC NOTES<br>DTD 11/05/2020 0.250% 11/06/2023    | 3137EAEZ8 | 275,000.00 | 0.00 | 345.66 | 345.66 |  |  |  |
| 05/07/21        | 05/07/21 | FANNIE MAE NOTES<br>DTD 11/12/2020 0.500% 11/07/2025     | 3135G06G3 | 275,000.00 | 0.00 | 668.40 | 668.40 |  |  |  |



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2021**

### 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         |          |                                                                     |           |            |           |          |          |              |              |      |        |
| 05/11/21         | 05/11/21 | APPLE INC (CALLABLE) CORP NOTES<br>DTD 05/11/2020 1.125% 05/11/2025 | 037833DT4 | 450,000.00 | 0.00      | 2,531.25 | 2,531.25 |              |              |      |        |
| 05/15/21         | 05/15/21 | COMET 2019-A2 A2<br>DTD 09/05/2019 1.720% 08/15/2024                | 14041NFU0 | 500,000.00 | 0.00      | 716.67   | 716.67   |              |              |      |        |
| 05/15/21         | 05/15/21 | HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023                 | 43815AAC6 | 102,128.61 | 0.00      | 268.94   | 268.94   |              |              |      |        |
| 05/15/21         | 05/15/21 | CARMX 2020-3 A3<br>DTD 07/22/2020 0.620% 03/17/2025                 | 14315FAD9 | 130,000.00 | 0.00      | 67.17    | 67.17    |              |              |      |        |
| 05/15/21         | 05/15/21 | HART 2021-A A3<br>DTD 04/28/2021 0.380% 09/15/2025                  | 44933LAC7 | 60,000.00  | 0.00      | 10.77    | 10.77    |              |              |      |        |
| 05/15/21         | 05/15/21 | UNIV OF CAL TXBL REV BONDS<br>DTD 07/16/2020 0.883% 05/15/2025      | 91412HGE7 | 70,000.00  | 0.00      | 309.05   | 309.05   |              |              |      |        |
| 05/15/21         | 05/15/21 | TAOT 2018-A A3<br>DTD 01/31/2018 2.350% 05/16/2022                  | 89238BAD4 | 6,499.10   | 0.00      | 12.73    | 12.73    |              |              |      |        |
| 05/15/21         | 05/15/21 | CARMX 2020-4 A3<br>DTD 10/21/2020 0.500% 08/15/2025                 | 14316HAC6 | 85,000.00  | 0.00      | 35.42    | 35.42    |              |              |      |        |
| 05/15/21         | 05/15/21 | CARMX 2021-2 A3<br>DTD 04/21/2021 0.520% 02/17/2026                 | 14314QAC8 | 90,000.00  | 0.00      | 31.20    | 31.20    |              |              |      |        |
| 05/15/21         | 05/15/21 | NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023                 | 65478NAD7 | 130,692.99 | 0.00      | 350.69   | 350.69   |              |              |      |        |
| 05/16/21         | 05/16/21 | GMCAR 2020-3 A3<br>DTD 08/19/2020 0.450% 04/16/2025                 | 362590AC5 | 150,000.00 | 0.00      | 56.25    | 56.25    |              |              |      |        |
| 05/18/21         | 05/18/21 | HAROT 2020-3 A3<br>DTD 09/29/2020 0.370% 10/18/2024                 | 43813KAC6 | 115,000.00 | 0.00      | 35.46    | 35.46    |              |              |      |        |
| 05/20/21         | 05/20/21 | VZOT 2020-A A1A<br>DTD 01/29/2020 1.850% 07/22/2024                 | 92348TAA2 | 125,000.00 | 0.00      | 192.71   | 192.71   |              |              |      |        |
| 05/20/21         | 05/20/21 | GMALT 2020-3 A4<br>DTD 09/29/2020 0.510% 10/21/2024                 | 362569AD7 | 65,000.00  | 0.00      | 27.63    | 27.63    |              |              |      |        |
| 05/20/21         | 05/20/21 | VWALT 2020-A A4<br>DTD 12/03/2020 0.450% 07/21/2025                 | 92868VAD1 | 150,000.00 | 0.00      | 56.25    | 56.25    |              |              |      |        |
| 05/24/21         | 05/24/21 | INTL BK RECON & DEVELOP NOTES<br>DTD 11/24/2020 0.250% 11/24/2023   | 459058JM6 | 400,000.00 | 0.00      | 500.00   | 500.00   |              |              |      |        |
| 05/24/21         | 05/24/21 | INTER-AMERICAN DEVEL BK NOTES<br>DTD 04/24/2020 0.500% 05/24/2023   | 4581X0DM7 | 125,000.00 | 0.00      | 312.50   | 312.50   |              |              |      |        |



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2021**

### 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                   |          |                                                                                |           |              |                    |                  |            |              |              |             |
| 05/25/21                   | 05/25/21 | BMWOT 2020-A A3<br>DTD 07/15/2020 0.480% 10/25/2024                            | 09661RAD3 | 90,000.00    | 0.00               | 36.00            | 36.00      |              |              |             |
| 05/27/21                   | 05/27/21 | FANNIE MAE NOTES<br>DTD 11/25/2020 0.250% 11/27/2023                           | 3135G06H1 | 250,000.00   | 0.00               | 315.97           | 315.97     |              |              |             |
| 05/31/21                   | 05/31/21 | US TREASURY NOTES<br>DTD 05/31/2016 1.625% 05/31/2023                          | 912828R69 | 100,000.00   | 0.00               | 812.50           | 812.50     |              |              |             |
| Transaction Type Sub-Total |          |                                                                                |           | 4,396,760.77 | 0.00               | 9,221.91         | 9,221.91   |              |              |             |
| MATURITY                   |          |                                                                                |           |              |                    |                  |            |              |              |             |
| 05/15/21                   | 05/15/21 | HERSHEY COMPANY CORP NOTES<br>DTD 05/10/2018 3.100% 05/15/2021                 | 427866BA5 | 100,000.00   | 100,000.00         | 1,550.00         | 101,550.00 | 69.00        | 0.00         |             |
| 05/17/21                   | 05/17/21 | BANK OF AMERICA CORP NOTES<br>(CALLED, OMD<br>DTD 05/17/2018 3.499% 05/17/2021 | 06051GHH5 | 50,000.00    | 50,000.00          | 874.75           | 50,874.75  | 0.00         | 0.00         |             |
| 05/19/21                   | 05/19/21 | STATE STREET CORP NOTES<br>DTD 05/19/2016 1.950% 05/19/2021                    | 857477AV5 | 70,000.00    | 70,000.00          | 682.50           | 70,682.50  | 264.60       | 0.00         |             |
| 05/21/21                   | 05/21/21 | CHARLES SCHWAB (CALLABLE) CORP<br>NOTES<br>DTD 05/22/2018 3.250% 05/21/2021    | 808513AW5 | 160,000.00   | 160,000.00         | 2,600.00         | 162,600.00 | 4.80         | 0.00         |             |
| 05/31/21                   | 05/31/21 | US TREASURY NOTES<br>DTD 05/31/2016 1.375% 05/31/2021                          | 912828R77 | 150,000.00   | 150,000.00         | 1,031.25         | 151,031.25 | 3,896.48     | 0.00         |             |
| Transaction Type Sub-Total |          |                                                                                |           | 530,000.00   | 530,000.00         | 6,738.50         | 536,738.50 | 4,234.88     | 0.00         |             |
| PAYDOWNS                   |          |                                                                                |           |              |                    |                  |            |              |              |             |
| 05/01/21                   | 05/25/21 | FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024                               | 3137F03V3 | 3,899.14     | 3,899.14           | 0.00             | 3,899.14   | 0.10         | 0.00         |             |
| 05/01/21                   | 05/25/21 | FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022                       | 3137BM6P6 | 218.21       | 218.21             | 0.00             | 218.21     | (1.86)       | 0.00         |             |
| 05/01/21                   | 05/25/21 | FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023                                | 3137FKK39 | 6,925.98     | 6,925.98           | 0.00             | 6,925.98   | 0.02         | 0.00         |             |
| 05/01/21                   | 05/25/21 | FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021                             | 3136B1XP4 | 1,613.67     | 1,613.67           | 0.00             | 1,613.67   | (32.10)      | 0.00         |             |



## Managed Account Security Transactions & Interest

For the Month Ending **May 31, 2021**

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

| Transaction Type            |          |                                                                  |           |            | Principal    | Accrued     |                | Realized G/L | Realized G/L | Sale   |
|-----------------------------|----------|------------------------------------------------------------------|-----------|------------|--------------|-------------|----------------|--------------|--------------|--------|
| Trade                       | Settle   | Security Description                                             | CUSIP     | Par        | Proceeds     | Interest    | Total          | Cost         | Amort Cost   | Method |
| PAYDOWNS                    |          |                                                                  |           |            |              |             |                |              |              |        |
| 05/15/21                    | 05/15/21 | HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023              | 43815AAC6 | 12,510.15  | 12,510.15    | 0.00        | 12,510.15      | 1.87         | 0.00         |        |
| 05/15/21                    | 05/15/21 | NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023              | 65478NAD7 | 12,656.49  | 12,656.49    | 0.00        | 12,656.49      | 2.43         | 0.00         |        |
| 05/15/21                    | 05/15/21 | TAOT 2018-A A3<br>DTD 01/31/2018 2.350% 05/16/2022               | 89238BAD4 | 4,134.47   | 4,134.47     | 0.00        | 4,134.47       | 0.04         | 0.00         |        |
| Transaction Type Sub-Total  |          |                                                                  |           | 41,958.11  | 41,958.11    | 0.00        | 41,958.11      | (29.50)      | 0.00         |        |
| SELL                        |          |                                                                  |           |            |              |             |                |              |              |        |
| 05/11/21                    | 05/12/21 | US TREASURY NOTES<br>DTD 09/02/2014 2.000% 08/31/2021            | 912828D72 | 125,000.00 | 125,756.84   | 495.92      | 126,252.76     | 385.75       | 733.03       | FIFO   |
| 05/25/21                    | 06/01/21 | JPMORGAN CHASE & CO BONDS<br>DTD 03/22/2019 3.207%<br>04/01/2023 | 46647PBB1 | 250,000.00 | 256,065.00   | 1,336.25    | 257,401.25     | 6,065.00     | 6,065.00     | FIFO   |
| Transaction Type Sub-Total  |          |                                                                  |           | 375,000.00 | 381,821.84   | 1,832.17    | 383,654.01     | 6,450.75     | 6,798.03     |        |
| Managed Account Sub-Total   |          |                                                                  |           |            | (120,882.35) | 17,433.64   | (103,448.71)   | 10,656.13    | 6,798.03     |        |
| Total Security Transactions |          |                                                                  |           |            | (120,882.35) | \$17,433.64 | (\$103,448.71) | \$10,656.13  | \$6,798.03   |        |

Bolded items are forward settling trades.



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2021**

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

| Transaction Type           |          | Security Description                                                         | CUSIP     | Par        | Principal    | Accrued  | Total        | Realized G/L | Realized G/L | Sale   |
|----------------------------|----------|------------------------------------------------------------------------------|-----------|------------|--------------|----------|--------------|--------------|--------------|--------|
| Trade                      | Settle   |                                                                              |           |            | Proceeds     | Interest |              | Cost         | Amort Cost   | Method |
| BUY                        |          |                                                                              |           |            |              |          |              |              |              |        |
| 04/01/21                   | 04/05/21 | US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                        | 912828ZW3 | 325,000.00 | (318,703.13) | (213.23) | (318,916.36) |              |              |        |
| 04/13/21                   | 04/21/21 | CARMX 2021-2 A3<br>DTD 04/21/2021 0.520% 02/17/2026                          | 14314QAC8 | 90,000.00  | (89,980.61)  | 0.00     | (89,980.61)  |              |              |        |
| 04/16/21                   | 04/22/21 | BANK OF AMERICA CORP NOTES<br>(CALLABLE)<br>DTD 04/22/2021 0.976% 04/22/2025 | 06051GJR1 | 200,000.00 | (200,000.00) | 0.00     | (200,000.00) |              |              |        |
| 04/20/21                   | 04/28/21 | HART 2021-A A3<br>DTD 04/28/2021 0.380% 09/15/2025                           | 44933LAC7 | 60,000.00  | (59,993.69)  | 0.00     | (59,993.69)  |              |              |        |
| 04/27/21                   | 05/04/21 | CITIGROUP INC CORPORATE<br>NOTES<br>DTD 05/04/2021 0.981%<br>05/01/2025      | 172967MX6 | 95,000.00  | (95,000.00)  | 0.00     | (95,000.00)  |              |              |        |
| Transaction Type Sub-Total |          |                                                                              |           | 770,000.00 | (763,677.43) | (213.23) | (763,890.66) |              |              |        |
| INTEREST                   |          |                                                                              |           |            |              |          |              |              |              |        |
| 04/01/21                   | 04/01/21 | JPMORGAN CHASE & CO BONDS<br>DTD 03/22/2019 3.207% 04/01/2023                | 46647PBB1 | 250,000.00 | 0.00         | 4,008.75 | 4,008.75     |              |              |        |
| 04/01/21                   | 04/25/21 | FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023                              | 3137FKK39 | 17,051.54  | 0.00         | 45.51    | 45.51        |              |              |        |
| 04/01/21                   | 04/25/21 | FHMS K043 A2<br>DTD 03/01/2015 3.062% 12/01/2024                             | 3137BGK24 | 175,000.00 | 0.00         | 446.54   | 446.54       |              |              |        |
| 04/01/21                   | 04/25/21 | FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022                     | 3137BM6P6 | 129,250.81 | 0.00         | 332.82   | 332.82       |              |              |        |
| 04/01/21                   | 04/25/21 | FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021                           | 3136B1XP4 | 21,875.16  | 0.00         | 64.90    | 64.90        |              |              |        |
| 04/01/21                   | 04/25/21 | FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024                             | 3137FQ3V3 | 71,205.51  | 0.00         | 154.48   | 154.48       |              |              |        |
| 04/14/21                   | 04/14/21 | FEDERAL HOME LOAN BANK NOTES<br>DTD 04/16/2020 0.500% 04/14/2025             | 3130AJHU6 | 250,000.00 | 0.00         | 625.00   | 625.00       |              |              |        |
| 04/15/21                   | 04/15/21 | CARMX 2020-4 A3<br>DTD 10/21/2020 0.500% 08/15/2025                          | 14316HAC6 | 85,000.00  | 0.00         | 35.42    | 35.42        |              |              |        |
| 04/15/21                   | 04/15/21 | CARMX 2020-3 A3<br>DTD 07/22/2020 0.620% 03/17/2025                          | 14315FAD9 | 130,000.00 | 0.00         | 67.17    | 67.17        |              |              |        |



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2021**

### 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         |          |                                                               |           |              |           |           |           |              |              |        |
| 04/15/21         | 04/15/21 | HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023           | 43815AAC6 | 116,199.19   | 0.00      | 305.99    | 305.99    |              |              |        |
| 04/15/21         | 04/15/21 | NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023           | 65478NAD7 | 145,714.78   | 0.00      | 391.00    | 391.00    |              |              |        |
| 04/15/21         | 04/15/21 | COMET 2019-A2 A2<br>DTD 09/05/2019 1.720% 08/15/2024          | 14041NFU0 | 500,000.00   | 0.00      | 716.67    | 716.67    |              |              |        |
| 04/15/21         | 04/15/21 | TAOT 2018-A A3<br>DTD 01/31/2018 2.350% 05/16/2022            | 89238BAD4 | 11,412.91    | 0.00      | 22.35     | 22.35     |              |              |        |
| 04/16/21         | 04/16/21 | FREDDIE MAC NOTES<br>DTD 10/16/2020 0.125% 10/16/2023         | 3137EAEY1 | 250,000.00   | 0.00      | 156.25    | 156.25    |              |              |        |
| 04/16/21         | 04/16/21 | GMCAR 2020-3 A3<br>DTD 08/19/2020 0.450% 04/16/2025           | 362590AC5 | 150,000.00   | 0.00      | 56.25     | 56.25     |              |              |        |
| 04/18/21         | 04/18/21 | HAROT 2020-3 A3<br>DTD 09/29/2020 0.370% 10/18/2024           | 43813KAC6 | 115,000.00   | 0.00      | 35.46     | 35.46     |              |              |        |
| 04/20/21         | 04/20/21 | VZOT 2020-A A1A<br>DTD 01/29/2020 1.850% 07/22/2024           | 92348TAA2 | 125,000.00   | 0.00      | 192.71    | 192.71    |              |              |        |
| 04/20/21         | 04/20/21 | GMALT 2020-3 A4<br>DTD 09/29/2020 0.510% 10/21/2024           | 362569AD7 | 65,000.00    | 0.00      | 27.63     | 27.63     |              |              |        |
| 04/20/21         | 04/20/21 | VWALT 2020-A A4<br>DTD 12/03/2020 0.450% 07/21/2025           | 92868VAD1 | 150,000.00   | 0.00      | 56.25     | 56.25     |              |              |        |
| 04/22/21         | 04/22/21 | FANNIE MAE NOTES<br>DTD 04/24/2020 0.625% 04/22/2025          | 3135G03U5 | 250,000.00   | 0.00      | 781.25    | 781.25    |              |              |        |
| 04/24/21         | 04/24/21 | BANK OF NY MELLON CORP<br>DTD 10/24/2019 2.100% 10/24/2024    | 06406RAL1 | 100,000.00   | 0.00      | 1,050.00  | 1,050.00  |              |              |        |
| 04/25/21         | 04/25/21 | BMWOT 2020-A A3<br>DTD 07/15/2020 0.480% 10/25/2024           | 09661RAD3 | 90,000.00    | 0.00      | 36.00     | 36.00     |              |              |        |
| 04/29/21         | 04/29/21 | MORGAN STANLEY CORP NOTES<br>DTD 04/28/2014 3.875% 04/29/2024 | 61746BDQ6 | 250,000.00   | 0.00      | 4,843.75  | 4,843.75  |              |              |        |
| 04/30/21         | 04/30/21 | US TREASURY NOTES<br>DTD 10/31/2016 1.625% 10/31/2023         | 912828T91 | 775,000.00   | 0.00      | 6,296.88  | 6,296.88  |              |              |        |
| 04/30/21         | 04/30/21 | US TREASURY NOTES<br>DTD 05/01/2017 1.875% 04/30/2022         | 912828X47 | 1,400,000.00 | 0.00      | 13,125.00 | 13,125.00 |              |              |        |
| 04/30/21         | 04/30/21 | US TREASURY NOTES<br>DTD 10/31/2016 1.250% 10/31/2021         | 912828T67 | 550,000.00   | 0.00      | 3,437.50  | 3,437.50  |              |              |        |



## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2021**

### 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 |
|----------------------------|-------|--------|----------------------|-------|--------------|--------------------|------------------|-----------|-------------------|-------------------------|-------------|
| Transaction Type Sub-Total |       |        |                      |       | 6,172,709.90 | 0.00               | 37,311.53        | 37,311.53 |                   |                         |             |

#### MATURITY

|                            |          |                                                                           |           |            |            |            |            |            |        |      |
|----------------------------|----------|---------------------------------------------------------------------------|-----------|------------|------------|------------|------------|------------|--------|------|
| 04/05/21                   | 04/05/21 | AMERICAN EXPRESS CREDIT (CALLED, OMD 05/ DTD 05/05/2016 2.250% 04/05/2021 | 0258M0EB1 | 150,000.00 | 150,000.00 | 1,396.88   | 151,396.88 | 279.00     | 0.00   |      |
| 04/05/21                   | 04/05/21 | BANK OF NEW YORK MELLON (CALLED, OMD 05/ DTD 05/02/2016 2.050% 04/05/2021 | 06406FAB9 | 150,000.00 | 150,000.00 | 1,281.25   | 151,281.25 | (319.50)   | 0.00   |      |
| 04/15/21                   | 04/15/21 | PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021         | 713448DX3 | 165,000.00 | 165,000.00 | 1,650.00   | 166,650.00 | 33.00      | 0.00   |      |
| 04/19/21                   | 04/19/21 | INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021     | 4581X0DB1 | 150,000.00 | 150,000.00 | 1,968.75   | 151,968.75 | 330.00     | 0.00   |      |
| 04/19/21                   | 04/19/21 | BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021                | 06051GFW4 | 25,000.00  | 25,000.00  | 328.13     | 25,328.13  | (194.00)   | 0.00   |      |
| Transaction Type Sub-Total |          |                                                                           |           |            | 640,000.00 | 640,000.00 | 6,625.01   | 646,625.01 | 128.50 | 0.00 |

#### PAYDOWNS

|                            |          |                                                       |           |           |           |           |           |           |          |      |
|----------------------------|----------|-------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|------|
| 04/01/21                   | 04/25/21 | FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022 | 3137BM6P6 | 206.14    | 206.14    | 0.00      | 206.14    | (1.76)    | 0.00     |      |
| 04/01/21                   | 04/25/21 | FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024         | 3137F03V3 | 1,425.66  | 1,425.66  | 0.00      | 1,425.66  | 0.03      | 0.00     |      |
| 04/01/21                   | 04/25/21 | FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023          | 3137FKK39 | 23.48     | 23.48     | 0.00      | 23.48     | 0.00      | 0.00     |      |
| 04/01/21                   | 04/25/21 | FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021       | 3136B1XP4 | 10,287.67 | 10,287.67 | 0.00      | 10,287.67 | (204.64)  | 0.00     |      |
| 04/15/21                   | 04/15/21 | TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022       | 89238BAD4 | 4,913.81  | 4,913.81  | 0.00      | 4,913.81  | 0.06      | 0.00     |      |
| 04/15/21                   | 04/15/21 | NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023      | 65478NAD7 | 15,021.79 | 15,021.79 | 0.00      | 15,021.79 | 2.88      | 0.00     |      |
| 04/15/21                   | 04/15/21 | HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023      | 43815AAC6 | 14,070.58 | 14,070.58 | 0.00      | 14,070.58 | 2.10      | 0.00     |      |
| Transaction Type Sub-Total |          |                                                       |           |           | 45,949.13 | 45,949.13 | 0.00      | 45,949.13 | (201.33) | 0.00 |











## Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2021**

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

| Transaction Type            |        |                      |       |     | Principal     | Accrued     |               | Realized G/L | Realized G/L | Sale   |
|-----------------------------|--------|----------------------|-------|-----|---------------|-------------|---------------|--------------|--------------|--------|
| Trade                       | Settle | Security Description | CUSIP | Par | Proceeds      | Interest    | Total         | Cost         | Amort Cost   | Method |
| Managed Account Sub-Total   |        |                      |       |     | (77,728.30)   | 43,723.31   | (34,004.99)   | (72.83)      | 0.00         |        |
| Total Security Transactions |        |                      |       |     | (\$77,728.30) | \$43,723.31 | (\$34,004.99) | (\$72.83)    | \$0.00       |        |












Bolded items are forward settling trades.

|                                                                                   |                    |                                                                                   |                     |                                                                                    |                             |
|-----------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------|-----------------------------|
|  | = On plan          |  | = Expected Variance |  | = Exception - see comments  |
|  | = Increase over PY |  | = Decrease over PY  |  | = Unchanged over prior year |

## SECTION ONE: FINANCIAL STATEMENTS

| June 2021           |            | June 2020  | Change                                                                                        |
|---------------------|------------|------------|-----------------------------------------------------------------------------------------------|
| <b>ASSETS</b>       | 29,920,361 | 28,712,734 |  1,207,627 |
| <b>LIABILITIES</b>  | 17,809,579 | 18,462,723 |  (653,144) |
| <b>NET POSITION</b> | 12,110,782 | 10,250,011 |  1,860,771 |

- Assets increased over the prior year due to collection of 2020/21 program year contributions.
- The investment portfolio produced interest and realized gains of \$605,000 which was offset by unrealized losses of \$490,000 at June 30, 2021.
- Claim payments were down \$883,000 over the prior year with \$3.4 million and \$4.2 million for the 2020/21 and 2019/20 fiscal years, respectively.
- The liability for unpaid claims decreased \$229,000 from the prior year despite the increase attributable to the 2020/2021 program year claims. Claims developed favorably and resulted in a decrease in the ultimate loss estimates for prior program years. In addition, the Board approved a change to the interest rate assumption used to discount claim liabilities to net present value from 2.0% to 1.5% to better match the forecasted investment earnings.
- A Board approved a dividend of \$3.0 million which was paid to the members in June 2021.

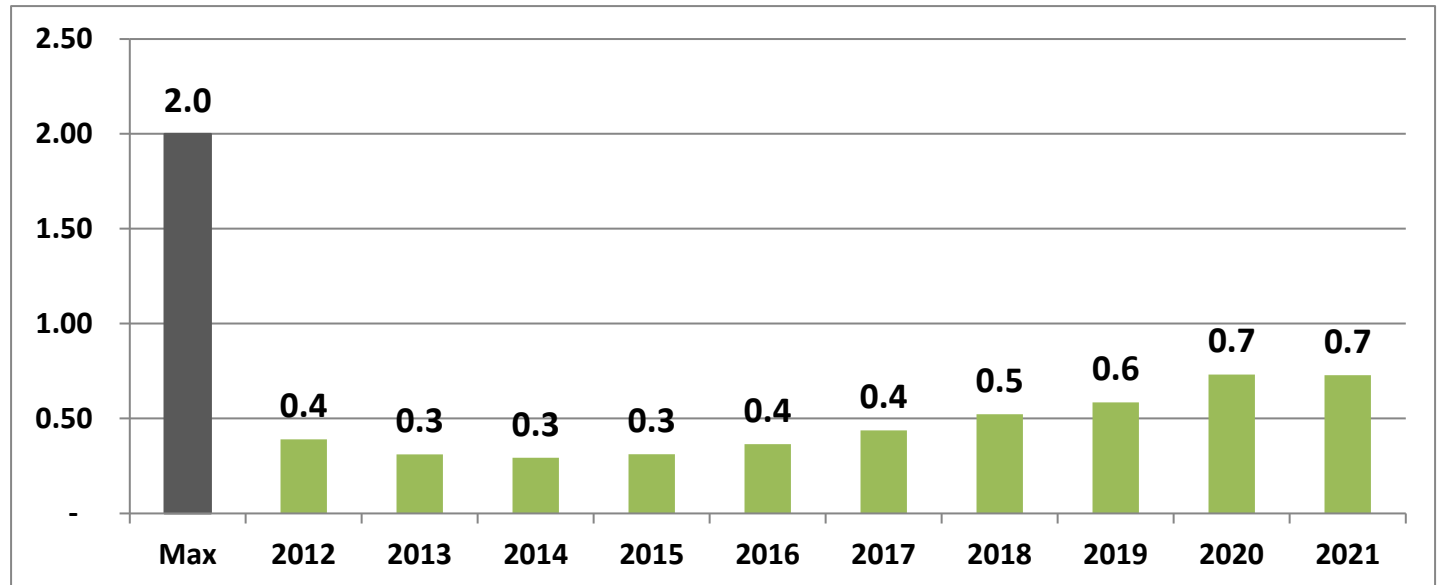
| June 2021                |           | Budget<br>(Target=100%)                                                                            | June 2020                                                                                         |
|--------------------------|-----------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>CONTRIBUTIONS</b>     | 9,146,911 |  9,171,368/103% |  7,807,782   |
| <b>INVESTMENT INCOME</b> | 115,295   | --                                                                                                 |  1,320,714   |
| <b>CLAIM EXPENSE</b>     | 3,121,121 |  7,778,834/40%  |  8,266,048   |
| <b>EXCESS INSURANCE</b>  | 333,029   |  333,029/100%   |  311,540     |
| <b>OPERATING EXPENSE</b> | 947,285   |  1,059,505/89%  |  913,985     |
| <b>DIVIDEND EXPENSE</b>  | 3,000,000 |                                                                                                    |  1,180,624   |
| <b>NET INCOME</b>        | 1,860,771 |                                                                                                    |  (1,543,701) |

- 2020/21 contributions are slightly less than budget due to a return of contribution to PARSAC for prior year participation credit adjustments
- The investment portfolio produced income of approximately \$605,000 which was offset by unrealized loss of \$490,000.
- Claims expense decreased due to favorable claims development and the resulting decreases to the actuary's most recent estimates of ultimate loss for pre-2020 program years.
- Current year operating expenses are slightly higher than the prior year due to contractual increases.

## SECTION TWO: RATIO ANALYSIS

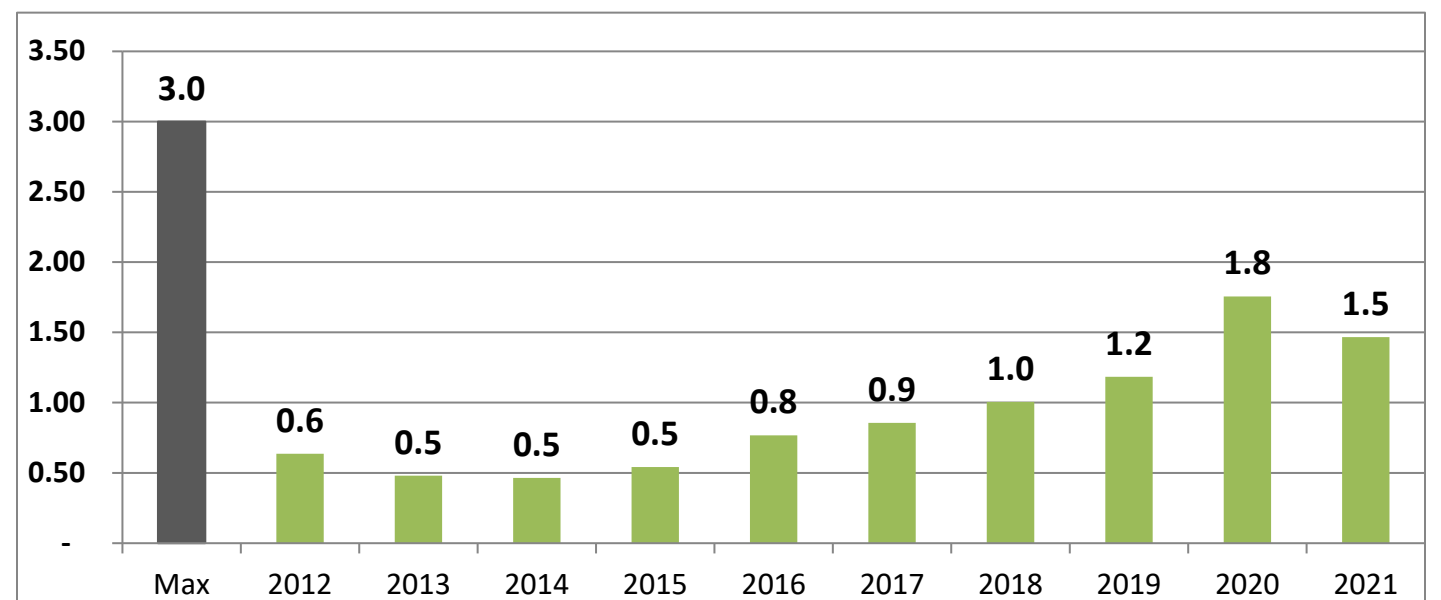
### RATIO A: Net Contribution to Net Position

|           | Net<br>Contribution |   | Net Position | Ratio | Target | Result                                                                              |
|-----------|---------------------|---|--------------|-------|--------|-------------------------------------------------------------------------------------|
| June 2021 | 8,813,882           | / | 12,110,782   | 0.70  | <2:1   |  |



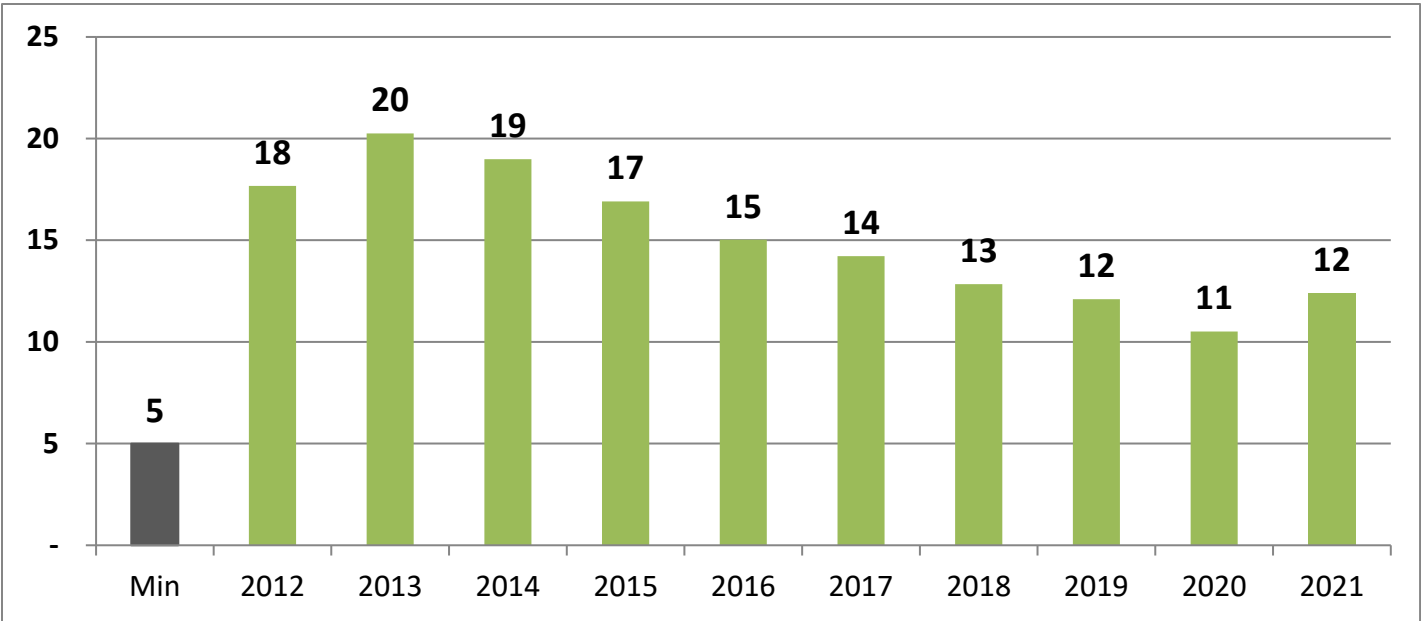
### RATIO B: Unpaid Claims to Net Position

|           | Claim<br>Liability |   | Net Position | Ratio | Target | Result                                                                                |
|-----------|--------------------|---|--------------|-------|--------|---------------------------------------------------------------------------------------|
| June 2021 | 17,761,315         | / | 12,110,782   | 1.5:1 | <3:1   |  |



SECTION TWO: RATIO ANALYSIS, CONTINUED

| RATIO C: Net Position to Self-Insured Retention |              |   |         |       |        |             |
|-------------------------------------------------|--------------|---|---------|-------|--------|-------------|
|                                                 | Net Position |   | SIR     | Ratio | Target | Result      |
| June 2021                                       | 12,110,782   | / | 975,000 | 12    | >5     | <div></div> |



## STATEMENT OF NET POSITION

June 30, 2021 and 2020

| <b>CURRENT ASSETS</b>                                              | <b>2021</b>       | <b>2020</b>       |
|--------------------------------------------------------------------|-------------------|-------------------|
| Cash and Cash Equivalents                                          | 3,856,301         | 2,788,738         |
| Investments                                                        | 5,853,672         | 6,001,126         |
| Provision for Unrealized Gain (Loss) on Investments                | 74,079            | 70,950            |
| Accounts Receivable - Miscellaneous                                | 9,340             | 49,913            |
| Interest Receivable                                                | 80,115            | 114,526           |
| Prepaid Expense                                                    | 262,734           | 21,151            |
| <b>TOTAL CURRENT ASSETS</b>                                        | <b>10,136,241</b> | <b>9,046,404</b>  |
| <b>NONCURRENT ASSETS</b>                                           |                   |                   |
| Investments - Managed Portfolio                                    | 19,544,953        | 18,933,745        |
| Provision for Unrealized Gain (Loss) on Investments                | 239,167           | 732,585           |
| <b>TOTAL NONCURRENT ASSETS</b>                                     | <b>19,784,120</b> | <b>19,666,330</b> |
| <b>TOTAL ASSETS</b>                                                | <b>29,920,361</b> | <b>28,712,734</b> |
| <b>CURRENT LIABILITIES</b>                                         |                   |                   |
| Accounts Payable                                                   | 48,264            | 25,654            |
| Dividend Payable                                                   | 0                 | 446,265           |
| Case Reserves                                                      | 2,450,876         | 4,244,948         |
| Incurred But Not Reported and Unallocated Loss Adjustment Expenses | 2,712,956         | 815,470           |
| <b>TOTAL CURRENT LIABILITIES</b>                                   | <b>5,212,096</b>  | <b>5,532,337</b>  |
| <b>NONCURRENT LIABILITIES</b>                                      |                   |                   |
| Incurred But Not Reported and Unallocated Loss Adjustment Expenses | 12,597,483        | 12,930,386        |
| <b>TOTAL NONCURRENT LIABILITIES</b>                                | <b>12,597,483</b> | <b>12,930,386</b> |
| <b>TOTAL LIABILITIES</b>                                           | <b>17,809,579</b> | <b>18,462,723</b> |
| <b>NET POSITION</b>                                                |                   |                   |
| Net Position - Undesignated                                        | 11,310,089        | 9,421,704         |
| Net Position - Capital Fund                                        | 800,694           | 828,307           |
| <b>TOTAL NET POSITION</b>                                          | <b>12,110,782</b> | <b>10,250,011</b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b>                          | <b>29,920,361</b> | <b>28,712,734</b> |

## Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2021

|                                                  | Actual           | 2020-21<br>Budget | %<br>Used   | \$<br>Variance        |
|--------------------------------------------------|------------------|-------------------|-------------|-----------------------|
| <b>REVENUES</b>                                  |                  |                   |             |                       |
| Deposit Premium                                  | 8,807,643        | 8,838,339         | 100%        | (30,696)              |
| Prior Year Deposit Premium                       | (13,198)         |                   |             | (13,198)              |
| Excess Insurance Premium                         | 333,029          | 333,029           | 100%        | -                     |
| Miscellaneous Income                             | 19,437           |                   |             | 19,437                |
| Interest Income                                  | 115,295          |                   |             | 115,295               |
| <b>Total Revenue</b>                             | <b>9,262,206</b> | <b>9,171,368</b>  | <b>101%</b> | <b>90,838</b>         |
| <b>EXPENSES</b>                                  |                  |                   |             |                       |
| <b>Claims Expense</b>                            |                  |                   |             |                       |
| Claims Paid                                      | 3,350,611        | 7,778,834         | 40%         | (4,657,713)           |
| Incr/(Decr) in Reserves                          | (229,490)        |                   |             |                       |
| Excess Insurance                                 | 333,029          | 333,029           | 100%        | 0                     |
| <b>Total Claims Expense</b>                      | <b>3,454,150</b> | <b>8,111,863</b>  | <b>43%</b>  | <b>(4,657,713)</b>    |
| <b>Loss Prevention &amp; Training</b>            |                  |                   |             |                       |
| Employee Reporting                               | 11,121           | 11,500            | 97%         | (379)                 |
| Web-based Training / Training Bulletins          | 24,000           | 24,000            | 100%        | 0                     |
| Additional Web-based Training                    | 12,000           | 12,000            | 100%        | 0                     |
| Hotline Services                                 | 5,320            | 6,500             | 82%         | (1,180)               |
| Miscellaneous Training Expenses                  | 270              | 6,000             | 5%          | (5,730)               |
| Attorney / Training Workshops                    | 19,650           | 88,750            | 22%         | (69,100)              |
| <b>Total Loss Prevention and Training</b>        | <b>72,361</b>    | <b>148,750</b>    | <b>49%</b>  | <b>(76,389)</b>       |
| <b>Capital Fund Expenditures</b>                 |                  |                   |             |                       |
| Training & Risk Management Consortium            | 30,315           |                   |             | 30,315                |
| <b>Total Capital Fund Expenditures</b>           | <b>30,315</b>    |                   |             | <b>30,315</b>         |
| <b>General &amp; Administrative Expenses</b>     |                  |                   |             |                       |
| Program Management                               | 738,905          | 738,905           | 100%        | 0                     |
| Risk Assessments                                 | 1,717            | 10,000            | 17%         | (8,283)               |
| Board Meetings & Retreat                         | 304              | 30,000            | 1%          | (29,696)              |
| Memberships & Conferences                        | 2,573            | 7,500             | 34%         | (4,927)               |
| Actuarial Study                                  | 10,450           | 10,450            | 100%        | 0                     |
| Legal Services                                   | 31,913           | 50,000            | 64%         | (18,087)              |
| Financial Audit                                  | 10,200           | 10,200            | 100%        | 0                     |
| Claims Audit                                     | 5,900            | 5,900             | 100%        | 0                     |
| Accreditation                                    | 1,417            | 1,500             | 94%         | (83)                  |
| Fidelity Bond                                    | 1,282            | 1,300             | 99%         | (18)                  |
| SLIP Insurance                                   | 2,847            | 3,000             | 95%         | (153)                 |
| Investment Management Services                   | 27,329           | 32,000            | 85%         | (4,671)               |
| Claims System                                    | 5,000            | 5,000             | 100%        | 0                     |
| Miscellaneous                                    | 4,772            | 5,000             | 95%         | (228)                 |
| <b>Total General and Administrative Expenses</b> | <b>844,609</b>   | <b>910,755</b>    | <b>93%</b>  | <b>(66,146)</b>       |
| <b>Dividend Expense</b>                          | <b>3,000,000</b> | <b>0</b>          |             | <b>3,000,000</b>      |
| <b>Total Expenses</b>                            | <b>7,401,434</b> | <b>9,171,368</b>  | <b>81%</b>  | <b>\$ (4,769,934)</b> |
| <b>Change in Net Position</b>                    | <b>1,860,771</b> | <b>-</b>          |             |                       |



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## **Investment Performance Review For the Quarter Ended June 30, 2021**

Client Management Team

Lesley Murphy, Senior Managing Consultant

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717-232-2723

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## *Market Update*



# QUARTERLY MARKET SUMMARY

## SUMMARY

- In Q2, U.S. economic conditions were impacted by: (1) dramatically lower COVID-19 caseloads as vaccine inoculations accelerated, balanced with waning vaccine demand and the emergence of more infectious variants; (2) strong consumer data supported by ongoing fiscal stimulus measures; (3) elevated inflation fueled by surging economic activity amid labor and supply chain shortages; (4) a late-quarter hawkish signal from the Federal Reserve (Fed), as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward; and (5) the largest increase in corporate earnings estimates in nearly 20 years, which propelled major U.S. stock indices to all-time highs.
- With the public health situation drastically improving and pent-up consumer demand being released, the U.S. has seemingly turned the corner in its recovery. Due to the quicker-than-expected rebound, Federal Open Market Committee (FOMC) officials have suggested that they have started to contemplate the timing and communication around a potential tapering of asset purchases. The FOMC remains “attuned and attentive” to the inflation outlook amid supply shortages and other risk factors. In the updated June projections, 13 of 18 Fed officials indicated they expect to increase short-term rates by the end of 2023, up from seven who expected that outcome in March.
- Despite significant progress toward a comprehensive economic recovery, headwinds persist and mixed signals remain. Demand is recovering faster than supply, triggering supply chain bottlenecks and wage-price pressures. Inflation is rising sooner than in previous cycles, with core consumer prices recently showing the sharpest monthly increase since 1982. Despite some scary inflation headlines, many market participants believe that the economy’s current wave of inflation is likely transitory in nature.
- Looking past this year, economists and strategists have moderated long-term growth projections as uncertainty remains a key characteristic of our current environment. Perhaps the term “cautious optimism” best describes the current mood as we near what we hope to be the final innings of the pandemic.

## ECONOMIC SNAPSHOT

- Following a 4.3% expansion in Q4 2020, U.S. GDP increased 6.4% in Q1. The consumer continues to be the driving force behind recent GDP growth as consumer spending rose by 11.4% in Q2, the second-fastest pace since the 1960s. Goods and services that benefit the most from the reopening of the economy, such as auto sales, food services and travel accommodations, are the main contributors to the growth in spending.
- The U.S. labor market recovery is accelerating after a spring lull. Following a disappointing April jobs report, employers added over 580,000 and 850,000 jobs in May and June, respectively. The service sector led the job recovery in the first half of 2021 as leisure and hospitality accounted for 1.6 million jobs created, or almost half of the year’s payroll gains. The robust demand for workers pushed wages up by a brisk pace of 3.6% year-over-year (YoY).
- Surveys of manufacturing and services activity produced mixed signals this quarter. After reaching a record high in March 2021 of 64.7, the ISM Manufacturing PMI declined to 60.6 by the end of Q2. Similarly, the ISM Non-Manufacturing PMI told a similar story, retracting from a record-high reading. The recent survey noted, “challenges with materials shortages, inflation, logistics and employment resources continue to be an impediment to business

conditions.” Despite these headwinds, both indices remain well above both the 50-point threshold that differentiates growth from contraction and long-term historical averages.

- On the housing front, existing home sales declined roughly 21% YoY largely due to inventory shortages. Stressed supply and demand dynamics are evidenced by the drastic changes seen in housing prices, which increased by 15% YoY. Mortgage rates pulled back from the climb seen earlier this year, as the 30-year mortgage rate finished the quarter at 2.93%, compared to last quarter’s reading of 3.18%.

## INTEREST RATES

- The U.S. Treasury yield curve flattened modestly over the quarter as longer term yields retraced some of their significant first quarter higher moves, and shorter term maturities inched higher from rock-bottom lows. Near quarter-end, short-term Treasury yields rose in response as the Fed raised by five basis points the interest it pays banks on excess reserves and its offering rate for overnight reverse repurchase agreements. An earlier-than-expected discussion by the FOMC of increasing the overnight target rate also contributed to Treasuries softening on the short end of the curve. Long-term yields fell as investors worried less about inflation over the long term. This view was encouraged in part by a more hawkish tone from the FOMC.
- As a result of a flattening curve, index returns were mixed for the quarter. Shorter-duration U.S. Treasury total return indices (three years and under) were generally flat, while longer-duration indices posted strong positive returns. For example, the 3-month Treasury index returned 0% for the quarter, the 2-year Treasury index returned -0.1%, and the 10-year Treasury index returned 3.2%.

## SECTOR PERFORMANCE

- Diversification away from U.S. Treasuries was again additive to performance in Q2. Broad global demand for yield has continued to push spreads of most bonds tighter. As a result, most investment-grade (IG) spread sectors showed positive excess returns. The lone exception was mortgage-related sectors, where expectations that the FOMC may begin tapering asset purchases caused mortgage-backed security (MBS) spreads to come under pressure and lift off from multi-year tights.
- The federal agency sector saw minimal spread widening of one to two basis points (0.01% to 0.02%), mostly concentrated in the longer duration part of the curve (past three years). Supply remains markedly light, limiting new buying opportunities within the sector. On the flipside, opportunistic selling opportunities are expected to persist for the foreseeable future.
- The taxable municipal sector, once again, was one of the best performing IG sectors during Q2. Municipals boosted relative portfolio performance over the quarter as strong demand for new issues and the general market reach for yield pressured spreads tighter.
- IG corporates generated positive returns this quarter as spreads tightened due to the prospect of strong corporate earnings and supportive monetary policy. The continued demand for yield pushed spreads to retest multi-year lows despite an active new issue market.
- Federal agency-backed mortgage-backed security (MBS) excess returns were negative as FOMC-related selling pressure arrived near quarter end. Generally, all collateral and coupon structures underperformed with the exception of agency-backed commercial MBS (CMBS), which have continued to provide solid absolute and relative returns on a consistent basis over the past 18 months.

## QUARTERLY MARKET SUMMARY

## Economic Snapshot

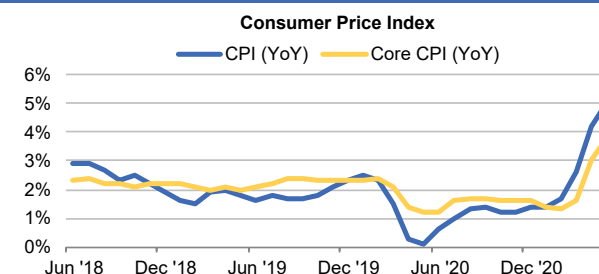
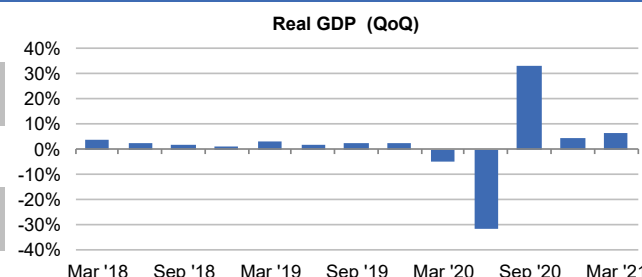
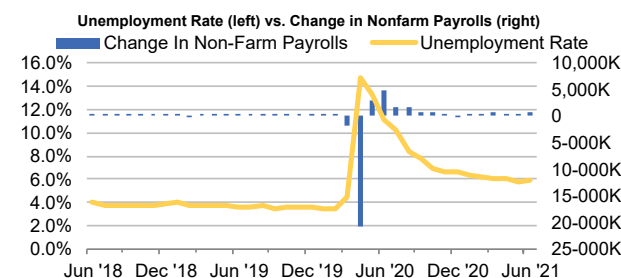
| Labor Market                  |         | Latest  | Mar '21 | Jun '20   |
|-------------------------------|---------|---------|---------|-----------|
| Unemployment Rate             | Jun '21 | 5.9%    | 6.0%    | 11.1%     |
| Change In Non-Farm Payrolls   | Jun '21 | 850,000 | 785,000 | 4,846,000 |
| Average Hourly Earnings (YoY) | Jun '21 | 3.6%    | 4.3%    | 5.0%      |
| Personal Income (YoY)         | May '21 | 2.8%    | 30.1%   | 8.2%      |
| Initial Jobless Claims (week) | 7/3/21  | 373,000 | 729,000 | 1,436,000 |

| Growth                              |         | Latest    | Mar '21           | Jun '20            |
|-------------------------------------|---------|-----------|-------------------|--------------------|
| Real GDP (QoQ SAAR)                 | 2021Q1  | 6.4%      | 4.3% <sup>1</sup> | -5.0% <sup>2</sup> |
| GDP Personal Consumption (QoQ SAAR) | 2021Q1  | 11.4%     | 2.3% <sup>1</sup> | -6.9% <sup>2</sup> |
| Retail Sales (YoY)                  | May '21 | 28.1%     | 29.7%             | 2.1%               |
| ISM Manufacturing Survey (month)    | Jun '21 | 60.6      | 64.7              | 52.2               |
| Existing Home Sales SAAR (month)    | May '21 | 5.80 mil. | 6.01 mil.         | 4.77 mil.          |

| Inflation / Prices                      |         | Latest  | Mar '21 | Jun '20 |
|-----------------------------------------|---------|---------|---------|---------|
| Personal Consumption Expenditures (YoY) | May '21 | 3.9%    | 2.4%    | 0.9%    |
| Consumer Price Index (YoY)              | May '21 | 5.0%    | 2.6%    | 0.6%    |
| Consumer Price Index Core (YoY)         | May '21 | 3.8%    | 1.6%    | 1.2%    |
| Crude Oil Futures (WTI, per barrel)     | Jun 30  | \$73.47 | \$59.16 | \$39.27 |
| Gold Futures (oz.)                      | Jun 30  | \$1,772 | \$1,714 | \$1,801 |



1. Data as of Fourth Quarter 2020.

2. Data as of First Quarter 2021.

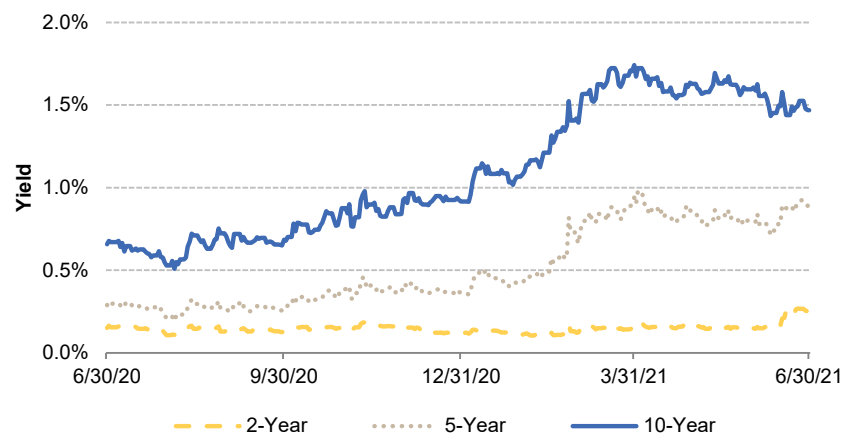
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

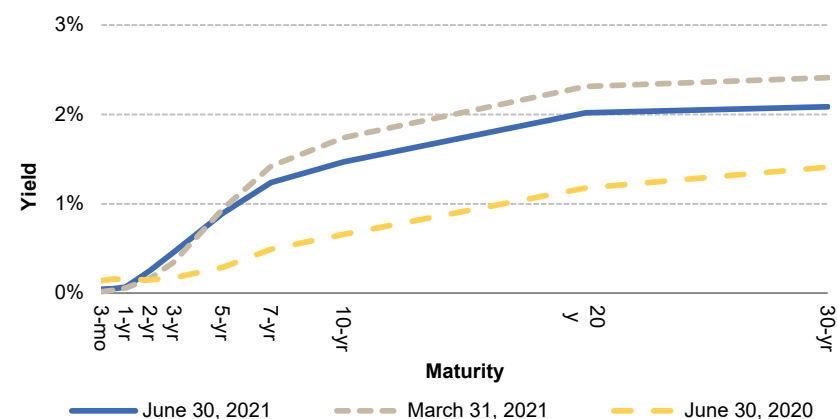
## QUARTERLY MARKET SUMMARY

## Interest Rate Overview

U.S. Treasury Note Yields



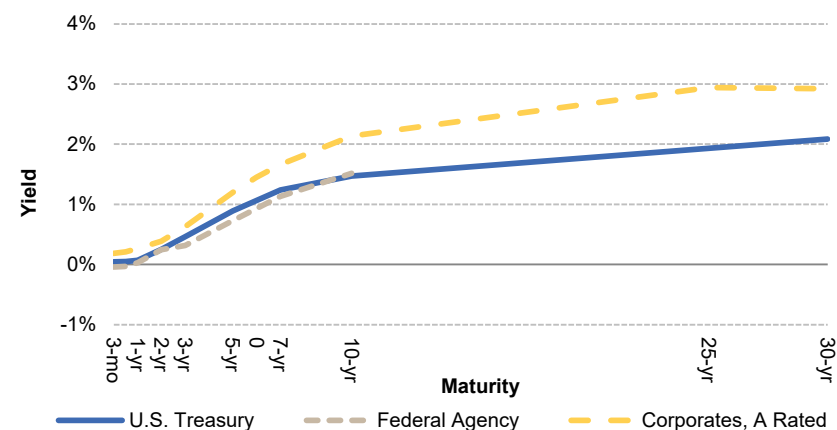
U.S. Treasury Yield Curve



U.S. Treasury Yields

| Maturity | Jun '21 | Mar '21 | Change over Quarter | Jun '20 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-Month  | 0.04%   | 0.02%   | 0.02%               | 0.14%   | (0.10%)          |
| 1-Year   | 0.07%   | 0.06%   | 0.01%               | 0.15%   | (0.08%)          |
| 2-Year   | 0.25%   | 0.16%   | 0.09%               | 0.15%   | 0.10%            |
| 5-Year   | 0.89%   | 0.94%   | (0.05%)             | 0.29%   | 0.60%            |
| 10-Year  | 1.47%   | 1.74%   | (0.27%)             | 0.66%   | 0.81%            |
| 30-Year  | 2.09%   | 2.41%   | (0.32%)             | 1.41%   | 0.68%            |

Yield Curves as of 06/30/2021



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

Fixed Income Management

## ICE BofAML Index Returns

| As of 06/30/2021                                     |          | Returns for Periods ended 06/30/2021 |         |         |         |
|------------------------------------------------------|----------|--------------------------------------|---------|---------|---------|
| June 30, 2021                                        | Duration | Yield                                | 3 Month | 1 Year  | 3 Years |
| <b>1-3 Year Indices</b>                              |          |                                      |         |         |         |
| U.S. Treasury                                        | 1.90     | 0.25%                                | (0.03%) | 0.07%   | 2.68%   |
| Federal Agency                                       | 1.74     | 0.27%                                | 0.01%   | 0.32%   | 2.56%   |
| U.S. Corporates, A-AAA rated                         | 1.90     | 0.53%                                | 0.24%   | 1.11%   | 3.57%   |
| Agency MBS (0 to 3 years)                            | 1.73     | 0.75%                                | (0.82%) | (1.31%) | 3.31%   |
| Taxable Municipals                                   | 1.74     | 0.39%                                | 1.54%   | 4.25%   | 4.30%   |
| <b>1-5 Year Indices</b>                              |          |                                      |         |         |         |
| U.S. Treasury                                        | 2.66     | 0.41%                                | 0.11%   | (0.27%) | 3.26%   |
| Federal Agency                                       | 2.36     | 0.43%                                | 0.18%   | 0.17%   | 2.85%   |
| U.S. Corporates, A-AAA rated                         | 2.81     | 0.80%                                | 0.61%   | 1.37%   | 4.44%   |
| Agency MBS (0 to 5 years)                            | 2.44     | 1.35%                                | (0.27%) | (0.58%) | 3.32%   |
| Taxable Municipals                                   | 2.83     | 0.77%                                | 0.76%   | 2.85%   | 4.09%   |
| <b>Master Indices (Maturities 1 Year or Greater)</b> |          |                                      |         |         |         |
| U.S. Treasury                                        | 7.24     | 0.97%                                | 2.02%   | (3.39%) | 4.72%   |
| Federal Agency                                       | 3.99     | 0.75%                                | 1.00%   | (0.35%) | 4.22%   |
| U.S. Corporates, A-AAA rated                         | 8.52     | 1.81%                                | 3.46%   | 1.47%   | 7.17%   |
| Agency MBS (0 to 30 years)                           | 3.49     | 1.55%                                | 0.32%   | (0.39%) | 3.86%   |
| Taxable Municipals                                   | 11.35    | 2.47%                                | 4.93%   | 3.87%   | 8.82%   |

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

- ◆ Our strategy for second quarter was largely carried forward from the first quarter and encompassed the following as we generally ***maintained*** core allocations in most sectors while we opportunistically trimmed non-Treasury allocations in certain sectors and maturities, ***matched*** the benchmark's duration, and carefully ***managed*** risk as we considered inflationary pressures and Fed policy uncertainty. Commentary on specific sectors is included below:
  - The ***federal agency sector*** experienced 1 to 2 basis points (0.01% to 0.02%) of spread widening, concentrated in the 4- to 5-year and 7- to 10-year areas of the curve. Some allocations to the sector were reduced selectively, locking in strong performance from agencies previously purchased over a year ago when spreads were wider.
  - New issues in the ***supranational*** sector were sporadic, with reduced supply in May and June. Where supply was available, the new issue market was the best entry point into the sector, as valuations appeared attractive relative to federal government alternatives.
  - Investment-grade ***corporate notes*** were aided over the quarter by the prospect of economic recovery, helped by further fiscal stimulus and supportive monetary policy globally. Credit spreads achieved new tightness versus comparable-maturity Treasuries despite an active new issue market as investors continued to reach for yield. Like the agency sector, PFM engaged in some opportunistic selling, reducing corporate bond holdings that had reached very rich levels and reinvesting in longer corporate issues, which captured value along the steeper portions of the curve.
  - ***Mortgage-backed securities (MBS)*** came under pressure late in the quarter as the Fed signaled that they were ready to “talk about talking about” asset purchase tapering. As a result, selling pressure pushed spreads wider, and the sector noticeably underperformed in June, pushing most excess returns for the quarter into the red. The exception was the agency-backed commercial MBS (CMBS) sector which continued to provide solid absolute and relative returns. PFM's overweight to CMBS buoyed portfolio performance over the past several quarters, relative to other MBS alternatives.
  - Allocations to ***asset-backed securities (ABS)*** were maintained over the quarter as we capitalized on attractive new issuance in May while opportunistically selling rich holdings where appropriate. AAA auto and credit card holdings outperformed Treasuries by over 15 basis points (0.15%) as ABS spreads remained on the tight end of historical ranges.
  - The ***taxable municipal*** sector once again provided a boost to relative portfolio performance over the quarter as strong demand for new issues and the general market reach for yield pressured spreads tighter still. PFM generally maintained allocations to the sector and participated in new issues where offering levels were relatively attractive.

## Fixed Income Sector Outlook – July 2021

| Sector                        | Our Investment Preferences | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>COMMERCIAL PAPER / CD</b>  |                            | <ul style="list-style-type: none"> <li>Commercial paper and CD rates began to rise off historical lows after the Fed increased the IOER and RRP rates. However, issuance remained light around the end of Q2. Pockets of opportunity may present themselves over the next several months.</li> </ul>                                                                                                                                                                                       |
| <b>TREASURIES</b>             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>T-Bill</b>                 |                            | <ul style="list-style-type: none"> <li>T-Bill yields saw some upward pressure towards the end of June, as the Federal Reserve increased two key ultra short-term rates; it is expected that these levels will maintain into the third quarter.</li> </ul>                                                                                                                                                                                                                                  |
| <b>T-Note</b>                 |                            | <ul style="list-style-type: none"> <li>While the Treasury yield curve continued to flatten during June—particularly between the 2-year and 10-year—it is possible the move was overdone and will at least partially unwind moving into the third quarter. The market expects both yields to rise and the yield curve to steepen throughout the rest of 2021.</li> </ul>                                                                                                                    |
| <b>FEDERAL AGENCIES</b>       |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Bullets</b>                |                            | <ul style="list-style-type: none"> <li>Agency bullet spreads tightened slightly as Treasury yields rose in the 1-5 year area of the curve in June. With agencies trading in line with, or even through, Treasury yields and supply expected to remain subdued, the sector is unlikely to provide material added value over the coming months.</li> </ul>                                                                                                                                   |
| <b>Callables</b>              |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>SUPRANATIONALS</b>         |                            | <ul style="list-style-type: none"> <li>Supra spreads narrowed by the end of Q2. The seasonal slowdown in issuance this summer will limit opportunities in the sector over the near-term, as the new issue market has been the best entry point into the sector over the last several months. As a result, spreads will likely remain tight until issuance picks back up.</li> </ul>                                                                                                        |
| <b>CORPORATES</b>             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Financials</b>             |                            | <ul style="list-style-type: none"> <li>Corporate spreads remain at record tight despite a more hawkish tone from the June Fed meeting. Demand for credit is likely to remain strong, though valuations are rich. Accommodative monetary policy, along with a positive turn in rating trends, should continue to ensure favorable financing conditions. New issues are expected to provide the bulk of any opportunities, as valuations across the secondary market remain rich.</li> </ul> |
| <b>Industrials</b>            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>SECURITIZED</b>            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Asset-Backed</b>           |                            | <ul style="list-style-type: none"> <li>ABS spreads tightened in June, reaching record tight for both autos and credit cards issues. Issuance in June was the heaviest month so far in 2021. Delinquency rates and net losses remain below expectations. Fiscal stimulus and improving employment figures may push back any increases to later in 2021 or beyond.</li> </ul>                                                                                                                |
| <b>Agency Mortgage-Backed</b> |                            | <ul style="list-style-type: none"> <li>MBS spreads are tight but recently found some reprieve. While prepayments are elevated, they are on a considerable slowing path, and this trend is expected to continue. Lower coupon passthroughs, most susceptible to duration extension, are likely to trail Treasuries as rates move higher. With valuations slightly more reasonable, the sector may present better opportunities than in recent quarters.</li> </ul>                          |
| <b>Agency CMBS</b>            |                            | <ul style="list-style-type: none"> <li>CMBS returns have held up well throughout the quarter. As spreads have tightened, the relative value proposition has waned, suggesting a gradual reduction in exposure.</li> </ul>                                                                                                                                                                                                                                                                  |
| <b>MUNICIPALS</b>             |                            | <ul style="list-style-type: none"> <li>While the pace of taxable issuances has slowed, overall supply remains robust, but valuations are expensive for both new issuances and secondary markets. Both selective additions and opportunistic selling may be warranted.</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. 3/31/21 | Permitted by Policy | In Compliance |
|-----------------------------|---------------------|----------------|----------------------|---------------------|---------------|
| U.S. Treasury               | \$10,881,140        | 41.5%          | +1%                  | 100%                | ✓             |
| Federal Agency              | \$4,919,497         | 18.8%          | -                    | 100%                | ✓             |
| Federal Agency CMOs         | \$397,003           | 1.5%           | -                    | 20%                 | ✓             |
| Municipal Obligations       | \$1,054,945         | 4.0%           | -                    | 100%                | ✓             |
| Supranationals              | \$1,025,141         | 3.9%           | -1%                  | 30%                 | ✓             |
| Negotiable CDs              | \$1,472,373         | 5.6%           | -2%                  | 30%                 | ✓             |
| Corporate Notes             | \$3,899,380         | 14.9%          | -1%                  | 30%                 | ✓             |
| Asset-Backed Securities     | \$2,062,392         | 7.9%           | +1%                  | 20%                 | ✓             |
| <b>Securities Sub-Total</b> | <b>\$25,711,871</b> | <b>98.1%</b>   |                      |                     |               |
| Accrued Interest            | \$74,701            |                |                      |                     |               |
| <b>Securities Total</b>     | <b>\$25,786,572</b> | <b>98.1%</b>   |                      |                     |               |
| CAMP Pool - Portfolio       | \$488,616           | 1.9%           | -                    | 100%                | ✓             |
| CAMP Pool - Liquidity       | \$10,003            | <0.1%          | -                    |                     |               |
| <b>Total Investments</b>    | <b>\$26,285,191</b> | <b>100.0%</b>  |                      |                     |               |

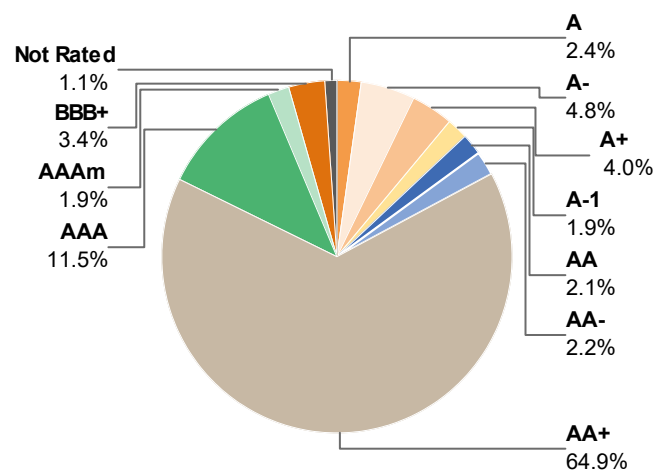
Detail may not add to total due to rounding. Current Investment Policy as of February 2021.

## Portfolio Statistics

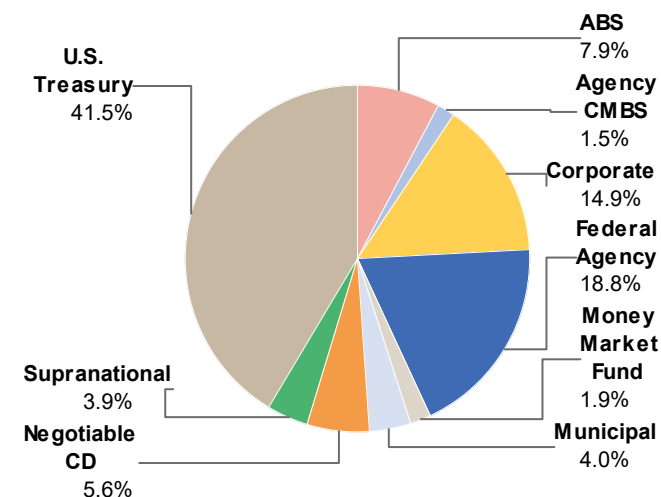
As of June 30, 2021

|                        |              |
|------------------------|--------------|
| Par Value:             | \$25,822,641 |
| Total Market Value:    | \$26,275,187 |
| Security Market Value: | \$25,711,871 |
| Accrued Interest:      | \$74,701     |
| Cash:                  | -            |
| CAMP                   | \$488,616    |
| Amortized Cost:        | \$25,884,072 |
| Yield at Market:       | 0.48%        |
| Yield at Cost:         | 1.39%        |
| Effective Duration:    | 2.18 Years   |
| Average Maturity:      | 2.40 Years   |
| Average Credit: *      | AA           |

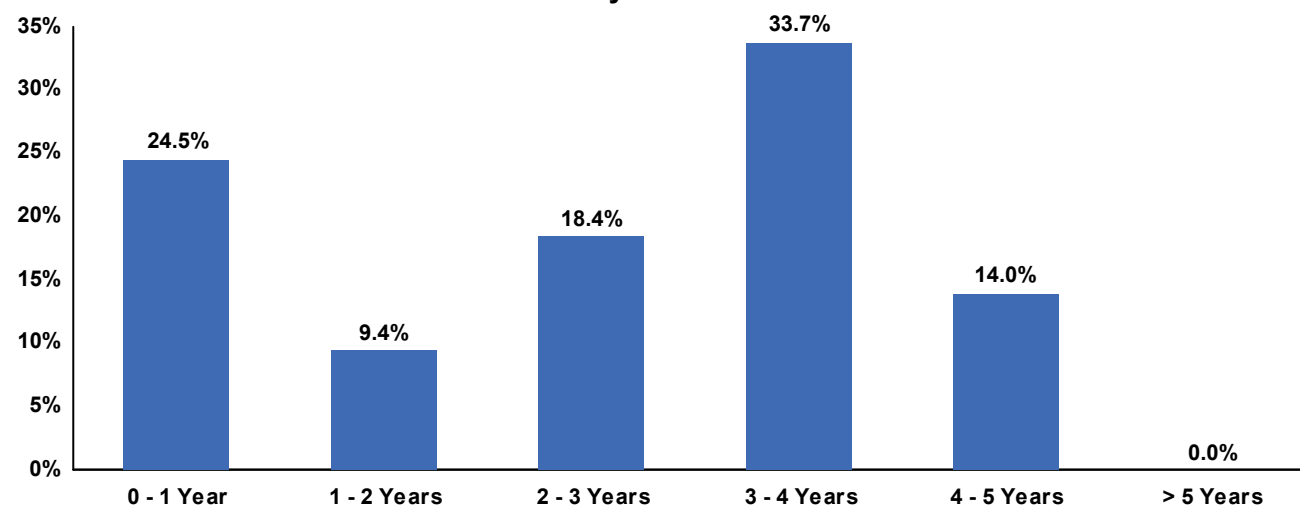
## Credit Quality (S&amp;P Ratings)\*\*



## Sector Allocation



## Maturity Distribution

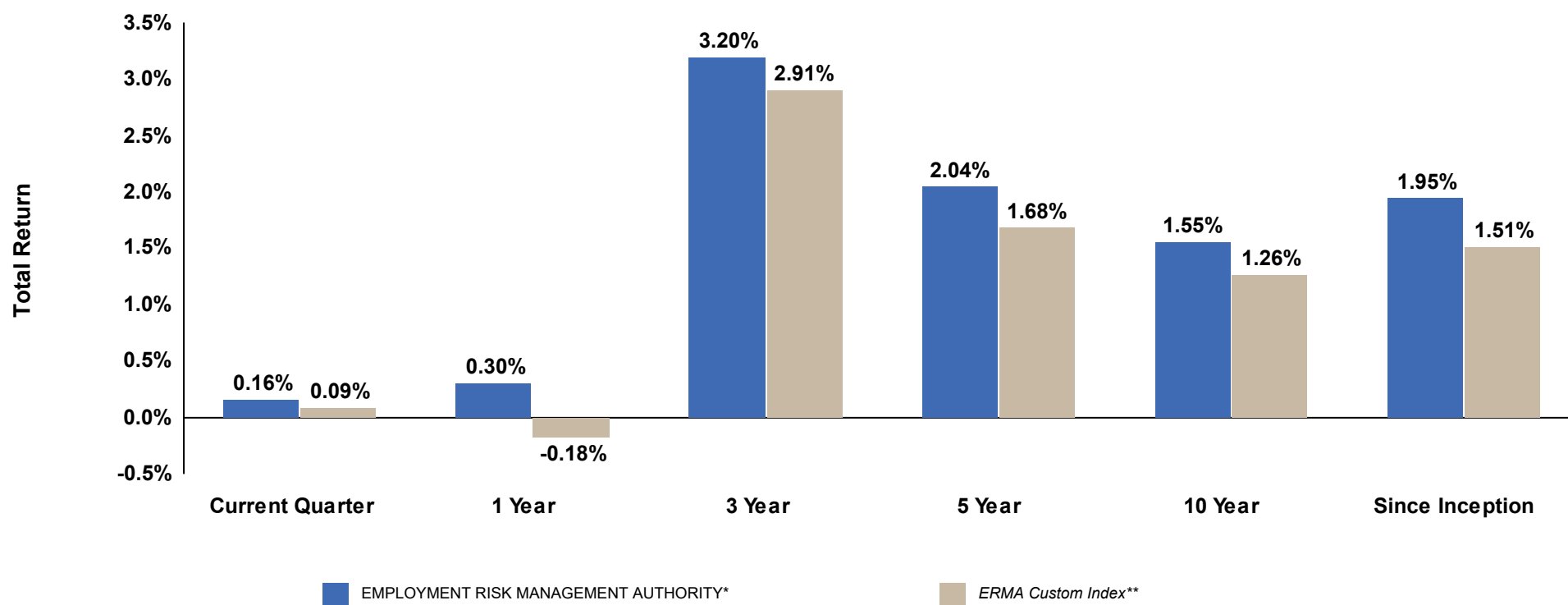


\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated February 2021.

## 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* | 2.18               | 0.16%           | 0.30%             | 3.20%  | 2.04%  | 1.55%   | 1.95%                      |
| ERMA Custom Index**                   | 2.13               | 0.09%           | -0.18%            | 2.91%  | 1.68%  | 1.26%   | 1.51%                      |
| Difference                            |                    | 0.07%           | 0.48%             | 0.29%  | 0.36%  | 0.29%   | 0.44%                      |



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

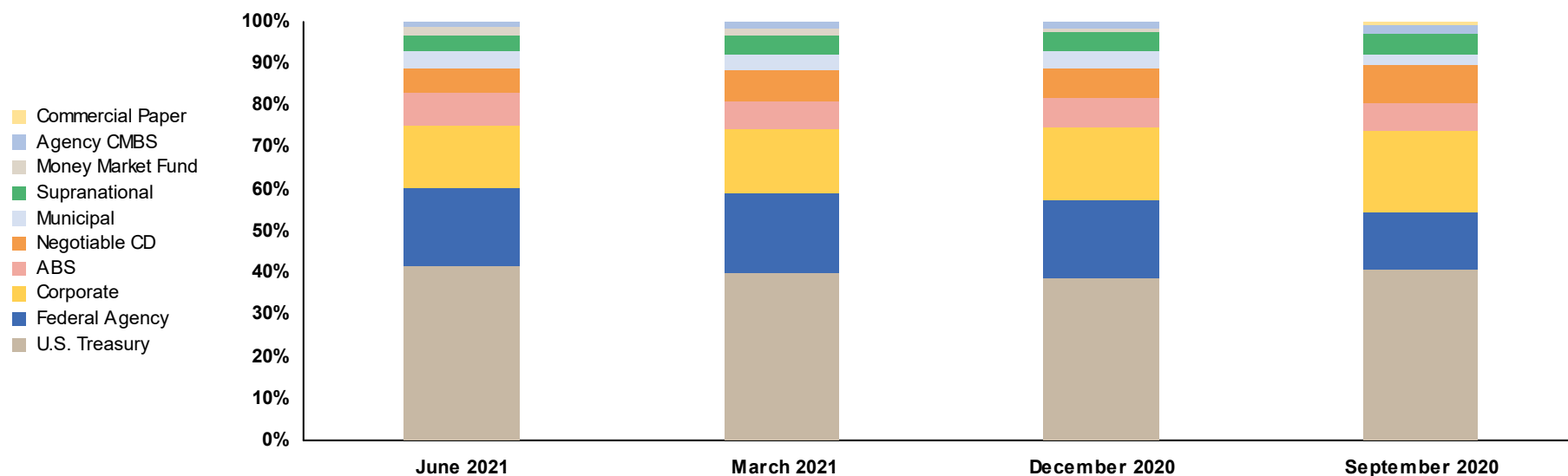
\*\*ERMA's Custom Index is the ICE Bank of America Merrill Lynch (BofAML) 1-3 Year Treasury Index from inception through March 31, 2016 and the ICE BofAML 0-5 Year U.S. Treasury Index thereafter.

**Portfolio Earnings***Quarter-Ended June 30, 2021*

|                                     | <b>Market Value Basis</b> | <b>Accrual (Amortized Cost) Basis</b> |
|-------------------------------------|---------------------------|---------------------------------------|
| <b>Beginning Value (03/31/2021)</b> | \$26,143,986.89           | \$25,769,298.25                       |
| <b>Net Purchases/Sales</b>          | \$111,004.60              | \$111,004.60                          |
| <b>Change in Value</b>              | (\$54,505.10)             | \$3,769.02                            |
| <b>Ending Value (06/30/2021)</b>    | \$26,200,486.39           | \$25,884,071.87                       |
| <b>Interest Earned</b>              | \$95,818.02               | \$95,818.02                           |
| <b>Portfolio Earnings</b>           | \$41,312.92               | \$99,587.04                           |

## Sector Allocation

| Sector            | June 30, 2021 |               | March 31, 2021 |               | December 31, 2020 |               | September 30, 2020 |               |
|-------------------|---------------|---------------|----------------|---------------|-------------------|---------------|--------------------|---------------|
|                   | MV (\$MM)     | % of Total    | MV (\$MM)      | % of Total    | MV (\$MM)         | % of Total    | MV (\$MM)          | % of Total    |
| U.S. Treasury     | 10.9          | 41.5%         | 10.5           | 40.1%         | 10.1              | 38.6%         | 10.7               | 40.7%         |
| Federal Agency    | 4.9           | 18.8%         | 4.9            | 18.8%         | 4.9               | 18.8%         | 3.6                | 13.9%         |
| Corporate         | 3.9           | 14.9%         | 4.1            | 15.5%         | 4.5               | 17.2%         | 5.1                | 19.4%         |
| ABS               | 2.1           | 7.9%          | 1.7            | 6.5%          | 1.8               | 6.9%          | 1.7                | 6.4%          |
| Negotiable CD     | 1.5           | 5.6%          | 1.9            | 7.3%          | 1.9               | 7.3%          | 2.4                | 9.2%          |
| Municipal         | 1.1           | 4.0%          | 1.1            | 4.0%          | 1.1               | 4.1%          | 0.6                | 2.2%          |
| Supranational     | 1.0           | 3.9%          | 1.2            | 4.5%          | 1.2               | 4.5%          | 1.3                | 4.9%          |
| Money Market Fund | 0.5           | 1.9%          | 0.4            | 1.6%          | 0.2               | 0.8%          | 0.1                | 0.3%          |
| Agency CMBS       | 0.4           | 1.5%          | 0.4            | 1.7%          | 0.5               | 1.8%          | 0.5                | 2.0%          |
| Commercial Paper  | 0.0           | 0.0%          | 0.0            | 0.0%          | 0.0               | 0.0%          | 0.2                | 1.0%          |
| <b>Total</b>      | <b>\$26.2</b> | <b>100.0%</b> | <b>\$26.1</b>  | <b>100.0%</b> | <b>\$26.2</b>     | <b>100.0%</b> | <b>\$26.2</b>      | <b>100.0%</b> |

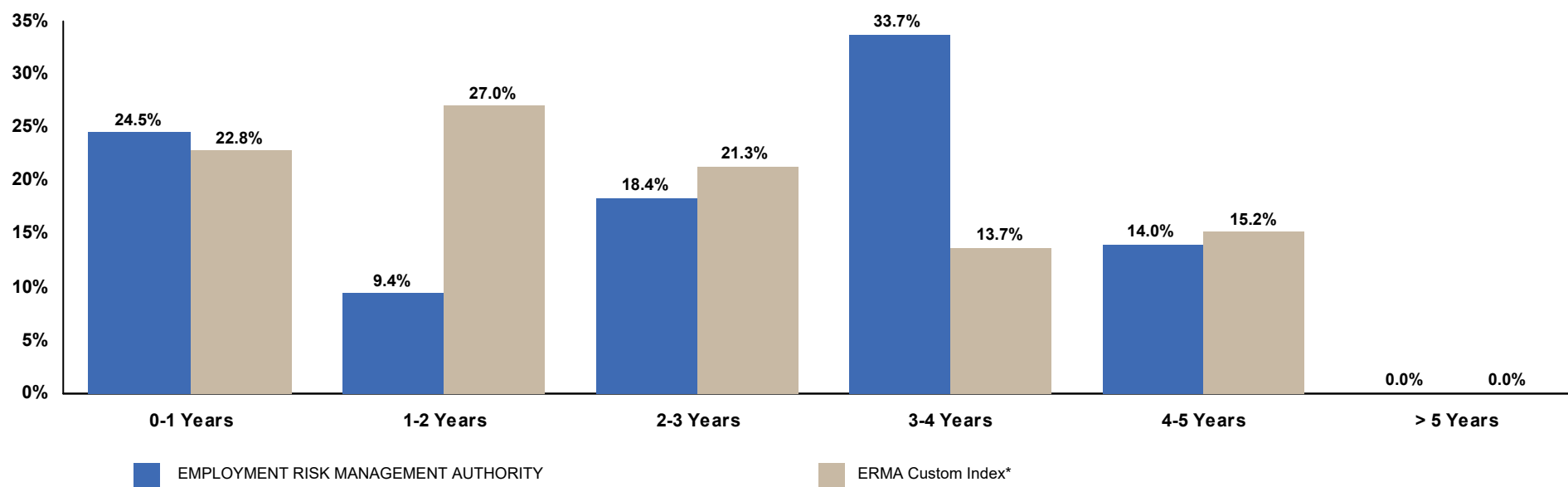


Detail may not add to total due to rounding.

## Maturity Distribution

As of June 30, 2021

| Portfolio/Benchmark                  | Yield<br>at Market | Average<br>Maturity | 0-1<br>Years | 1-2<br>Years | 2-3<br>Years | 3-4<br>Years | 4-5<br>Years | >5<br>Years |
|--------------------------------------|--------------------|---------------------|--------------|--------------|--------------|--------------|--------------|-------------|
| EMPLOYMENT RISK MANAGEMENT AUTHORITY | 0.48%              | 2.40 yrs            | 24.5%        | 9.4%         | 18.4%        | 33.7%        | 14.0%        | 0.0%        |
| ERMA Custom Index*                   | 0.34%              | 2.25 yrs            | 22.8%        | 27.0%        | 21.3%        | 13.7%        | 15.2%        | 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, 2021

| Issuer                              | Market Value (\$) | % of Portfolio |               |                |  |
|-------------------------------------|-------------------|----------------|---------------|----------------|--|
| UNITED STATES TREASURY              | 10,881,140        | 41.5%          | Top 5 = 65.3% | Top 10 = 73.8% |  |
| FREDDIE MAC                         | 3,283,845         | 12.5%          |               |                |  |
| FANNIE MAE                          | 1,045,722         | 4.0%           |               |                |  |
| FEDERAL HOME LOAN BANKS             | 986,933           | 3.8%           |               |                |  |
| INTL BANK OF RECONSTRUCTION AND DEV | 899,600           | 3.4%           |               |                |  |
| CAPITAL ONE FINANCIAL CORP          | 508,553           | 1.9%           |               |                |  |
| CAMP POOL                           | 488,616           | 1.9%           |               |                |  |
| TOYOTA MOTOR CORP                   | 480,327           | 1.8%           |               |                |  |
| APPLE INC                           | 455,161           | 1.7%           |               |                |  |
| CARMAX AUTO OWNER TRUST             | 305,600           | 1.2%           |               |                |  |
| MORGAN STANLEY                      | 271,529           | 1.0%           |               |                |  |
| GOLDMAN SACHS GROUP INC             | 270,264           | 1.0%           |               |                |  |
| PNC FINANCIAL SERVICES GROUP        | 268,107           | 1.0%           |               |                |  |
| TRUIST FIN CORP                     | 263,465           | 1.0%           |               |                |  |
| AMERICAN HONDA FINANCE              | 262,645           | 1.0%           |               |                |  |
| THE WALT DISNEY CORPORATION         | 257,925           | 1.0%           |               |                |  |
| DNB ASA                             | 256,525           | 1.0%           |               |                |  |
| SKANDINAVISKA ENSKILDA BANKEN AB    | 254,815           | 1.0%           |               |                |  |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Composition

| Issuer                                  | Market Value (\$) | % of Portfolio |
|-----------------------------------------|-------------------|----------------|
| NORDEA BANK ABP                         | 254,787           | 1.0%           |
| MITSUBISHI UFJ FINANCIAL GROUP INC      | 254,752           | 1.0%           |
| SUMITOMO MITSUI FINANCIAL GROUP INC     | 251,175           | 1.0%           |
| JP MORGAN CHASE & CO                    | 249,600           | 1.0%           |
| NEW YORK ST URBAN DEVELOPMENT CORP      | 248,938           | 1.0%           |
| FLORIDA STATE BOARD OF ADMIN FIN CORP   | 242,393           | 0.9%           |
| AMAZON.COM INC                          | 229,499           | 0.9%           |
| DEERE & COMPANY                         | 227,858           | 0.9%           |
| CATERPILLAR INC                         | 200,810           | 0.8%           |
| BANK OF AMERICA CO                      | 200,630           | 0.8%           |
| CREDIT SUISSE GROUP RK                  | 200,319           | 0.8%           |
| UNITEDHEALTH GROUP INC                  | 199,390           | 0.8%           |
| HONDA AUTO RECEIVABLES                  | 194,360           | 0.7%           |
| GM FINANCIAL CONSUMER AUTOMOBILE TRUST  | 150,359           | 0.6%           |
| VOLKSWAGEN AUTO LEASE TURST             | 150,003           | 0.6%           |
| VERIZON OWNER TRUST                     | 127,142           | 0.5%           |
| STATE OF CONNECTICUT                    | 126,314           | 0.5%           |
| INTER-AMERICAN DEVELOPMENT BANK         | 125,542           | 0.5%           |
| SAN JUAN UNIFIED SCHOOL DISTRICT        | 125,145           | 0.5%           |
| NISSAN AUTO RECEIVABLES                 | 107,195           | 0.4%           |
| THE BANK OF NEW YORK MELLON CORPORATION | 104,782           | 0.4%           |



## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Composition

| Issuer                                   | Market Value (\$) | % of Portfolio |
|------------------------------------------|-------------------|----------------|
| LOS ANGELES COMMUNITY COLLEGE DISTRICT   | 100,028           | 0.4%           |
| GM FINANCIAL LEASINGTRUST                | 95,118            | 0.4%           |
| CITIGROUP INC                            | 94,871            | 0.4%           |
| BMW VEHICLE OWNER TRUST                  | 90,249            | 0.3%           |
| CHARLES SCHWAB                           | 85,448            | 0.3%           |
| STATE OF MINNESOTA                       | 79,689            | 0.3%           |
| UNIVERSITY OF CALIFORNIA                 | 70,214            | 0.3%           |
| CHAFFEY JOINT UNION HIGH SCHOOL DISTRICT | 62,225            | 0.2%           |
| HYUNDAI AUTO RECEIVABLES                 | 59,984            | 0.2%           |
| PACCAR FINANCIAL CORP                    | 50,900            | 0.2%           |
| <b>Grand Total:</b>                      | <b>26,200,486</b> | <b>100.0%</b>  |

---

## *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>       |             |                  |           |                                        |        |               |                     |                 |                   |
| 4/1/21           | 4/5/21      | 325,000          | 912828ZW3 | US TREASURY NOTES                      | 0.25%  | 6/30/25       | 318,916.36          | 0.71%           |                   |
| 4/13/21          | 4/21/21     | 90,000           | 14314QAC8 | CARMX 2021-2 A3                        | 0.52%  | 2/17/26       | 89,980.61           | 0.52%           |                   |
| 4/16/21          | 4/22/21     | 200,000          | 06051GJR1 | BANK OF AMERICA CORP NOTES (CALLABLE)  | 0.97%  | 4/22/25       | 200,000.00          | 0.98%           |                   |
| 4/20/21          | 4/28/21     | 60,000           | 44933LAC7 | HART 2021-A A3                         | 0.38%  | 9/15/25       | 59,993.69           | 0.38%           |                   |
| 4/27/21          | 5/4/21      | 95,000           | 172967MX6 | CITIGROUP INC CORPORATE NOTES          | 0.98%  | 5/1/25        | 95,000.00           | 0.98%           |                   |
| 5/4/21           | 5/6/21      | 275,000          | 91282CBC4 | US TREASURY NOTES                      | 0.37%  | 12/31/25      | 270,707.57          | 0.75%           |                   |
| 5/10/21          | 5/12/21     | 230,000          | 023135BW5 | AMAZON.COM INC CORPORATE NOTES         | 0.45%  | 5/12/24       | 229,664.20          | 0.50%           |                   |
| 5/17/21          | 5/19/21     | 200,000          | 91324PEC2 | UNITEDHEALTH GROUP INC CORPORATE NOTES | 1.15%  | 5/15/26       | 199,652.00          | 1.19%           |                   |
| 5/18/21          | 5/26/21     | 30,000           | 380144AD7 | GMALT 2021-2 A4                        | 0.41%  | 5/20/25       | 29,997.47           | 0.41%           |                   |
| 5/24/21          | 6/1/21      | 250,000          | 46647PCH7 | JPMORGAN CHASE & CO CORPORATE NOTES    | 0.82%  | 6/1/25        | 250,000.00          | 0.82%           |                   |
| 6/2/21           | 6/7/21      | 125,000          | 91282CBC4 | US TREASURY NOTES                      | 0.37%  | 12/31/25      | 123,368.65          | 0.70%           |                   |
| 6/8/21           | 6/14/21     | 275,000          | 89190GAC1 | TAOT 2021-B A3                         | 0.26%  | 11/17/25      | 274,970.38          | 0.26%           |                   |
| <b>Total BUY</b> |             | <b>2,155,000</b> |           |                                        |        |               | <b>2,142,250.93</b> |                 |                   |
| <b>INTEREST</b>  |             |                  |           |                                        |        |               |                     |                 |                   |
| 4/1/21           | 4/25/21     | 129,251          | 3137BM6P6 | FHLMC SERIES K721 A2                   | 3.09%  | 8/1/22        | 332.82              |                 |                   |
| 4/1/21           | 4/1/21      | 250,000          | 46647PBB1 | JPMORGAN CHASE & CO BONDS              | 3.20%  | 4/1/23        | 4,008.75            |                 |                   |
| 4/1/21           | 4/25/21     | 175,000          | 3137BGK24 | FHMS K043 A2                           | 3.06%  | 12/1/24       | 446.54              |                 |                   |
| 4/1/21           | 4/25/21     | 21,875           | 3136B1XP4 | FNA 2018-M5 A2                         | 3.56%  | 9/1/21        | 64.90               |                 |                   |
| 4/1/21           | 4/25/21     | 17,052           | 3137FKK39 | FHMS KP05 A                            | 3.20%  | 7/1/23        | 45.51               |                 |                   |
| 4/1/21           | 4/25/21     | 71,206           | 3137FQ3V3 | FHMS KJ27 A1                           | 2.09%  | 7/1/24        | 154.48              |                 |                   |
| 4/14/21          | 4/14/21     | 250,000          | 3130AJHU6 | FEDERAL HOME LOAN BANK NOTES           | 0.50%  | 4/14/25       | 625.00              |                 |                   |
| 4/15/21          | 4/15/21     | 85,000           | 14316HAC6 | CARMX 2020-4 A3                        | 0.50%  | 8/15/25       | 35.42               |                 |                   |
| 4/15/21          | 4/15/21     | 116,199          | 43815AAC6 | HAROT 2018-4 A3                        | 3.16%  | 1/15/23       | 305.99              |                 |                   |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Transactions

| Trade Date | Settle Date | Par (\$)  | CUSIP     | Security Description            | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|-----------|-----------|---------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 4/15/21    | 4/15/21     | 130,000   | 14315FAD9 | CARMX 2020-3 A3                 | 0.62%  | 3/17/25       | 67.17             |                 |                   |
| 4/15/21    | 4/15/21     | 500,000   | 14041NFU0 | COMET 2019-A2 A2                | 1.72%  | 8/15/24       | 716.67            |                 |                   |
| 4/15/21    | 4/15/21     | 145,715   | 65478NAD7 | NAROT 2018-C A3                 | 3.22%  | 6/15/23       | 391.00            |                 |                   |
| 4/15/21    | 4/15/21     | 11,413    | 89238BAD4 | TAOT 2018-A A3                  | 2.35%  | 5/16/22       | 22.35             |                 |                   |
| 4/16/21    | 4/16/21     | 150,000   | 362590AC5 | GMCAR 2020-3 A3                 | 0.45%  | 4/16/25       | 56.25             |                 |                   |
| 4/16/21    | 4/16/21     | 250,000   | 3137EAEY1 | FREDDIE MAC NOTES               | 0.12%  | 10/16/23      | 156.25            |                 |                   |
| 4/18/21    | 4/18/21     | 115,000   | 43813KAC6 | HAROT 2020-3 A3                 | 0.37%  | 10/18/24      | 35.46             |                 |                   |
| 4/20/21    | 4/20/21     | 65,000    | 362569AD7 | GMALT 2020-3 A4                 | 0.51%  | 10/21/24      | 27.63             |                 |                   |
| 4/20/21    | 4/20/21     | 125,000   | 92348TAA2 | VZOT 2020-A A1A                 | 1.85%  | 7/22/24       | 192.71            |                 |                   |
| 4/20/21    | 4/20/21     | 150,000   | 92868VAD1 | VWALT 2020-A A4                 | 0.45%  | 7/21/25       | 56.25             |                 |                   |
| 4/22/21    | 4/22/21     | 250,000   | 3135G03U5 | FANNIE MAE NOTES                | 0.62%  | 4/22/25       | 781.25            |                 |                   |
| 4/24/21    | 4/24/21     | 100,000   | 06406RAL1 | BANK OF NY MELLON CORP          | 2.10%  | 10/24/24      | 1,050.00          |                 |                   |
| 4/25/21    | 4/25/21     | 90,000    | 09661RAD3 | BMWOT 2020-A A3                 | 0.48%  | 10/25/24      | 36.00             |                 |                   |
| 4/29/21    | 4/29/21     | 250,000   | 61746BDQ6 | MORGAN STANLEY CORP NOTES       | 3.87%  | 4/29/24       | 4,843.75          |                 |                   |
| 4/30/21    | 4/30/21     | 1,400,000 | 912828X47 | US TREASURY NOTES               | 1.87%  | 4/30/22       | 13,125.00         |                 |                   |
| 4/30/21    | 4/30/21     | 775,000   | 912828T91 | US TREASURY NOTES               | 1.62%  | 10/31/23      | 6,296.88          |                 |                   |
| 4/30/21    | 4/30/21     | 550,000   | 912828T67 | US TREASURY NOTES               | 1.25%  | 10/31/21      | 3,437.50          |                 |                   |
| 5/1/21     | 5/25/21     | 129,045   | 3137BM6P6 | FHLMC SERIES K721 A2            | 3.09%  | 8/1/22        | 332.29            |                 |                   |
| 5/1/21     | 5/25/21     | 11,587    | 3136B1XP4 | FNA 2018-M5 A2                  | 3.56%  | 9/1/21        | 34.38             |                 |                   |
| 5/1/21     | 5/25/21     | 69,780    | 3137FQ3V3 | FHMS KJ27 A1                    | 2.09%  | 7/1/24        | 201.28            |                 |                   |
| 5/1/21     | 5/25/21     | 175,000   | 3137BGK24 | FHMS K043 A2                    | 3.06%  | 12/1/24       | 446.54            |                 |                   |
| 5/1/21     | 5/25/21     | 17,028    | 3137FKK39 | FHMS KP05 A                     | 3.20%  | 7/1/23        | 45.45             |                 |                   |
| 5/5/21     | 5/5/21      | 250,000   | 3137EAER6 | FREDDIE MAC NOTES               | 0.37%  | 5/5/23        | 468.75            |                 |                   |
| 5/6/21     | 5/6/21      | 275,000   | 3137EAEZ8 | FREDDIE MAC NOTES               | 0.25%  | 11/6/23       | 345.66            |                 |                   |
| 5/7/21     | 5/7/21      | 275,000   | 3135G06G3 | FANNIE MAE NOTES                | 0.50%  | 11/7/25       | 668.40            |                 |                   |
| 5/11/21    | 5/11/21     | 450,000   | 037833DT4 | APPLE INC (CALLABLE) CORP NOTES | 1.12%  | 5/11/25       | 2,531.25          |                 |                   |
| 5/15/21    | 5/15/21     | 102,129   | 43815AAC6 | HAROT 2018-4 A3                 | 3.16%  | 1/15/23       | 268.94            |                 |                   |
| 5/15/21    | 5/15/21     | 130,000   | 14315FAD9 | CARMX 2020-3 A3                 | 0.62%  | 3/17/25       | 67.17             |                 |                   |
| 5/15/21    | 5/15/21     | 500,000   | 14041NFU0 | COMET 2019-A2 A2                | 1.72%  | 8/15/24       | 716.67            |                 |                   |
| 5/15/21    | 5/15/21     | 60,000    | 44933LAC7 | HART 2021-A A3                  | 0.38%  | 9/15/25       | 10.77             |                 |                   |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP     | Security Description          | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|-------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 5/15/21    | 5/15/21     | 90,000   | 14314QAC8 | CARMX 2021-2 A3               | 0.52%  | 2/17/26       | 31.20             |                 |                   |
| 5/15/21    | 5/15/21     | 85,000   | 14316HAC6 | CARMX 2020-4 A3               | 0.50%  | 8/15/25       | 35.42             |                 |                   |
| 5/15/21    | 5/15/21     | 70,000   | 91412HGE7 | UNIV OF CAL TXBL REV BONDS    | 0.88%  | 5/15/25       | 309.05            |                 |                   |
| 5/15/21    | 5/15/21     | 6,499    | 89238BAD4 | TAOT 2018-A A3                | 2.35%  | 5/16/22       | 12.73             |                 |                   |
| 5/15/21    | 5/15/21     | 130,693  | 65478NAD7 | NAROT 2018-C A3               | 3.22%  | 6/15/23       | 350.69            |                 |                   |
| 5/16/21    | 5/16/21     | 150,000  | 362590AC5 | GMCAR 2020-3 A3               | 0.45%  | 4/16/25       | 56.25             |                 |                   |
| 5/18/21    | 5/18/21     | 115,000  | 43813KAC6 | HAROT 2020-3 A3               | 0.37%  | 10/18/24      | 35.46             |                 |                   |
| 5/20/21    | 5/20/21     | 65,000   | 362569AD7 | GMALT 2020-3 A4               | 0.51%  | 10/21/24      | 27.63             |                 |                   |
| 5/20/21    | 5/20/21     | 150,000  | 92868VAD1 | VWALT 2020-A A4               | 0.45%  | 7/21/25       | 56.25             |                 |                   |
| 5/20/21    | 5/20/21     | 125,000  | 92348TAA2 | VZOT 2020-A A1A               | 1.85%  | 7/22/24       | 192.71            |                 |                   |
| 5/24/21    | 5/24/21     | 125,000  | 4581X0DM7 | INTER-AMERICAN DEVEL BK NOTES | 0.50%  | 5/24/23       | 312.50            |                 |                   |
| 5/24/21    | 5/24/21     | 400,000  | 459058JM6 | INTL BK RECON & DEVELOP NOTES | 0.25%  | 11/24/23      | 500.00            |                 |                   |
| 5/25/21    | 5/25/21     | 90,000   | 09661RAD3 | BMWOT 2020-A A3               | 0.48%  | 10/25/24      | 36.00             |                 |                   |
| 5/27/21    | 5/27/21     | 250,000  | 3135G06H1 | FANNIE MAE NOTES              | 0.25%  | 11/27/23      | 315.97            |                 |                   |
| 5/31/21    | 5/31/21     | 100,000  | 912828R69 | US TREASURY NOTES             | 1.62%  | 5/31/23       | 812.50            |                 |                   |
| 6/1/21     | 6/25/21     | 9,974    | 3136B1XP4 | FNA 2018-M5 A2                | 3.56%  | 9/1/21        | 29.59             |                 |                   |
| 6/1/21     | 6/25/21     | 128,826  | 3137BM6P6 | FHLMC SERIES K721 A2          | 3.09%  | 8/1/22        | 331.73            |                 |                   |
| 6/1/21     | 6/25/21     | 10,102   | 3137FKK39 | FHMS KP05 A                   | 3.20%  | 7/1/23        | 26.96             |                 |                   |
| 6/1/21     | 6/1/21      | 70,000   | 20772KKK4 | CT ST T/E GO BONDS            | 2.00%  | 6/1/25        | 700.00            |                 |                   |
| 6/1/21     | 6/25/21     | 65,881   | 3137FQ3V3 | FHMS KJ27 A1                  | 2.09%  | 7/1/24        | 159.89            |                 |                   |
| 6/1/21     | 6/25/21     | 175,000  | 3137BGK24 | FHMS K043 A2                  | 3.06%  | 12/1/24       | 446.54            |                 |                   |
| 6/2/21     | 6/2/21      | 250,000  | 23341VZT1 | DNB BANK ASA/NY LT CD         | 2.04%  | 12/2/22       | 2,578.33          |                 |                   |
| 6/4/21     | 6/4/21      | 250,000  | 3137EAF2  | FREDDIE MAC NOTES             | 0.25%  | 12/4/23       | 312.50            |                 |                   |
| 6/15/21    | 6/15/21     | 90,000   | 14314QAC8 | CARMX 2021-2 A3               | 0.52%  | 2/17/26       | 39.00             |                 |                   |
| 6/15/21    | 6/15/21     | 2,365    | 89238BAD4 | TAOT 2018-A A3                | 2.35%  | 5/16/22       | 4.63              |                 |                   |
| 6/15/21    | 6/15/21     | 85,000   | 14316HAC6 | CARMX 2020-4 A3               | 0.50%  | 8/15/25       | 35.42             |                 |                   |
| 6/15/21    | 6/15/21     | 130,000  | 14315FAD9 | CARMX 2020-3 A3               | 0.62%  | 3/17/25       | 67.17             |                 |                   |
| 6/15/21    | 6/15/21     | 118,037  | 65478NAD7 | NAROT 2018-C A3               | 3.22%  | 6/15/23       | 316.73            |                 |                   |
| 6/15/21    | 6/15/21     | 500,000  | 14041NFU0 | COMET 2019-A2 A2              | 1.72%  | 8/15/24       | 716.67            |                 |                   |
| 6/15/21    | 6/15/21     | 60,000   | 44933LAC7 | HART 2021-A A3                | 0.38%  | 9/15/25       | 19.00             |                 |                   |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Transactions

| Trade Date            | Settle Date | Par (\$)          | CUSIP     | Security Description             | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|-------------------|-----------|----------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 6/15/21               | 6/15/21     | 89,618            | 43815AAC6 | HAROT 2018-4 A3                  | 3.16%  | 1/15/23       | 236.00            |                 |                   |
| 6/16/21               | 6/16/21     | 150,000           | 362590AC5 | GMCAR 2020-3 A3                  | 0.45%  | 4/16/25       | 56.25             |                 |                   |
| 6/18/21               | 6/18/21     | 115,000           | 43813KAC6 | HAROT 2020-3 A3                  | 0.37%  | 10/18/24      | 35.46             |                 |                   |
| 6/20/21               | 6/20/21     | 30,000            | 380144AD7 | GMALT 2021-2 A4                  | 0.41%  | 5/20/25       | 8.54              |                 |                   |
| 6/20/21               | 6/20/21     | 125,000           | 92348TAA2 | VZOT 2020-A A1A                  | 1.85%  | 7/22/24       | 192.71            |                 |                   |
| 6/20/21               | 6/20/21     | 150,000           | 92868VAD1 | VWALT 2020-A A4                  | 0.45%  | 7/21/25       | 56.25             |                 |                   |
| 6/20/21               | 6/20/21     | 65,000            | 362569AD7 | GMALT 2020-3 A4                  | 0.51%  | 10/21/24      | 27.63             |                 |                   |
| 6/25/21               | 6/25/21     | 90,000            | 09661RAD3 | BMWOT 2020-A A3                  | 0.48%  | 10/25/24      | 36.00             |                 |                   |
| 6/27/21               | 6/28/21     | 250,000           | 02665WCZ2 | AMERICAN HONDA FINANCE CORP NOTE | 2.40%  | 6/27/24       | 3,000.00          |                 |                   |
| 6/30/21               | 6/30/21     | 500,000           | 912828YY0 | US TREASURY NOTES                | 1.75%  | 12/31/24      | 4,375.00          |                 |                   |
| 6/30/21               | 6/30/21     | 750,000           | 912828ZW3 | US TREASURY NOTES                | 0.25%  | 6/30/25       | 937.50            |                 |                   |
| 6/30/21               | 6/30/21     | 400,000           | 91282CBC4 | US TREASURY NOTES                | 0.37%  | 12/31/25      | 750.00            |                 |                   |
| 6/30/21               | 6/30/21     | 3,450,000         | 912828XX3 | US TREASURY NOTES                | 2.00%  | 6/30/24       | 34,500.00         |                 |                   |
| <b>Total INTEREST</b> |             | <b>18,679,273</b> |           |                                  |        |               | <b>96,528.94</b>  |                 |                   |

## MATURITY

|         |         |         |           |                                          |       |         |            |  |      |
|---------|---------|---------|-----------|------------------------------------------|-------|---------|------------|--|------|
| 4/5/21  | 4/5/21  | 150,000 | 0258M0EB1 | AMERICAN EXPRESS CREDIT (CALLED, OMD 05/ | 2.25% | 4/5/21  | 151,396.88 |  | 0.00 |
| 4/5/21  | 4/5/21  | 150,000 | 06406FAB9 | BANK OF NEW YORK MELLON (CALLED, OMD 05/ | 2.05% | 4/5/21  | 151,281.25 |  | 0.00 |
| 4/15/21 | 4/15/21 | 165,000 | 713448DX3 | PEPSICO INC CORP (CALLABLE) NOTE         | 2.00% | 4/15/21 | 166,650.00 |  | 0.00 |
| 4/19/21 | 4/19/21 | 150,000 | 4581X0DB1 | INTER-AMERICAN DEVELOPMENT BANK NOTE     | 2.62% | 4/19/21 | 151,968.75 |  | 0.00 |
| 4/19/21 | 4/19/21 | 25,000  | 06051GFW4 | BANK OF AMERICA CORP NOTE                | 2.62% | 4/19/21 | 25,328.13  |  | 0.00 |
| 5/15/21 | 5/15/21 | 100,000 | 427866BA5 | HERSHEY COMPANY CORP NOTES               | 3.10% | 5/15/21 | 101,550.00 |  | 0.00 |
| 5/17/21 | 5/17/21 | 50,000  | 06051GHH5 | BANK OF AMERICA CORP NOTES (CALLED, OMD  | 3.49% | 5/17/21 | 50,874.75  |  | 0.00 |
| 5/19/21 | 5/19/21 | 70,000  | 857477AV5 | STATE STREET CORP NOTES                  | 1.95% | 5/19/21 | 70,682.50  |  | 0.00 |
| 5/21/21 | 5/21/21 | 160,000 | 808513AW5 | CHARLES SCHWAB (CALLABLE) CORP NOTES     | 3.25% | 5/21/21 | 162,600.00 |  | 0.00 |
| 5/31/21 | 5/31/21 | 150,000 | 912828R77 | US TREASURY NOTES                        | 1.37% | 5/31/21 | 151,031.25 |  | 0.00 |
| 6/7/21  | 6/7/21  | 425,000 | 78012UEE1 | ROYAL BANK OF CANADA NY CD               | 3.24% | 6/7/21  | 431,885.00 |  | 0.00 |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Transactions

| Trade Date            | Settle Date | Par (\$)         | CUSIP     | Security Description | Coupon | Maturity Date | Transact Amt (\$)   | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|------------------|-----------|----------------------|--------|---------------|---------------------|-----------------|-------------------|
| <b>Total MATURITY</b> |             | <b>1,595,000</b> |           |                      |        |               | <b>1,615,248.51</b> |                 | <b>0.00</b>       |
| <b>PAYDOWNS</b>       |             |                  |           |                      |        |               |                     |                 |                   |
| 4/1/21                | 4/25/21     | 1,426            | 3137FQ3V3 | FHMS KJ27 A1         | 2.09%  | 7/1/24        | 1,425.66            |                 | 0.00              |
| 4/1/21                | 4/25/21     | 23               | 3137FKK39 | FHMS KP05 A          | 3.20%  | 7/1/23        | 23.48               |                 | 0.00              |
| 4/1/21                | 4/25/21     | 10,288           | 3136B1XP4 | FNA 2018-M5 A2       | 3.56%  | 9/1/21        | 10,287.67           |                 | 0.00              |
| 4/1/21                | 4/25/21     | 206              | 3137BM6P6 | FHLMC SERIES K721 A2 | 3.09%  | 8/1/22        | 206.14              |                 | 0.00              |
| 4/15/21               | 4/15/21     | 15,022           | 65478NAD7 | NAROT 2018-C A3      | 3.22%  | 6/15/23       | 15,021.79           |                 | 0.00              |
| 4/15/21               | 4/15/21     | 14,071           | 43815AAC6 | HAROT 2018-4 A3      | 3.16%  | 1/15/23       | 14,070.58           |                 | 0.00              |
| 4/15/21               | 4/15/21     | 4,914            | 89238BAD4 | TAOT 2018-A A3       | 2.35%  | 5/16/22       | 4,913.81            |                 | 0.00              |
| 5/1/21                | 5/25/21     | 218              | 3137BM6P6 | FHLMC SERIES K721 A2 | 3.09%  | 8/1/22        | 218.21              |                 | 0.00              |
| 5/1/21                | 5/25/21     | 1,614            | 3136B1XP4 | FNA 2018-M5 A2       | 3.56%  | 9/1/21        | 1,613.67            |                 | 0.00              |
| 5/1/21                | 5/25/21     | 3,899            | 3137FQ3V3 | FHMS KJ27 A1         | 2.09%  | 7/1/24        | 3,899.14            |                 | 0.00              |
| 5/1/21                | 5/25/21     | 6,926            | 3137FKK39 | FHMS KP05 A          | 3.20%  | 7/1/23        | 6,925.98            |                 | 0.00              |
| 5/15/21               | 5/15/21     | 12,510           | 43815AAC6 | HAROT 2018-4 A3      | 3.16%  | 1/15/23       | 12,510.15           |                 | 0.00              |
| 5/15/21               | 5/15/21     | 12,656           | 65478NAD7 | NAROT 2018-C A3      | 3.22%  | 6/15/23       | 12,656.49           |                 | 0.00              |
| 5/15/21               | 5/15/21     | 4,134            | 89238BAD4 | TAOT 2018-A A3       | 2.35%  | 5/16/22       | 4,134.47            |                 | 0.00              |
| 6/1/21                | 6/25/21     | 208              | 3137BM6P6 | FHLMC SERIES K721 A2 | 3.09%  | 8/1/22        | 207.51              |                 | 0.00              |
| 6/1/21                | 6/25/21     | 3,102            | 3137FQ3V3 | FHMS KJ27 A1         | 2.09%  | 7/1/24        | 3,101.96            |                 | 0.00              |
| 6/1/21                | 6/25/21     | 24               | 3137FKK39 | FHMS KP05 A          | 3.20%  | 7/1/23        | 23.74               |                 | 0.00              |
| 6/1/21                | 6/25/21     | 6,795            | 3136B1XP4 | FNA 2018-M5 A2       | 3.56%  | 9/1/21        | 6,795.22            |                 | 0.00              |
| 6/15/21               | 6/15/21     | 12,070           | 65478NAD7 | NAROT 2018-C A3      | 3.22%  | 6/15/23       | 12,070.17           |                 | 0.00              |
| 6/15/21               | 6/15/21     | 2,365            | 89238BAD4 | TAOT 2018-A A3       | 2.35%  | 5/16/22       | 2,364.63            |                 | 0.00              |
| 6/15/21               | 6/15/21     | 11,215           | 43815AAC6 | HAROT 2018-4 A3      | 3.16%  | 1/15/23       | 11,214.68           |                 | 0.00              |
| <b>Total PAYDOWNS</b> |             | <b>123,685</b>   |           |                      |        |               | <b>123,685.15</b>   |                 | <b>0.00</b>       |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Transactions

| Trade Date        | Settle Date | Par (\$)       | CUSIP     | Security Description      | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|-------------------|-------------|----------------|-----------|---------------------------|--------|---------------|-------------------|-----------------|-------------------|
| <b>SELL</b>       |             |                |           |                           |        |               |                   |                 |                   |
| 5/11/21           | 5/12/21     | 125,000        | 912828D72 | US TREASURY NOTES         | 2.00%  | 8/31/21       | 126,252.76        |                 | 733.03            |
| 5/25/21           | 6/1/21      | 250,000        | 46647PBB1 | JPMORGAN CHASE & CO BONDS | 3.20%  | 4/1/23        | 257,401.25        |                 | 6,065.00          |
| <b>Total SELL</b> |             | <b>375,000</b> |           |                           |        |               | <b>383,654.01</b> |                 | <b>6,798.03</b>   |



## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par          | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---------------------------------------------------------|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>U.S. Treasury Bond / Note</b>                        |           |              |               |                   |               |                |                  |                |                     |                   |                 |
| US TREASURY NOTES<br>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            | 900,219.84        | 902,812.50      |
| US TREASURY NOTES<br>DTD 09/02/2014 2.000% 08/31/2021   | 912828D72 | 285,000.00   | AA+           | Aaa               | 12/1/2016     | 12/5/2016      | 285,846.10       | 1.93           | 1,905.16            | 285,029.83        | 285,890.63      |
| US TREASURY NOTES<br>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            | 1,100,479.85      | 1,103,437.50    |
| US TREASURY NOTES<br>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            | 549,304.26        | 552,148.41      |
| US TREASURY NOTES<br>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              | 274,329.21        | 279,082.05      |
| US TREASURY NOTES<br>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            | 596,004.76        | 608,906.28      |
| US TREASURY NOTES<br>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            | 521,630.07        | 532,792.99      |
| US TREASURY NOTES<br>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           | 2,747.24            | 444,617.28        | 457,664.04      |
| US TREASURY NOTES<br>DTD 05/31/2016 1.625% 05/31/2023   | 912828R69 | 100,000.00   | AA+           | Aaa               | 6/3/2019      | 6/7/2019       | 99,214.84        | 1.83           | 137.64              | 99,622.54         | 102,640.62      |
| US TREASURY NOTES<br>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              | 323,843.79        | 334,851.56      |
| US TREASURY NOTES<br>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            | 451,479.54        | 463,640.63      |
| US TREASURY NOTES<br>DTD 06/30/2017 2.000% 06/30/2024   | 912828XX3 | 950,000.00   | AA+           | Aaa               | 11/1/2019     | 11/6/2019      | 969,222.66       | 1.55           | 51.63               | 962,396.24        | 993,492.14      |
| US TREASURY NOTES<br>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               | 361,837.96        | 366,023.42      |
| US TREASURY NOTES<br>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               | 656,406.87        | 679,757.78      |
| US TREASURY NOTES<br>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               | 305,556.55        | 313,734.36      |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                  | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost     | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost    | Market<br>Value      |
|---------------------------------------------------------------------------------|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| <b>U.S. Treasury Bond / Note</b>                                                |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| US TREASURY NOTES<br>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               | 1,211,809.47         | 1,254,937.44         |
| US TREASURY NOTES<br>DTD 12/31/2019 1.750% 12/31/2024                           | 912828YY0 | 175,000.00           | AA+           | Aaa               | 8/5/2020      | 8/7/2020       | 187,044.92           | 0.18           | 8.32                | 184,586.47           | 182,109.37           |
| US TREASURY NOTES<br>DTD 12/31/2019 1.750% 12/31/2024                           | 912828YY0 | 325,000.00           | AA+           | Aaa               | 7/1/2020      | 7/6/2020       | 346,226.56           | 0.28           | 15.46               | 341,564.23           | 338,203.13           |
| US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                           | 912828ZW3 | 425,000.00           | AA+           | Aaa               | 3/1/2021      | 3/4/2021       | 419,006.84           | 0.58           | 2.89                | 419,458.51           | 417,429.69           |
| US TREASURY NOTES<br>DTD 06/30/2020 0.250% 06/30/2025                           | 912828ZW3 | 325,000.00           | AA+           | Aaa               | 4/1/2021      | 4/5/2021       | 318,703.13           | 0.72           | 2.21                | 319,057.25           | 319,210.94           |
| US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                           | 91282CBC4 | 125,000.00           | AA+           | Aaa               | 6/2/2021      | 6/7/2021       | 123,164.06           | 0.70           | 1.28                | 123,190.48           | 122,617.19           |
| US TREASURY NOTES<br>DTD 12/31/2020 0.375% 12/31/2025                           | 91282CBC4 | 275,000.00           | AA+           | Aaa               | 5/4/2021      | 5/6/2021       | 270,348.63           | 0.75           | 2.81                | 270,501.85           | 269,757.81           |
| <b>Security Type Sub-Total</b>                                                  |           | <b>10,660,000.00</b> |               |                   |               |                | <b>10,698,693.75</b> | <b>1.64</b>    | <b>26,082.70</b>    | <b>10,702,926.85</b> | <b>10,881,140.48</b> |
| <b>Supra-National Agency Bond / Note</b>                                        |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| INTL BANK OF RECONSTRUCTION<br>AND DEV NOTE<br>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            | 499,976.47           | 500,748.50           |
| INTER-AMERICAN DEVEL BK NOTES<br>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               | 124,973.86           | 125,541.50           |
| INTL BK RECON & DEVELOP NOTES<br>DTD 11/24/2020 0.250% 11/24/2023               | 459058JM6 | 400,000.00           | AAA           | Aaa               | 11/17/2020    | 11/24/2020     | 399,140.00           | 0.32           | 102.78              | 399,312.00           | 398,851.20           |
| <b>Security Type Sub-Total</b>                                                  |           | <b>1,025,000.00</b>  |               |                   |               |                | <b>1,022,927.50</b>  | <b>1.57</b>    | <b>6,201.74</b>     | <b>1,024,262.33</b>  | <b>1,025,141.20</b>  |
| <b>Municipal Bond / Note</b>                                                    |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| CT ST TXBL GO BONDS<br>DTD 06/11/2020 1.998% 07/01/2024                         | 20772KJW0 | 50,000.00            | A+            | Aa3               | 5/29/2020     | 6/11/2020      | 50,000.00            | 2.00           | 499.50              | 50,000.00            | 52,100.50            |

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Holdings

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                    | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|----------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Municipal Bond / Note</b>                                               |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| SAN JUAN USD, CA TXBL GO BONDS<br>DTD 10/29/2020 0.702% 08/01/2024         | 798306WN2 | 125,000.00          | NR            | Aa2               | 10/16/2020    | 10/29/2020     | 125,000.00          | 0.70           | 365.63              | 125,000.00          | 125,145.00          |
| CHAFFEY UHSD, CA TXBL GO BONDS<br>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           | 62,225.40           |
| NY ST URBAN DEV CORP TXBL REV<br>BONDS<br>DTD 12/23/2020 0.870% 03/15/2025 | 650036DT0 | 250,000.00          | AA+           | NR                | 12/16/2020    | 12/23/2020     | 250,000.00          | 0.87           | 640.42              | 250,000.00          | 248,937.50          |
| UNIV OF CAL TXBL REV BONDS<br>DTD 07/16/2020 0.883% 05/15/2025             | 91412HGE7 | 70,000.00           | AA            | Aa2               | 7/10/2020     | 7/16/2020      | 70,000.00           | 0.88           | 78.98               | 70,000.00           | 70,213.50           |
| CT ST T/E GO BONDS<br>DTD 06/25/2020 2.000% 06/01/2025                     | 20772KKK4 | 70,000.00           | A+            | Aa3               | 6/12/2020     | 6/25/2020      | 73,567.90           | 0.94           | 116.67              | 72,833.33           | 74,213.30           |
| FL ST BOARD OF ADMIN TXBL REV<br>BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 50,000.00           | AA            | Aa3               | 9/3/2020      | 9/16/2020      | 50,353.50           | 1.11           | 314.50              | 50,295.29           | 50,498.50           |
| FL ST BOARD OF ADMIN TXBL REV<br>BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 125,000.00          | AA            | Aa3               | 9/3/2020      | 9/16/2020      | 125,000.00          | 1.26           | 786.25              | 125,000.00          | 126,246.25          |
| FL ST BOARD OF ADMIN TXBL REV<br>BONDS<br>DTD 09/16/2020 1.258% 07/01/2025 | 341271AD6 | 65,000.00           | AA            | Aa3               | 9/3/2020      | 9/16/2020      | 65,430.95           | 1.12           | 408.85              | 65,359.99           | 65,648.05           |
| LOS ANGELES CCD, CA TXBL GO<br>BONDS<br>DTD 11/10/2020 0.773% 08/01/2025   | 54438CYK2 | 100,000.00          | AA+           | Aaa               | 10/30/2020    | 11/10/2020     | 100,000.00          | 0.77           | 322.08              | 100,000.00          | 100,028.00          |
| MN ST TXBL GO BONDS<br>DTD 08/25/2020 0.630% 08/01/2025                    | 60412AVJ9 | 80,000.00           | AAA           | Aa1               | 8/11/2020     | 8/25/2020      | 80,000.00           | 0.63           | 210.00              | 80,000.00           | 79,688.80           |
| <b>Security Type Sub-Total</b>                                             |           | <b>1,045,000.00</b> |               |                   |               |                | <b>1,049,352.35</b> | <b>1.03</b>    | <b>4,268.13</b>     | <b>1,048,488.61</b> | <b>1,054,944.80</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b>                   |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/01/2021                         | 3136B1XP4 | 3,178.60            | AA+           | Aaa               | 4/11/2018     | 4/30/2018      | 3,241.83            | 2.93           | 9.43                | 3,181.81            | 3,178.60            |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity  | CUSIP     | Par               | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost  | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value   |
|----------------------------------------------------------|-----------|-------------------|---------------|-------------------|---------------|----------------|-------------------|----------------|---------------------|-------------------|-------------------|
| <b>Federal Agency Collateralized Mortgage Obligation</b> |           |                   |               |                   |               |                |                   |                |                     |                   |                   |
| FHLMC SERIES K721 A2<br>DTD 12/01/2015 3.090% 08/01/2022 | 3137BM6P6 | 128,618.95        | AA+           | Aaa               | 4/4/2018      | 4/9/2018       | 129,714.21        | 2.88           | 331.19              | 128,894.33        | 131,412.44        |
| FHMS KP05 A<br>DTD 12/01/2018 3.203% 07/01/2023          | 3137FKK39 | 10,078.34         | AA+           | Aaa               | 12/7/2018     | 12/17/2018     | 10,078.31         | 3.20           | 26.90               | 10,078.33         | 10,286.60         |
| FHMS KJ27 A1<br>DTD 11/01/2019 2.092% 07/01/2024         | 3137FQ3V3 | 62,778.75         | AA+           | Aaa               | 11/20/2019    | 11/26/2019     | 62,777.22         | 2.09           | 109.44              | 62,777.75         | 64,082.14         |
| FHMS K043 A2<br>DTD 03/01/2015 3.062% 12/01/2024         | 3137BGK24 | 175,000.00        | AA+           | Aaa               | 3/19/2020     | 3/25/2020      | 183,667.97        | 1.95           | 446.54              | 181,323.77        | 188,043.30        |
| <b>Security Type Sub-Total</b>                           |           | <b>379,654.64</b> |               |                   |               |                | <b>389,479.54</b> | <b>2.32</b>    | <b>923.50</b>       | <b>386,255.99</b> | <b>397,003.08</b> |
| <b>Federal Agency Bond / Note</b>                        |           |                   |               |                   |               |                |                   |                |                     |                   |                   |
| FHLB GLOBAL NOTE<br>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            | 624,972.93        | 625,243.75        |
| FREDDIE MAC NOTES<br>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           | 145.83              | 249,935.35        | 250,664.25        |
| FREDDIE MAC NOTES<br>DTD 08/21/2020 0.250% 08/24/2023    | 3137EAEV7 | 750,000.00        | AA+           | Aaa               | 8/19/2020     | 8/21/2020      | 749,235.00        | 0.28           | 661.46              | 749,453.77        | 749,715.00        |
| FREDDIE MAC NOTES<br>DTD 09/04/2020 0.250% 09/08/2023    | 3137EAEW5 | 225,000.00        | AA+           | Aaa               | 9/2/2020      | 9/4/2020       | 225,041.09        | 0.24           | 176.56              | 225,029.87        | 224,863.88        |
| FREDDIE MAC NOTES<br>DTD 09/04/2020 0.250% 09/08/2023    | 3137EAEW5 | 300,000.00        | AA+           | Aaa               | 9/2/2020      | 9/4/2020       | 299,901.00        | 0.26           | 235.42              | 299,928.02        | 299,818.50        |
| FREDDIE MAC NOTES<br>DTD 10/16/2020 0.125% 10/16/2023    | 3137EAEY1 | 250,000.00        | AA+           | Aaa               | 10/14/2020    | 10/16/2020     | 249,067.50        | 0.25           | 65.10               | 249,287.21        | 249,071.25        |
| FREDDIE MAC NOTES<br>DTD 11/05/2020 0.250% 11/06/2023    | 3137EAEZ8 | 275,000.00        | AA+           | Aaa               | 11/3/2020     | 11/5/2020      | 274,752.50        | 0.28           | 105.03              | 274,806.25        | 274,628.75        |
| FANNIE MAE NOTES<br>DTD 11/25/2020 0.250% 11/27/2023     | 3135G06H1 | 250,000.00        | AA+           | Aaa               | 11/23/2020    | 11/25/2020     | 249,715.00        | 0.29           | 59.03               | 249,771.64        | 249,654.25        |
| FREDDIE MAC NOTES<br>DTD 12/04/2020 0.250% 12/04/2023    | 3137EAF2  | 250,000.00        | AA+           | Aaa               | 12/2/2020     | 12/4/2020      | 249,752.50        | 0.28           | 46.88               | 249,799.74        | 249,530.75        |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---------------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Federal Agency Bond / Note</b>                                               |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FEDERAL HOME LOAN BANK NOTES<br>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           | 267.36              | 249,059.80          | 248,527.25          |
| FANNIE MAE NOTES<br>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           | 299.48              | 249,607.26          | 249,692.25          |
| FREDDIE MAC NOTES<br>DTD 07/23/2020 0.375% 07/21/2025                           | 3137EAEU9 | 325,000.00          | AA+           | Aaa               | 7/21/2020     | 7/23/2020      | 323,381.50          | 0.48           | 541.67              | 323,685.86          | 320,724.30          |
| FANNIE MAE NOTES<br>DTD 08/27/2020 0.375% 08/25/2025                            | 3135G05X7 | 275,000.00          | AA+           | Aaa               | 8/25/2020     | 8/27/2020      | 273,713.00          | 0.47           | 360.94              | 273,930.32          | 271,187.68          |
| FEDERAL HOME LOAN BANK NOTES<br>DTD 09/11/2020 0.375% 09/04/2025                | 3130AK5E2 | 115,000.00          | AA+           | Aaa               | 9/10/2020     | 9/11/2020      | 114,655.00          | 0.44           | 140.16              | 114,710.57          | 113,162.30          |
| FREDDIE MAC NOTES<br>DTD 09/25/2020 0.375% 09/23/2025                           | 3137EAEX3 | 275,000.00          | AA+           | Aaa               | 9/23/2020     | 9/25/2020      | 274,172.25          | 0.44           | 280.73              | 274,298.86          | 271,003.70          |
| FANNIE MAE NOTES<br>DTD 11/12/2020 0.500% 11/07/2025                            | 3135G06G3 | 275,000.00          | AA+           | Aaa               | 11/9/2020     | 11/12/2020     | 274,015.50          | 0.57           | 206.25              | 274,140.39          | 272,008.83          |
| <b>Security Type Sub-Total</b>                                                  |           | <b>4,940,000.00</b> |               |                   |               |                | <b>4,926,741.22</b> | <b>0.49</b>    | <b>6,853.62</b>     | <b>4,932,417.84</b> | <b>4,919,496.69</b> |
| <b>Corporate Note</b>                                                           |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| JOHN DEERE CAPITAL CORP NOTES<br>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            | 224,893.32          | 227,857.50          |
| PACCAR FINANCIAL CORP NOTE<br>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              | 49,990.24           | 50,899.70           |
| CATERPILLAR FINL SERVICE<br>CORPORATE NOTES<br>DTD 07/08/2020 0.650% 07/07/2023 | 14913R2D8 | 200,000.00          | A             | A2                | 7/6/2020      | 7/8/2020       | 199,888.00          | 0.67           | 628.33              | 199,924.65          | 200,810.00          |
| PNC BANK NA CORP NOTES<br>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            | 250,924.06          | 268,106.50          |
| CHARLES SCHWAB CORP NOTES<br>(CALLABLE)<br>DTD 03/18/2021 0.750% 03/18/2024     | 808513BN4 | 85,000.00           | A             | A2                | 3/16/2021     | 3/18/2021      | 84,957.50           | 0.77           | 182.40              | 84,961.57           | 85,447.78           |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                      | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|------------------------------------------------------------------------------|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate Note</b>                                                        |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| MORGAN STANLEY CORP NOTES<br>DTD 04/28/2014 3.875% 04/29/2024                | 61746BDQ6 | 250,000.00 | BBB+          | A1                | 7/19/2019     | 7/23/2019      | 264,322.50       | 2.59           | 1,668.40            | 258,493.19        | 271,528.75      |
| AMAZON.COM INC CORPORATE<br>NOTES<br>DTD 05/12/2021 0.450% 05/12/2024        | 023135BW5 | 230,000.00 | AA            | A1                | 5/10/2021     | 5/12/2021      | 229,664.20       | 0.50           | 140.88              | 229,679.52        | 229,499.29      |
| AMERICAN HONDA FINANCE CORP<br>NOTE<br>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               | 249,251.48        | 262,644.75      |
| GOLDMAN SACHS GROUP INC<br>BONDS<br>DTD 07/08/2014 3.850% 07/08/2024         | 38141EC23 | 250,000.00 | BBB+          | A2                | 7/8/2019      | 7/11/2019      | 261,645.00       | 2.84           | 4,625.35            | 257,041.91        | 270,264.25      |
| BB&T CORPORATION CORP BONDS<br>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            | 250,253.82        | 263,464.75      |
| WALT DISNEY COMPANY/THE<br>DTD 09/06/2019 1.750% 08/30/2024                  | 254687FK7 | 250,000.00 | BBB+          | A2                | 9/3/2019      | 9/6/2019       | 248,980.00       | 1.84           | 1,494.79            | 249,352.13        | 257,925.00      |
| BANK OF NY MELLON CORP<br>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              | 100,307.82        | 104,782.10      |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 50,374.88         | 51,624.35       |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 125,937.19        | 129,060.88      |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>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              | 25,267.06         | 25,812.17       |
| BANK OF AMERICA CORP NOTES<br>(CALLABLE)<br>DTD 04/22/2021 0.976% 04/22/2025 | 06051GJR1 | 200,000.00 | A-            | A2                | 4/16/2021     | 4/22/2021      | 200,000.00       | 0.98           | 374.13              | 200,000.00        | 200,630.20      |
| CITIGROUP INC CORPORATE NOTES<br>DTD 05/04/2021 0.981% 05/01/2025            | 172967MX6 | 95,000.00  | BBB+          | A3                | 4/27/2021     | 5/4/2021       | 95,000.00        | 0.98           | 147.56              | 95,000.00         | 94,870.99       |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                       | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|-------------------------------------------------------------------------------|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Corporate Note</b>                                                         |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| APPLE INC (CALLABLE) CORP NOTES<br>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              | 450,695.77          | 455,160.60          |
| JPMORGAN CHASE & CO<br>CORPORATE NOTES<br>DTD 06/01/2021 0.824% 06/01/2025    | 46647PCH7 | 250,000.00          | A-            | A2                | 5/24/2021     | 6/1/2021       | 250,000.00          | 0.82           | 171.67              | 250,000.00          | 249,599.75          |
| UNITEDHEALTH GROUP INC<br>CORPORATE NOTES<br>DTD 05/19/2021 1.150% 05/15/2026 | 91324PEC2 | 200,000.00          | A+            | A3                | 5/17/2021     | 5/19/2021      | 199,652.00          | 1.19           | 268.33              | 199,660.21          | 199,390.20          |
| <b>Security Type Sub-Total</b>                                                |           | <b>3,785,000.00</b> |               |                   |               |                | <b>3,812,430.20</b> | <b>1.79</b>    | <b>22,060.36</b>    | <b>3,802,008.82</b> | <b>3,899,379.51</b> |
| <b>Certificate of Deposit</b>                                                 |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| MUFG BANK LTD/NY CERT DEPOS<br>DTD 02/28/2019 2.980% 02/25/2022               | 55379WZU3 | 250,000.00          | A-1           | P-1               | 2/27/2019     | 2/28/2019      | 250,000.00          | 2.96           | 2,586.81            | 250,000.00          | 254,752.00          |
| SUMITOMO MITSUI BANK NY CERT<br>DEPOS<br>DTD 07/14/2020 0.700% 07/08/2022     | 86565CKU2 | 250,000.00          | A-1           | P-1               | 7/10/2020     | 7/14/2020      | 250,000.00          | 0.70           | 845.83              | 250,000.00          | 251,174.50          |
| NORDEA BANK ABP NEW YORK CERT<br>DEPOS<br>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           | 1,605.90            | 250,000.00          | 254,786.50          |
| SKANDINAV ENSKILDA BANK LT CD<br>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           | 1,614.58            | 250,000.00          | 254,815.25          |
| DNB BANK ASA/NY LT CD<br>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          | 256,525.25          |
| CREDIT SUISSE NEW YORK CERT<br>DEPOS<br>DTD 03/23/2021 0.590% 03/17/2023      | 22552G3C2 | 200,000.00          | A+            | Aa3               | 3/19/2021     | 3/23/2021      | 200,000.00          | 0.59           | 327.78              | 200,000.00          | 200,319.00          |
| <b>Security Type Sub-Total</b>                                                |           | <b>1,450,000.00</b> |               |                   |               |                | <b>1,450,000.00</b> | <b>1.71</b>    | <b>7,391.73</b>     | <b>1,450,000.00</b> | <b>1,472,372.50</b> |
| <b>Asset-Backed Security</b>                                                  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---------------------------------------------------------|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Asset-Backed Security</b>                            |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| HAROT 2018-4 A3<br>DTD 11/28/2018 3.160% 01/15/2023     | 43815AAC6 | 78,403.78  | AAA           | Aaa               | 11/20/2018    | 11/28/2018     | 78,392.06        | 3.16           | 110.11              | 78,399.41         | 79,219.60       |
| NAROT 2018-C A3<br>DTD 12/12/2018 3.220% 06/15/2023     | 65478NAD7 | 105,966.33 | AAA           | Aaa               | 12/4/2018     | 12/12/2018     | 105,946.02       | 3.22           | 151.65              | 105,957.52        | 107,194.81      |
| VZOT 2020-A A1A<br>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               | 124,990.00        | 127,142.18      |
| COMET 2019-A2 A2<br>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              | 499,920.46        | 508,552.95      |
| HAROT 2020-3 A3<br>DTD 09/29/2020 0.370% 10/18/2024     | 43813KAC6 | 115,000.00 | AAA           | NR                | 9/22/2020     | 9/29/2020      | 114,983.11       | 0.37           | 15.37               | 114,986.25        | 115,140.17      |
| GMALT 2020-3 A4<br>DTD 09/29/2020 0.510% 10/21/2024     | 362569AD7 | 65,000.00  | AAA           | Aaa               | 9/22/2020     | 9/29/2020      | 64,990.90        | 0.51           | 10.13               | 64,992.59         | 65,196.69       |
| BMWOT 2020-A A3<br>DTD 07/15/2020 0.480% 10/25/2024     | 09661RAD3 | 90,000.00  | AAA           | NR                | 7/8/2020      | 7/15/2020      | 89,993.21        | 0.48           | 7.20                | 89,994.73         | 90,249.19       |
| CARMX 2020-3 A3<br>DTD 07/22/2020 0.620% 03/17/2025     | 14315FAD9 | 130,000.00 | AAA           | NR                | 7/14/2020     | 7/22/2020      | 129,977.72       | 0.62           | 35.82               | 129,982.23        | 130,498.23      |
| GMCAR 2020-3 A3<br>DTD 08/19/2020 0.450% 04/16/2025     | 362590AC5 | 150,000.00 | NR            | Aaa               | 8/11/2020     | 8/19/2020      | 149,965.68       | 0.46           | 28.13               | 149,972.06        | 150,359.34      |
| GMALT 2021-2 A4<br>DTD 05/26/2021 0.410% 05/20/2025     | 380144AD7 | 30,000.00  | AAA           | NR                | 5/18/2021     | 5/26/2021      | 29,997.47        | 0.41           | 3.76                | 29,997.53         | 29,921.64       |
| VWALT 2020-A A4<br>DTD 12/03/2020 0.450% 07/21/2025     | 92868VAD1 | 150,000.00 | AAA           | NR                | 11/24/2020    | 12/3/2020      | 149,968.98       | 0.45           | 20.63               | 149,972.83        | 150,002.67      |
| CARMX 2020-4 A3<br>DTD 10/21/2020 0.500% 08/15/2025     | 14316HAC6 | 85,000.00  | AAA           | NR                | 10/14/2020    | 10/21/2020     | 84,981.29        | 0.50           | 18.89               | 84,983.98         | 84,982.39       |
| HART 2021-A A3<br>DTD 04/28/2021 0.380% 09/15/2025      | 44933LAC7 | 60,000.00  | AAA           | NR                | 4/20/2021     | 4/28/2021      | 59,993.69        | 0.38           | 10.13               | 59,993.94         | 59,984.01       |
| TAOT 2021-B A3<br>DTD 06/14/2021 0.260% 11/17/2025      | 89190GAC1 | 275,000.00 | AAA           | NR                | 6/8/2021      | 6/14/2021      | 274,970.38       | 0.26           | 33.77               | 274,970.69        | 273,829.33      |
| CARMX 2021-2 A3<br>DTD 04/21/2021 0.520% 02/17/2026     | 14314QAC8 | 90,000.00  | AAA           | NR                | 4/13/2021     | 4/21/2021      | 89,980.61        | 0.52           | 20.80               | 89,981.39         | 90,119.11       |



## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP | Par             | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---------------------------------------------------------|-------|-----------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Security Type Sub-Total                                 |       | 2,049,370.11    |               |                   |               |                | 2,049,000.58     | 1.09           | 919.27              | 2,049,095.61      | 2,062,392.31    |
| Managed Account Sub Total                               |       | 25,334,024.75   |               |                   |               |                | 25,398,625.14    | 1.39           | 74,701.05           | 25,395,456.05     | 25,711,870.57   |
| Money Market Mutual Fund                                |       |                 |               |                   |               |                |                  |                |                     |                   |                 |
| CAMP Pool                                               |       | 488,615.82      | AAAm          | NR                |               |                | 488,615.82       |                | 0.00                | 488,615.82        | 488,615.82      |
| Liquid Sub Total                                        |       | 488,615.82      |               |                   |               |                | 488,615.82       |                | 0.00                | 488,615.82        | 488,615.82      |
| Securities Sub-Total                                    |       | \$25,822,640.57 |               |                   |               |                | \$25,887,240.96  | 1.39%          | \$74,701.05         | \$25,884,071.87   | \$26,200,486.39 |
| Accrued Interest                                        |       |                 |               |                   |               |                |                  |                |                     |                   | \$74,701.05     |
| Total Investments                                       |       |                 |               |                   |               |                |                  |                |                     |                   | \$26,275,187.44 |

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.

## 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.

**DRAFT RESOLUTION NO. 2021-6**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EMPLOYMENT RISK MANAGEMENT AUTHORITY  
ESTABLISHING MEETING DATES FOR THE 2021/22 FISCAL YEAR**

**BE IT RESOLVED THAT:**

The following meeting dates are hereby established for the 2021/22 fiscal year:

|                                                      |                                                     |
|------------------------------------------------------|-----------------------------------------------------|
| <u>Monday, November 1, 2021</u><br>TBD<br>10:00 a.m. | <u>Tuesday, April 26, 2022</u><br>TBD<br>10:00 a.m. |
| <u>Friday, February 11, 2022</u><br>TBD<br>9:00 a.m. | <u>Monday, June 6, 2022</u><br>TBD<br>10:00 a.m.    |

**ANNUAL WORKSHOP/BOARD MEETING**

Thursday, February 10, 2022

TBD

11:00 a.m. – 5 p.m.

Friday, February 11, 2022

TBD

9:00 a.m.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on November 1, 2021, via Zoom, by the following vote:

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSTAIN \_\_\_\_\_

ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
BOARD SECRETARY

# EXCESS LIABILITY POLICY DECLARATIONS



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

|                     |                                    |                         |
|---------------------|------------------------------------|-------------------------|
| COMPANY SYMBOL<br>N | POLICY PREFIX & NUMBER<br>HS694333 | RENEWAL OF<br>NHS687631 |
|---------------------|------------------------------------|-------------------------|

•THIS IS A CLAIMS MADE POLICY. PLEASE READ IT CAREFULLY.●

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

ITEM 1. INSURED'S NAME AND MAILING ADDRESS

PRODUCER'S NAME AND ADDRESS

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

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

## ITEM 2. POLICY PERIOD:

FROM 7/1/2021 TO 7/1/2022 12:01 AM Standard Time at the Insured's address as stated herein

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

ITEM 4. PREMIUM: \$ 348,341.00

ITEM 5. COVERAGE: Employment Practices Liability

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

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

## ITEM 7. FOLLOWED POLICY

| <u>Insurer</u>                       | <u>Policy Number</u> | <u>Limits</u> | <u>Premium</u> |
|--------------------------------------|----------------------|---------------|----------------|
| Employment Risk Management Authority | ERMA 2021-1EPL       | \$1,000,000   | \$8,447,075.00 |

## ITEM 8. UNDERLYING INSURANCE

### (A) Primary Policy:

| <u>Insurer</u>                       | <u>Policy Number</u> | <u>Limits</u> | <u>Premium</u> |
|--------------------------------------|----------------------|---------------|----------------|
| Employment Risk Management Authority | ERMA 2021-1EPL       | \$1,000,000   | \$8,447,075.00 |

### (B) Underlying Excess Policy(ies):

| <u>Insurer</u> | <u>Policy Number</u> | <u>Limits</u> | <u>Premium</u> |
|----------------|----------------------|---------------|----------------|
|----------------|----------------------|---------------|----------------|

THESE DECLARATIONS TOGETHER WITH THE COMPLETED, SIGNED AND DATED APPLICATION, POLICY FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: \_\_\_\_\_

August 05, 2021

DATE

  
AUTHORIZED REPRESENTATIVE



POLICY NUMBER: NHS694333

SCHEDULE OF ENDORSEMENTS

| TITLE                                                                    | FORM NUMBER     |
|--------------------------------------------------------------------------|-----------------|
| Cap on Losses From Certified Acts of Terrorism                           | RSG 204081 0118 |
| Disclosure Pursuant to Terrorism Risk Insurance Act                      | RSG 204123 0121 |
| Additional Named Insured                                                 | RSG 234031 0210 |
| Amendatory Endorsement - Claims Made And Reported And Limit Of Liability |                 |
| Amended Declarations                                                     |                 |
| Exclusion - Prior Acts                                                   | RSG 206069 1009 |
| Exclusion - Prior and or Pending Litigation Backdated                    | RSG 236008 0204 |
| Exclusion - Prior and or Pending Litigation Backdated - Higher Limits    | RSG 236009 0204 |
| Exclusion - Specific Entities and Individuals                            | RSG 206095 0115 |
| Three (3) Year Bilateral Discovery Period                                |                 |



*This Endorsement Changes The Policy. Please Read It Carefully.*

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

---

This endorsement modifies insurance provided under the following:

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.

**Policy No.:** NHS694333      **Effective:** 7/1/2021

RSG 204081 0118

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

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE\*

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

#### A. Disclosure of Premium

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

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

#### B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable **Insurer** retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### C. Cap Insurer Participation in Payment of Terrorism Losses

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

**Policy No.:** NHS694333

**Effective:** 7/1/2021

RSG 204123 0121

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*This Endorsement Changes The Policy. Please Read It Carefully.*

## **ADDITIONAL NAMED INSURED**

---

This endorsement modifies insurance provided under the following:

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

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

Central San Joaquin Valley Risk Management Authority (CSJVRMA)

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

Municipal Pooling Authority (MPA)

City of Antioch  
 City of Brentwood

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

Vector Control Joint Powers Agency (VCJPA)

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

Oakland Housing Authority

Housing Authority of the County of Contra Costa

Monterey Bay Area Self Insurance Authority (MBASIA)

City of Capitola  
City of Del Rey Oaks

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City of Gonzales  
City of Greenfield  
City of Hollister  
King City  
City of Marina  
Sand City  
City of Scotts Valley  
City of Soledad

California Transit Indemnity Pool (CalTIP)

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

PLAN JPA

City of American Canyon  
Town Of Atherton  
Town of Woodside

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

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## AMENDATORY ENDORSEMENT – CLAIMS MADE AND REPORTED AND LIMIT OF LIABILITY

---

This endorsement modifies insurance provided under the following:

### EXCESS LIABILITY POLICY

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

#### II. DEFINITIONS

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

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

#### V. CLAIM AND OTHER NOTICES

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

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **AMENDED DECLARATIONS**

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This endorsement modifies insurance provided under the following:

### **EXCESS LIABILITY POLICY**

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

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

All other terms and conditions of this policy remain unchanged.



*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION – PRIOR ACTS**

---

This endorsement modifies insurance provided under the following:

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

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** that alleges, arises out of, is based upon or attributable to, directly or indirectly, in whole or in part, any actual or alleged **Wrongful Acts** which first occurred prior to July 1, 2010; July 1, 2011 for Monterey Bay (MBASIA); July 1, 2013 for City of Patterson, City of Mendota, City of Lemoore, City of Sonora and City of Tehachapi; April 18, 2016 for City of Sanger; July 1, 2016 for City of Woodlake, City of Dinuba and City of Farmersville.; July 1, 2017 for California Transit Indemnity Pool (CalTIP); July 1, 2020 Plan JPA; July 1, 2021 for Exeter.

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION – PRIOR AND/OR PENDING LITIGATION BACKDATED**

---

This endorsement modifies insurance provided under the following:

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

The **Insurer** shall not be liable to make any payment for loss in connection with any claim made against any **Insured** alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or pending as of July 1, 2010; July 1, 2011 for Monterey Bay (MBASIA); July 1, 2013 for City of Patterson, City of Mendota, City of Lemoore, City of Sonora and City of Tehachapi; April 18, 2016 for City of Sanger; July 1, 2016 for City of Woodlake, City of Dinuba and City of Farmersville; July 1, 2017 for California Transit Indemnity Pool (CalTIP); July 1, 2020 Plan JPA; July 1, 2021 for Exeter, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation.

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

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

---

This endorsement modifies insurance provided under the following:

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

The **Insurer** shall not be liable to make any payment for loss in connection with any claim made against any **Insured** alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or pending as of July 1, 2018 for Exeter, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation.

With respect to the portion of the Limit of Liability that is \$ 1,000,000 excess \$ 1,000,000, the **Insurer** shall not be liable to make any payment for loss arising out of or in connection with any claim made against any **Insured** arising out of, based upon or attributable to, in whole or in part, litigation prior to or pending as of July 1, 2021 for Exeter.

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION - SPECIFIC ENTITIES AND INDIVIDUALS**

---

This endorsement modifies insurance provided under the following:

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

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

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

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

All other terms and conditions of this policy remain unchanged.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## THREE (3) YEAR BILATERAL DISCOVERY PERIOD

---

This endorsement modifies insurance provided under the following:

### EXCESS LIABILITY POLICY

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

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.



**RSUI Indemnity Company**

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

## **EXCESS LIABILITY POLICY**

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

**PLEASE READ YOUR POLICY CAREFULLY**

### **CLAIM NOTICE**

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

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

**E-mail notices to:** [reportclaims@rsui.com](mailto:reportclaims@rsui.com)

A member of Alleghany Insurance Holdings LLC

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

#### I. INSURING AGREEMENT

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

#### II. DEFINITIONS

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

#### III. LIMIT OF LIABILITY AND PAYMENTS UNDER UNDERLYING INSURANCE

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

#### IV. MAINTENANCE OF UNDERLYING INSURANCE

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

#### V. CLAIM AND OTHER NOTICES

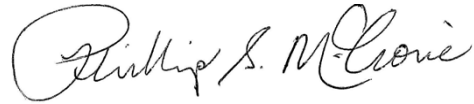
The Insurer shall be given notice in writing as soon as practicable: (a) in the event of cancellation or non-renewal of any **Underlying Insurance**; and (b) of any additional or return premiums assessed in connection with any **Underlying Insurance**. Any changes in policy provisions in the **Underlying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

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

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

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

Secretary

A handwritten signature in black ink, appearing to read "Phillip S. McCreone", written in a cursive style.

President





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

|                   |              |
|-------------------|--------------|
| Invoice # 1689102 | Page 1 of 1  |
| ACCOUNT NUMBER    | DATE         |
| EMPLRIS-01        | 7/2/2021     |
| BALANCE DUE ON    | AGENCY CODE  |
| 7/15/2021         | 200          |
| AMOUNT PAID       | AMOUNT DUE   |
|                   | \$343,799.28 |

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

|                    |                                             |            |                                |
|--------------------|---------------------------------------------|------------|--------------------------------|
| Client:            | Employment Risk Management Authority (ERMA) | Policy:    | Employment Practices Liability |
| Policy Number:     | NHS694333                                   | Effective: | 7/1/2021 to 7/1/2022           |
| Insurance Carrier: | RSUI Indemnity Company                      |            |                                |

| Item #                 | Trans Eff Date | Due Date  | Trans | Description               | Amount       |
|------------------------|----------------|-----------|-------|---------------------------|--------------|
| 6760713                | 7/1/2021       | 7/15/2021 | RENB  | 21/22 Excess EPLI Renewal | \$347,272.00 |
| 6760719                | 7/1/2021       | 7/15/2021 | REBT  | Rebate to Insured         | (\$3,472.72) |
| Total Invoice Balance: |                |           |       |                           | \$343,799.28 |

PLEASE MAIL A COPY OF THIS INVOICE WITH PAYMENT

REMITTANCE ADDRESS

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

OVERNIGHT/COURIER ADDRESS

Alliant Insurance Services, Inc. – Lockbox #8473  
Comerica Bank  
5th Floor  
2321 Rosecrans Ave  
El Segundo, CA 90245

ACH/WIRE PAYMENTS

Comerica Bank  
333 W. Santa Clara Street  
San Jose, CA 95113  
ABA/Routing Number: 121137522  
SWIFT: MNBUS33  
Account Number: 1894398625

ACH/Wire Reference: Include your ten-digit Client Account Number and Invoice Number (both can be found in the top right of this invoice)

E-mail remittances to [accountsreceivable@alliant.com](mailto:accountsreceivable@alliant.com).

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

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

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

# 2020 Multi-County Agency Biennial Notice

Name of Agency: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone No. \_\_\_\_\_

Email: \_\_\_\_\_ Alternate Email: \_\_\_\_\_

Counties within Jurisdiction, or for Charter Schools, Counties in which the School is Chartered:  
(if more space is needed, include an attachment):  
\_\_\_\_\_

No. of Employees\* \_\_\_\_\_ No. of Form 700 Filers\* \_\_\_\_\_

*\*Including board and committee members*

**Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.**

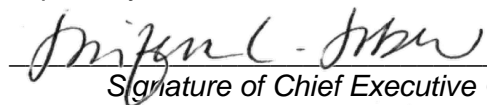
Please identify which statement accurately describes your agency's status.

- ☐ This agency has reviewed its conflict of interest code. The current code designates all positions which make or participate in making governmental decisions. The designated positions are assigned accurate disclosure categories that relate to the job duties of the respective positions. The code incorporates FPPC regulation 18730 so that all relevant Government Code Sections are referenced.
- ☐ This agency has reviewed its conflict of interest code and has determined that an amendment is necessary. An amendment may include the following:
- New positions which involve the making or participating in the making of decisions which may foreseeably have a material impact on a financial interest
  - Current designated positions need renaming or deletion
  - Statutorily required provisions of the code need to be addressed
  - Disclosure categories need revision

---

## Verification (to be completed if no amendment is required)

*This multi-county agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.*

  
\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Date

All multi-county agencies must complete and return this notice, including those agencies whose codes are currently under review. Please return this notice no later than **October 1, 2020** to the FPPC at [biennialnotice@fppc.ca.gov](mailto:biennialnotice@fppc.ca.gov) or 1102 Q Street, Suite 3000, Sacramento, CA 95811.

[www.fppc.ca.gov](http://www.fppc.ca.gov)  
FPPC Advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov) (866.275.3772)  
Page 1 of 1

**Employment Risk Management Authority**  
**List of Counties**  
**October 2021**

|                    |               |                  |                   |              |
|--------------------|---------------|------------------|-------------------|--------------|
| Albany             | Dos Palos     | Loomis           | Riverbank         | Watsonville  |
| Amador City        | Dunsmuir      | Los Altos        | Rohnert Park      | Weed         |
| American Canyon    | Durham        | Madera           | Roseville         | West Covina  |
| Anderson           | Eastvale      | Manteca          | Sacramento        | Wheatland    |
| Angels Camp        | El Centro     | Marina           | San Anselmo       | Wildomar     |
| Antioch            | El Cerrito    | Martinez         | San Diego         | Willits      |
| Arcata             | Elk Grove     | McFarland        | San Francisco     | Willows      |
| Atherton           | Emeryville    | Mendota          | San Jacinto       | Windsor      |
| Atwater            | Escalon       | Menifee          | San Joaquin       | Woodlake     |
| Avalon             | Eureka        | Menlo Park       | San Juan Bautista | Woodland     |
| Banning            | Exeter        | Merced           | San Luis Obispo   | Woodside     |
| Barstow            | Fairfax       | Mill Valley      | San Pablo         | Yountville   |
| Beaumont           | Farmersville  | Moraga           | San Ramon         | Yreka        |
| Belvedere          | Ferndale      | Mount Shasta     | Sand City         | Yuba City    |
| Biggs              | Fort Bragg    | Murrieta         | Sanger            | Yucaipa      |
| Blue Lake          | Fortuna       | Nevada City      | Santa Fe Springs  | Yucca Valley |
| Brentwood          | Fowler        | Newman           | Santa Maria       | Zephyr Cove  |
| Brisbane           | Fresno        | Novato           | Sausalito         |              |
| Burlingame         | Garden Grove  | Oakdale          | Scotts Valley     |              |
| Burney             | Gonzales      | Oakland          | Sebastopol        |              |
| California City    | Grass Valley  | Oakley           | Selma             |              |
| Calimesa           | Greenfield    | Ontario          | Shafter           |              |
| Calistoga          | Gustine       | Orange Cove      | Shasta Lake       |              |
| Canyon Lake        | Hanford       | Orinda           | Sierra Madre      |              |
| Capitola           | Hayward       | Oroville         | Soledad           |              |
| Cathedral City     | Healdsburg    | Pacifica         | Sonoma            |              |
| Ceres              | Hercules      | Palm Desert      | Sonora            |              |
| Chowchilla         | Hesperia      | Palm Springs     | South Lake Tahoe  |              |
| Citrus Heights     | Highland      | Parlier          | St. Helena        |              |
| Clayton            | Hollister     | Patterson        | Stockton          |              |
| Clearlake          | Holtville     | Perris           | Summerland        |              |
| Cloverdale         | Hughson       | Piedmont         | Susanville        |              |
| Coachella          | Huron         | Pinole           | Taft              |              |
| Coalinga           | Indio         | Pittsburg        | Tehachapi         |              |
| Colfax             | Joshua Tree   | Placentia        | Tehama            |              |
| Colusa             | Jurupa Valley | Placerville      | Thousand Palms    |              |
| Compton            | Kerman        | Pleasant Hill    | Tiburon           |              |
| Concord            | King City     | Pleasanton       | Trinidad          |              |
| Corcoran           | Kingsburg     | Plymouth         | Truckee           |              |
| Corona             | La Mesa       | Point Arena      | Tulare            |              |
| Corte Madera       | Lafayette     | Porterville      | Tulelake          |              |
| Cotati             | Laguna Hills  | Portola          | Turlock           |              |
| Culver City        | Lakeport      | Rancho Cucamonga | Twentynine Palms  |              |
| Danville           | Larkspur      | Rancho Mirage    | Ukiah             |              |
| Del Rey Oaks       | Lathrop       | Rancho Santa     | Union City        |              |
| Delano             | Lemoore       | Margarita        | Victorville       |              |
| Desert Hot Springs | Live Oak      | Red Bluff        | Visalia           |              |
| Diamond Springs    | Livermore     | Reedley          | Walnut Creek      |              |
| Dinuba             | Livingston    | Rio Dell         | Wasco             |              |

## 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     | June 2021                | November 2021         | Provides coverage for pooled risk sharing.                                                                   |
| 4. Master Program Document          | June 1999     | June 2021                | As Needed             | 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 2021            | February 2022         | 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 | November 2016 |                          |                       | Appreciation to Debra Stutsman (BCJPIA)                                                                                                                                 |

## BOARD DOCUMENT REVIEW SCHEDULE

### II. Resolutions/Policies Continued

| Document Name         | Origination   | Last Review or Amendment | Next Scheduled Review | Description/Comments                                                                                  |
|-----------------------|---------------|--------------------------|-----------------------|-------------------------------------------------------------------------------------------------------|
| 15. Resolution 3-2016 | November 2016 |                          |                       | Appreciation to Florice Lewis (OHA))                                                                  |
| 16. Resolution 8-2016 | August 2016   |                          |                       | Appreciation for Services to Dan Weakley (BCJPIA)                                                     |
| 17. Resolution 2-2017 | November 2017 |                          |                       | Regarding an Underwriting Policy and Related Processes                                                |
| 18. Resolution 3-2017 | March 2017    |                          |                       | Electronic Data Security and Disaster Recovery                                                        |
| 19. Resolution 4-2017 | February 2017 |                          |                       | Travel and Expense Policy                                                                             |
| 20. Resolution 5-2017 | May 2017      |                          |                       | Establishing Guidelines Regarding Members Self-Insured Retentions                                     |
| 21. Resolution 3-2018 | February 2003 | March 2018               |                       | Establishing Criteria for Approval of Investigators                                                   |
| 22. Resolution 4-2018 | January 2011  | April 2018               |                       | Establishing Target Performance Standards and Assistance Program                                      |
| 23. Resolution 5-2018 | April 2004    |                          |                       | Establishing Approval for Payments to Vendors                                                         |
| 24. Resolution 2-2020 | March 2014    | June 2020                |                       | Establishing a Litigation Management Program                                                          |
| 25. Resolution 1-2021 | May 2016      | February 2021            | June 2023             | Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms |
| 26. Resolution 2-2021 | June 1998     | February 2021            |                       | Establishing All Bank Accounts and Authorized Signatures                                              |
| 27. Resolution 4-2021 | April 2021    |                          |                       | Establishing Meeting Dates for the 2021/22 Fiscal Year                                                |

### II. Resolutions/Policies Continued

## BOARD DOCUMENT REVIEW SCHEDULE

| Document Name         | Origination   | Last Review or Amendment | Next Scheduled Review | Description/Comments                                                                 |
|-----------------------|---------------|--------------------------|-----------------------|--------------------------------------------------------------------------------------|
| 28. Resolution 5-2021 | May 2005      | February 2021            | April 2021            | Requiring Members to Provide Proof of Compliance with Training Mandated by State Law |
| 29. Resolution 6-2021 | November 2021 |                          |                       | Establishing Meeting Dates for the 2021/22 Fiscal Year                               |
| 30. Resolution 7-2021 | November 2021 | March 2018               |                       | Establishing Criteria for Approval of Investigators                                  |

### III. Operational Documents

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

## BOARD DOCUMENT REVIEW SCHEDULE

### IV. Contracts and Agreements

| Document Name                               | Origination   | Last Review or Amendment | Next Scheduled Review | Description/Comments                                                                                                        |
|---------------------------------------------|---------------|--------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1. Bickmore Actuarial                       | January 2010  | January 2020             | April 2022            | Actuarial services and annual study.<br><i>Current term: 7/1/2020 – 7/1/2022.</i>                                           |
| 2. Alliant                                  | July 2007     | April 2021               | April 2024            | Broker of record relationship for reinsurance and other insurance placed.<br><i>Current term: 7/1/2021 – 7/1/2024.</i>      |
| 3. Farley Consulting Services               | March 2012    | July 2017                | June 2023             | Claims auditing services.<br><i>Current term: 7/1/2018 – 7/1/2023.</i>                                                      |
| 4. In2vate                                  | June 1999     | December 2017            | November 2021         | Online training platform and reporting protection line for members.<br><i>Current term: 9/1/14 – 9/1/21</i>                 |
| 5. Jackson Lewis & Liebert Cassidy Whitmore | July 1999     | April 2020               | April 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<br><i>Current term: 11/1/19 – terminated by mutual agreement.</i>                         |
| 7. Sampson, Sampson & Patterson             | June 2007     | June 2019                | June 2021             | Financial audit services.                                                                                                   |
| 8. Sedgwick                                 | May 2002      | June 2019                | Feb 2023              | Pool administration, finance, accounting, and litigation management services.<br><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 2021    | April 2022    | Independent actuarial audit and study performed annually.             |
| 2. Financial Audit                                                | November 2020 | November 2021 | Independent financial audits performed annually.                      |
| 3. California Association of Joint Powers Authority Accreditation | August 2020   | August 2023   | Ensures quality and professional standards for risk management pools. |
| 4. Claims Audit                                                   | April 2019    | June 2021     | Independent claims audits performed biennially.                       |

**FINANCIAL MATTERS**

**SUBJECT: Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2021**

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**BACKGROUND AND STATUS:**

Attached are the draft Audited Financial Statements for the Fiscal Year Ended June 30, 2021. The audit was conducted by Sampson, Sampson & Patterson, LLP. Allison Gregg 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, 2021.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2021
- Letter to the Governing Board from Sampson, Sampson & Patterson, LLP

DRAFT  
10/19/21

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, 2021

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Employment Risk Management Authority  
Sacramento, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Employment Risk Management Authority (ERMA) as of and for the year ended June 30, 2021 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, 2020, and in our report dated November 2, 2020, 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, 2021, 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 , 2021 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  
, 2021

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

DRAFT  
10/19/21

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, 2021. 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, 2021, ERMA consisted of thirteen primary members, comprised of eleven joint powers authorities: Bay Cities Joint Powers Insurance Authority (BCJPIA), California Transit Indemnity Pool (CalTIP), Central San Joaquin Valley Risk Management Authority (CSJVRMA), Exclusive Risk Management Authority of California (ERMAC), Monterey Bay Area Self Insurance Authority (MBASIA), Municipal Pooling Authority (MPA), Public Agency Risk Sharing Authority of California (PARSAC), Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), 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 self-insured retention (SIR) 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 2020/2021 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.

EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

DRAFT  
10/19/21

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ERMA is a member of the California Association of Joint Powers Authorities (CAJPA) and has received accreditation through that body for nineteen 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.

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, 2021**

- **Membership Changes:** During 2020/2021, ERMA's Board of Directors accepted a new primary member, Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) that three underlying members joining the ERMA program.
- **2021 Dividend:** In June 2021, the Board of Directors approved ERMA's ninth dividend to its membership since the program began on July 1, 1999. The dividend was released in the amount of \$3.0 million for program years 2012/2013 through 2015/2016, although equity of \$4,497,743 was available to be released at the 90% confidence level. ERMA issued \$3.0 million cash payments to the members in June 2021. As per the pool's Financial Stability Plan, ERMA's five most current years were not adjusted.
- **Training Program:**
  - ❖ Continued oversight of the Training Program, including scheduling of AB 1825 and SB 1343-compliant and other employment-related trainings throughout the State.
  - ❖ Continued distribution of the ERMA Training Bulletin, a weekly electronic communication containing training information relative to the program.
  - ❖ Continued promotion of the Training & Risk Management program, providing members with reimbursement up to \$2,500 annually for eligible employment-related training and loss control activity expenditures.



EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

DRAFT  
10/19/21

---

**Financial Highlights for the Fiscal Year Ended June 30, 2021**

|             |                |                                                                                                                                                                                                                                                                                        |
|-------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenues    | \$9.3 million  | Total Revenues increased \$134,000 or 1.5% over the prior year. Operating revenue increased \$1.3 million, due to member contributions increase of \$1.3 million over the prior year. Non-operating revenues decreased \$1.2 million from the prior year mainly due unrealized losses. |
| Expenses    | \$7.4 million  | Total Expenses decreased \$3.3 million or 30.6% from the prior year mainly due to a decrease in claims expense of \$5.1 million and an increase of \$1.8 million in dividends.                                                                                                         |
| Assets      | \$29.9 million | Total Assets increased \$1.2 million or 4.2% over the prior year primarily due to retention of the current program year contributions and lower claims payments.                                                                                                                       |
| Liabilities | \$17.8 million | Total Liabilities decreased \$653,000 or 3.5% from the prior year primarily resulting from a reduction to the most recent actuarial estimates of unpaid claims.                                                                                                                        |

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.

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.

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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.

### Analysis of Overall Financial Position and Results of Operations

| ERMA Statement of Net Position |               |               |                   |
|--------------------------------|---------------|---------------|-------------------|
|                                | June 30, 2021 | June 30, 2020 | Percentage Change |
| Current Assets                 | \$10,136,240  | \$9,046,404   | 12.0%             |
| Long-term Investments          | 19,784,121    | 19,666,330    | 0.6%              |
| Total Assets                   | 29,920,361    | 28,712,734    | 4.2%              |
| Current Liabilities            | \$5,212,096   | \$5,532,337   | -5.8%             |
| Non-current Claims Liabilities | 12,597,483    | 12,930,386    | -2.6%             |
| Total Liabilities              | 17,809,579    | 18,462,723    | -3.5%             |
| Net Position                   | \$12,110,782  | \$10,250,011  | 18.2%             |

### Pool Assets

Total assets increased by \$1.2 million, or 4.2% over the prior year was driven by retention of the current program year contributions and lower claim payment activity in the current fiscal year.

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 \$3.3 million and \$10,000 at June 30, 2021, respectively. Management moved funds of \$700,000 from CAMP Liquidity account during the fiscal year to LAIF account to take advantage of the slightly better yield offered by LAIF. In June 2021, management executed a transfer from LAIF to fund the dividend cash payments to the members.

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 \$26.2 million at June 30, 2021, as compared to \$26.1 million at June 30, 2020. 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 \$489,000 that are reported as an element of cash and cash equivalents at June 30, 2021. ERMA's investment earnings decreased \$1.2 million or 91.3% from the prior year mainly due to unrealized losses.

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

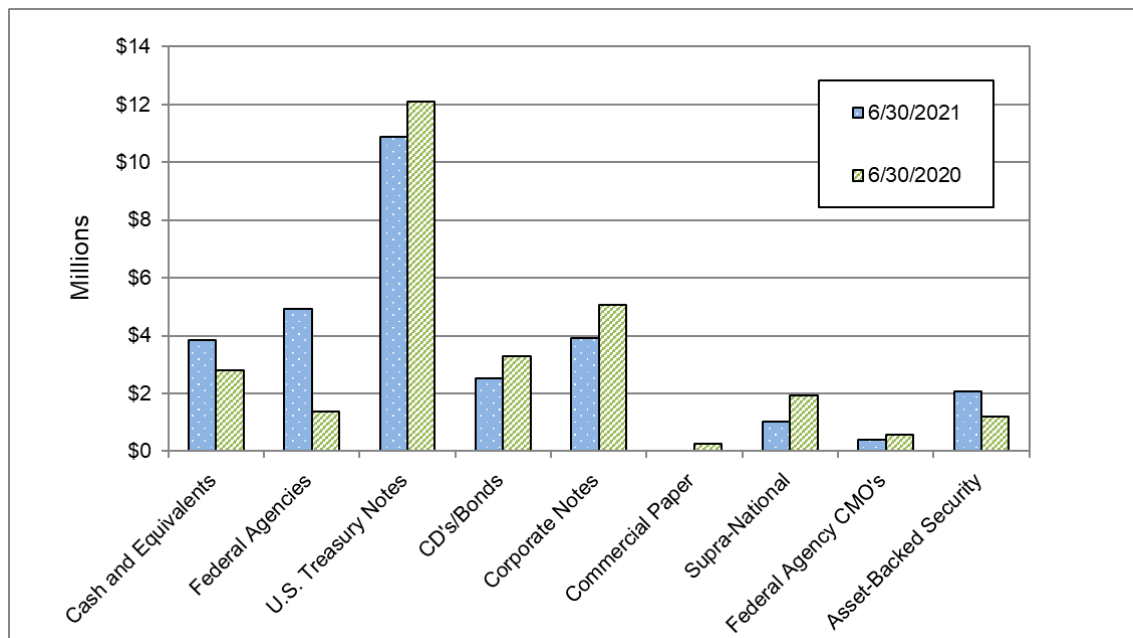
## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2021, the fair market value of ERMA's investments was \$313,000 more than the book value, as compared to June 30, 2020 when the fair market value of ERMA's investments was \$804,000 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. 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, 2021, and June 30, 2020**



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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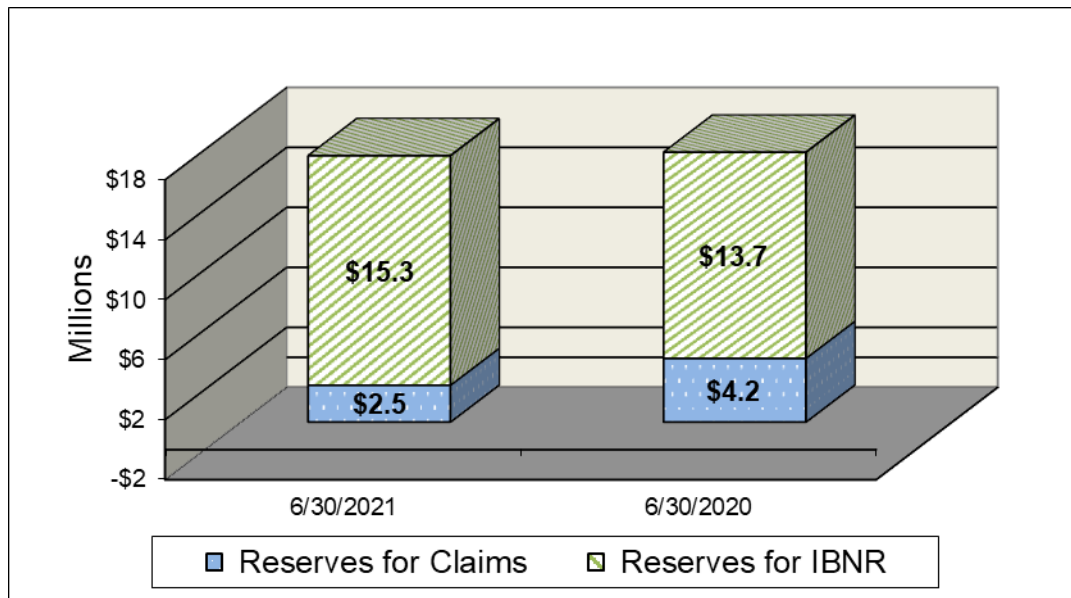
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### Pool Liabilities

As shown in the chart below, claim liabilities decreased \$229,000 or 1.3% from the prior year. Reserves for known claims decreased \$1.8 million and reserves for incurred but not reported claims (IBNR) increased \$1.6 million. The net decrease in claim liability is attributable to a decrease in the actuarial ultimate loss projections for prior program years of \$3.3 million and the introduction of the liabilities for the current program year of \$6.4 million, offset by claims payments of \$3.4 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, 2021, is projected to be \$5.2 million, an increase of \$103,000 over the prior year. ERMA's long-term claims liability is projected to be \$12.6 million, an increase of \$333,000 over the prior year.

**Comparison of Claims Liabilities at June 30, 2021 and June 30, 2020**



### Capital Fund

ERMA's Capital Fund was reactivated in April 2015, 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 be used to finance initiatives developed by the ERMA Training Ad Hoc Committee. The Fund was augmented the following three years until it reached its target total contributions of \$1.0 million in 2017/2018 program year. The balance for the Capital Fund as of June 30, 2021 was \$800,694. The expenditures in the current year were reimbursements to members related to risk management training. Activity in the Fund for the past six years is shown in a grid found on the following page.

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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     |
| 2020/2021                                      | -                    | (30,315)            | 2,702                       | \$ 800,694     |
| <b>Totals</b>                                  | <b>\$ 1,000,000</b>  | <b>\$ (287,736)</b> | <b>\$ 88,430</b>            |                |

**Revenues and Expenses**

| <b>ERMA Statement of Revenues, Expenses, and Change in Net Position</b> |                                            |                                            |                              |
|-------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------|
|                                                                         | <b>Fiscal Year Ended<br/>June 30, 2021</b> | <b>Fiscal Year Ended<br/>June 30, 2020</b> | <b>Percentage<br/>Change</b> |
| <b>Revenues:</b>                                                        |                                            |                                            |                              |
| Member Contributions                                                    | \$9,146,911                                | \$7,807,782                                | 17.2%                        |
| Investment Income (Net)                                                 | 115,295                                    | 1,320,714                                  | -91.3%                       |
| Total Revenues                                                          | \$9,262,206                                | \$9,128,496                                | 1.5%                         |
| <b>Expenses:</b>                                                        |                                            |                                            |                              |
| Excess Insurance                                                        | 333,029                                    | 311,540                                    | 6.9%                         |
| Claims Payments                                                         | 3,350,611                                  | 4,233,891                                  | -20.9%                       |
| Increase in Claims Reserves                                             | (229,489)                                  | 4,032,157                                  | -105.7%                      |
| General and Administration                                              | 844,609                                    | 838,805                                    | 0.7%                         |
| Loss Prevention and Training                                            | 102,675                                    | 75,179                                     | 36.6%                        |
| Total Operating Expenses                                                | 4,401,435                                  | 9,491,572                                  | -53.6%                       |
| Member Dividend                                                         | 3,000,000                                  | 1,180,624                                  | 154.1%                       |
| Change in Net Position                                                  | 1,860,771                                  | (1,543,700)                                | 220.5%                       |
| Net Position, Beginning of Year                                         | 10,250,011                                 | 11,793,711                                 | -13.1%                       |
| Net Position, End of Year                                               | \$12,110,782                               | \$10,250,011                               | 18.2%                        |

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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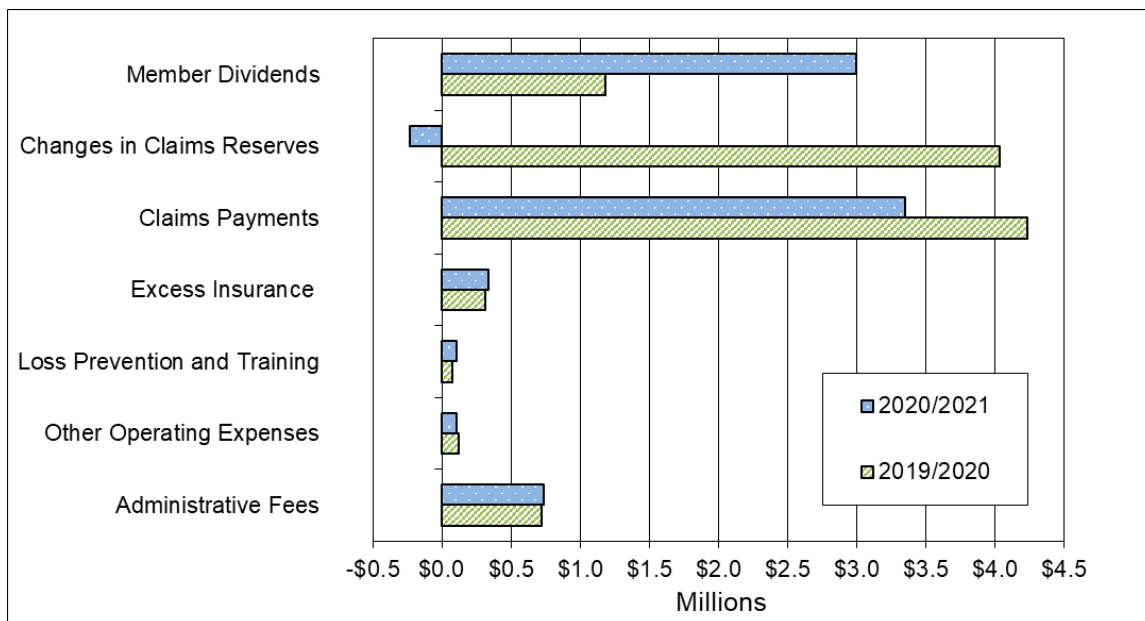
In 2020/2021, revenues consisted of member contributions and interest income. Member contributions increased by 17.2% over the prior year due to an increase in payroll of 5.9% and the increase in the actuarially determined pooling rate of 12.7%, over the prior year's rate. The funding rate for the pooled layer increased to 0.567 from 0.503, both at the 80% confidence level. As discussed in an earlier section, interest earnings decreased 91.3% or \$1.2 million from the prior year.

In 2020/2021, revenues exceeded expenses by \$1.9 million. The actual claims costs were \$4.7 million less than the budgeted claims costs (including claim payments and changes in reserves). Dividend returned to the members in the amount of \$3.0 million and net investment income was \$115,000. Other expenses experienced minimal changes. As a result, net position increased from \$10.3 million at June 30, 2020 to \$12.1 million at June 30, 2021.

For the fiscal year ended June 30, 2020, expenses had exceeded revenues by \$1.5 million. Actual claims costs were \$1.8 million more than the budgeted amount and net investment income of \$1.3 million was offset by the dividend returned to the members in the amount of \$1.2 million, resulted in a net position of \$10.3 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, 2021 and June 30, 2020**



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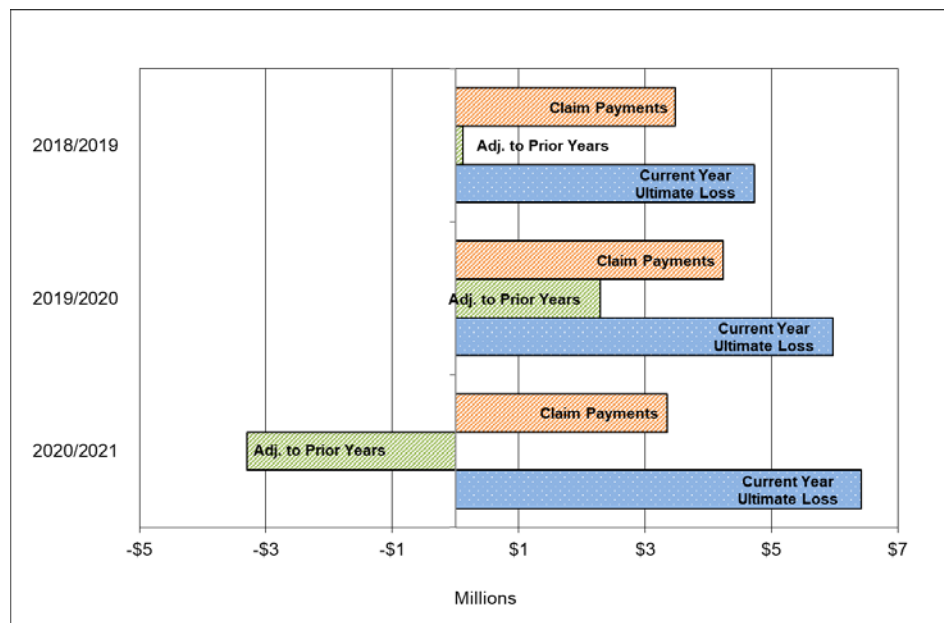
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**Provision for Insured Events**

ERMA contracts with Bickmore Actuarial for an actuarial valuation of its outstanding claims liability as well as a recommendation of funding levels for the coming year. Funding for the 2020/2021 program year was calculated at the 80% confidence level and discounted at 2.0%. At June 30, 2021, liabilities were discounted at 1.5% as compared to prior year at 2% to recognize the potential investment earnings in the current market.

Actuarial projections are adjusted each year as claims continue to develop. The chart below illustrates the three components of claims which is followed by commentary on each:

**Claims Activity**  
**For the Years Ended June 30, 2021, June 30, 2020, and June 30, 2019**



- **Claim Payments:** Claim payments increased from \$3.5 million in 2018/2019 to \$4.2 million in 2019/2020, then decreased to \$3.4 million in 2020/2021. ERMA's average annual claim payments over the past ten years has been \$2.8 million. In 2020/2021 fiscal year, ERMA saw a decline in claim payments for the first time in five years.
- **Adjustments to Prior Years:** Estimates for ultimate losses increased \$124,000 in the 2018/2019 fiscal year and increased \$2.3 million in the 2019/2020 fiscal year. The same estimated decreased by \$3.3 million in 2020/2021 fiscal year due to favorable claims development in pre-2021 program years.
- **Current Year Ultimate Loss:** The initial ultimate loss estimates for the past three program years were \$4.7 million for 2018/2019, \$6.0 million for 2019/2020 and \$6.4 million for 2020/2021. The increase in the 2020/2021 program year resulted primarily from the addition of the exposure base for the 2020/21 program year.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### General Administrative Expenses

General administrative expenses (including the loss prevention and training program) increased \$33,000 over the prior year, mainly due to Capital Fund utilized during this fiscal year whereas none was utilized in the prior fiscal year.

Total general administrative expenses as a percentage of total expenses were 12.8% and 8.6%, for the 2020/21 and 2019/20 fiscal years, respectively.

### Economic Factors

In developing the budget for the fiscal year ended June 30, 2021, pool administration staff and the Board of Directors considered 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-one years and carries a net position of \$12.1 million. ERMA added a new primary member, PLAN JPA. 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:

Calendar year 2020 got off to a tumultuous start as the COVID-19 pandemic roiled the economy and the financial markets. Since then, economic data has largely rebounded, aided by a robust housing market, a recovery in manufacturing activity, and strong consumer spending, supported by ongoing monetary policy and fiscal stimulus measures. As the fiscal year ended June 30, 2021 came to a close, U.S. economic conditions were impacted by: (1) dramatically lower COVID-19 caseload as vaccinations ramped up, balanced with waning vaccine demand and the emergence of more infectious variants; (2) strong consumer data supported by ongoing fiscal stimulus measures; (3) elevated inflation fueled by surging economic activity amid labor and supply chain shortages; (4) a late-quarter pivot from the Federal Reserve (Fed), as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward; and (5) the largest increase in corporate earnings estimates in nearly 20 years which propelled major U.S. stock indexes to new all-time highs.

After GDP plunged by a record annualized rate of 31.2% during the quarter ended June 30, 2020, growth in the U.S. has been strong. The U.S. economy expanded at a record 33.8% annual rate in the third calendar quarter of 2020, and growth was over 6% annualized for the last two quarters of the fiscal year. Other economic indicators have also been strong and have recovered at a faster pace than originally expected. The U.S. labor market improved throughout the fiscal year as non-farm payrolls showed strong improvement. Job recovery has gained momentum as more people are vaccinated and economic activity rebounds. The unemployment rate was 5.9% in June of 2021, down from 11.1% at the start of the fiscal year.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Federal Reserve spent much of the fiscal year continuing to convey its commitment to utilize the full scope of its monetary authority to facilitate economic recovery. As a result, the Fed made no changes to the near-zero fed funds policy rate (the fed funds target rate has been at 0%-0.25% since March of 2020) and continued its large-scale monthly asset purchases. U.S. Treasury yields remained depressed throughout most of the past year. Short-term yields remained near historically low levels as the Fed continued to maintain an overnight target range of 0% -0.25%. The longer-end of the curve steepened dramatically in quarter ended March 31, 2021, mostly in response to heightened inflation fears, before falling during the quarter ended June 30, 2021. Nonetheless, longer-term rates remain up over the year and the curve remained relatively steep to end the fiscal year.

During the year, ERMA's investment advisor, PFM Asset Management LLC, continued to manage ERMA's portfolio according to ERMA's investment objectives of safety, liquidity, and return on investment (in that order). The portfolio is of high credit quality and well diversified among sector, issuer, and maturity. Although rising interest rates had a negative impact on total returns of longer duration strategies for the year ended June 30, 2021, ERMA's portfolio outperformed its benchmark by a wide margin and continues to produce strong returns since inception.

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STATEMENT OF NET POSITION

(Prior Year Data for Comparison Purposes Only)

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|                                         | <u>ASSETS</u>            |                         |
|-----------------------------------------|--------------------------|-------------------------|
|                                         | June 30,                 |                         |
|                                         | <u>2021</u>              | <u>2020</u>             |
| ASSETS:                                 |                          |                         |
| Current assets:                         |                          |                         |
| Cash and cash equivalents               | \$ 3,856,301             | \$ 2,788,739            |
| Investments                             | 5,927,750                | 6,072,076               |
| Receivables:                            |                          |                         |
| Members                                 | 4,340                    | 15,324                  |
| Excess receivable                       |                          | 3,414                   |
| Other                                   | 5,000                    | 31,175                  |
| Interest                                | 80,115                   | 114,526                 |
| Prepaid expenses                        | <u>262,734</u>           | <u>21,150</u>           |
| Total current assets                    | <u>10,136,240</u>        | <u>9,046,404</u>        |
| Non-current assets:                     |                          |                         |
| Investments                             | <u>19,784,121</u>        | <u>19,666,330</u>       |
| Total non-current assets                | <u>19,784,121</u>        | <u>19,666,330</u>       |
| <br>TOTAL ASSETS                        | <br><u>29,920,361</u>    | <br><u>28,712,734</u>   |
| <br><u>LIABILITIES AND NET POSITION</u> |                          |                         |
| LIABILITIES:                            |                          |                         |
| Current liabilities:                    |                          |                         |
| Accounts payable                        | 48,264                   | 25,654                  |
| Member dividend payable                 |                          | 446,265                 |
| Current portion of claims liabilities   | <u>5,163,832</u>         | <u>5,060,418</u>        |
| Total current liabilities               | <u>5,212,096</u>         | <u>5,532,337</u>        |
| Non-current liabilities:                |                          |                         |
| Claims liabilities                      | <u>12,597,483</u>        | <u>12,930,386</u>       |
| Total non-current liabilities           | <u>12,597,483</u>        | <u>12,930,386</u>       |
| <br>TOTAL LIABILITIES                   | <br><u>17,809,579</u>    | <br><u>18,462,723</u>   |
| <br>NET POSITION - Unrestricted         | <br><u>\$ 12,110,782</u> | <br><u>\$10,250,011</u> |

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

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>2021</u>                 | <u>2020</u>         |
| OPERATING REVENUES:                       |                             |                     |
| Member contributions                      | \$ 8,794,445                | \$ 7,496,242        |
| Excess insurance contributions            | 333,029                     | 311,540             |
| Other income                              | <u>19,437</u>               | <u>          </u>   |
| TOTAL OPERATING REVENUES                  | 9,146,911                   | 7,807,782           |
| OPERATING EXPENSES:                       |                             |                     |
| Claims paid                               | 3,350,611                   | 4,233,891           |
| Increase (decrease) in claims liabilities | (229,489)                   | 4,032,157           |
| Excess insurance                          | 333,029                     | 311,540             |
| Loss prevention and training              | 102,675                     | 75,179              |
| General and administration                | <u>844,609</u>              | <u>838,805</u>      |
| TOTAL OPERATING EXPENSES                  | <u>4,401,435</u>            | <u>9,491,572</u>    |
| Operating Income (Loss)                   | 4,745,476                   | (1,683,790)         |
| NONOPERATING REVENUES (EXPENSES):         |                             |                     |
| Investment earnings                       | 115,295                     | 1,320,714           |
| Member dividend                           | <u>(3,000,000)</u>          | <u>(1,180,624)</u>  |
| Total nonoperating revenues (expenses)    | <u>(2,884,705)</u>          | <u>140,090</u>      |
| CHANGE IN NET POSITION                    | 1,860,771                   | (1,543,700)         |
| NET POSITION, BEGINNING OF YEAR           | <u>10,250,011</u>           | <u>11,793,711</u>   |
| NET POSITION, END OF YEAR                 | <u>\$ 12,110,782</u>        | <u>\$10,250,011</u> |

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

EMPLOYMENT RISK MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS

(Prior Year Data for Comparison Purposes Only)

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|                                                                                         | Years Ended June 30, |                     |
|-----------------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                         | 2021                 | 2020                |
| CASH FLOWS FROM OPERATING ACTIVITIES:                                                   |                      |                     |
| Cash received from members                                                              | \$ 9,146,911         | \$ 7,807,782        |
| Cash paid for claims                                                                    | (3,331,544)          | (4,473,488)         |
| Cash paid for excess insurance                                                          | (333,029)            | (311,540)           |
| Cash paid for general and administration                                                | <u>(1,144,752)</u>   | <u>(789,166)</u>    |
| Net cash provided by operating activities                                               | 4,337,586            | 2,233,588           |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:                               |                      |                     |
| Member dividend                                                                         | <u>(3,446,265)</u>   | <u>(3,734,358)</u>  |
| Net cash used by capital and related financing activities                               | (3,446,265)          | (3,734,358)         |
| CASH FLOWS FROM INVESTING ACTIVITIES:                                                   |                      |                     |
| Investment income                                                                       | 639,995              | 816,385             |
| Purchase of investment securities                                                       | (9,635,785)          | (9,868,371)         |
| Proceeds from sales and maturities of investment securities                             | <u>9,172,031</u>     | <u>9,254,648</u>    |
| Net cash provided by investing activities                                               | 176,241              | 202,662             |
| Net increase (decrease) in cash and cash equivalents                                    | 1,067,562            | (1,298,108)         |
| Cash and cash equivalents, beginning of year                                            | <u>2,788,739</u>     | <u>4,086,847</u>    |
| Cash and cash equivalents, end of year                                                  | <u>\$ 3,856,301</u>  | <u>\$ 2,788,739</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: |                      |                     |
| Net operating income (loss)                                                             | \$ 4,745,476         | \$ (1,683,790)      |
| Adjustments to reconcile operating income to Net cash provided by operating activities: |                      |                     |
| Changes in assets and liabilities:                                                      |                      |                     |
| Member receivables                                                                      | 10,984               | (7,934)             |
| Excess receivable                                                                       | 3,414                | (3,414)             |
| Other receivables                                                                       | 26,175               | (26,875)            |
| Prepaid expenses                                                                        | (241,584)            | 177,820             |
| Accounts payable                                                                        | 22,610               | (254,376)           |
| Claims liabilities                                                                      | <u>(229,489)</u>     | <u>4,032,157</u>    |
| Net cash provided by operating activities                                               | <u>\$ 4,337,586</u>  | <u>\$ 2,233,588</u> |
| SUPPLEMENTAL DISCLOSURES                                                                |                      |                     |
| Noncash investing, capital and financing activities                                     |                      |                     |
| Change in unrealized gain (loss) on investments                                         | <u>\$ (490,289)</u>  | <u>\$ 521,699</u>   |

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

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EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2021, ERMA was comprised of thirteen 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 2020/2021, ERMA purchased excess coverage of \$2 million for each claim per member city with a \$4 million per member aggregate subject to a \$10 million policy aggregate, for those members who chose to participate. ERMA's administrator, Sedgwick, oversees and pays all claims and related costs once they exceed a member's self-insured retention.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Accounting Method

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

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Income Taxes

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

Cash Equivalents

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

Use of Estimates

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

Classification of Revenues

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

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

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

Comparative Data

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

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NOTE 3 - CASH AND INVESTMENTS:

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

|                                                                |                     |
|----------------------------------------------------------------|---------------------|
| Cash and cash equivalents:                                     |                     |
| Cash deposits with financial institutions                      | \$ 43,837           |
| CAMP pool – Money Market                                       | 488,616             |
| CAMP pool – Liquidity                                          | 10,003              |
| State investment pool – Local Agency<br>Investment Fund (LAIF) | <u>3,313,845</u>    |
| Total cash and cash equivalents                                | <u>\$ 3,856,301</u> |
| Investments:                                                   |                     |
| Current                                                        | \$ 5,927,750        |
| Non-current                                                    | <u>19,784,121</u>   |
| Total investments                                              | <u>\$25,711,871</u> |
| Total cash and investments                                     | <u>\$29,568,172</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<br>Investment Type       | Maximum<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>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%                                   | 5%                                     |
| 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                                   |

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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<br>or Less           | 13-24<br>Months    | 25-60<br>Months     |
| U.S. Treasury Notes                | \$10,881,140        | \$ 4,265,070                   | \$ 560,305         | \$ 6,055,765        |
| U.S. Agency Securities             | 5,316,500           | 628,423                        | 382,076            | 4,306,001           |
| Corporate Notes                    | 3,899,380           | 278,757                        |                    | 3,620,623           |
| Negotiable Certificates of Deposit | 1,472,373           | 254,752                        | 1,217,621          |                     |
| Supra-Nationals                    | 1,025,141           | 500,748                        | 125,542            | 398,851             |
| Asset Backed Securities            | 2,062,392           |                                | 186,414            | 1,875,978           |
| Municipal Bonds                    | <u>1,054,945</u>    |                                |                    | <u>1,054,945</u>    |
| Total                              | <u>\$25,711,871</u> | <u>\$ 5,927,750</u>            | <u>\$2,471,958</u> | <u>\$17,312,163</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            | \$741,239                     |

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



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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<br>Type                 | Amount              | Not<br>Rated     | Rating as of Year End |                     |                    |                   |                  |
|------------------------------------|---------------------|------------------|-----------------------|---------------------|--------------------|-------------------|------------------|
|                                    |                     |                  | AAA                   | AA                  | A                  | A-1               | BBB              |
| U.S. Treasury Notes                | \$10,881,140        | \$               | \$                    | \$10,881,140        | \$                 | \$                | \$               |
| U.S. Agency Securities             | 5,316,500           |                  |                       | 5,316,500           |                    |                   |                  |
| Corporate Notes                    | 3,899,380           |                  |                       | 684,660             | 2,320,131          |                   | 894,589          |
| Negotiable Certificates of Deposit | 1,472,373           |                  |                       | 511,312             | 706,309            | 254,752           |                  |
| Supra-Nationals                    | 1,025,141           |                  | 1,025,141             |                     |                    |                   |                  |
| Asset Backed Securities            | 2,062,392           | 150,359          | 1,912,033             |                     |                    |                   |                  |
| Municipal Bonds                    | <u>1,054,945</u>    | <u>125,145</u>   | <u>79,689</u>         | <u>723,797</u>      | <u>126,314</u>     |                   |                  |
| Total                              | <u>\$25,711,871</u> | <u>\$275,504</u> | <u>\$3,016,863</u>    | <u>\$18,117,409</u> | <u>\$3,152,754</u> | <u>\$ 254,752</u> | <u>\$894,589</u> |

Concentration of Credit Risk

The investment policy of ERMA places limits on the amount that may be invested in any one issuer. 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 are as follows:

| Issuer      | Investment Type           | Amount      |
|-------------|---------------------------|-------------|
| Freddie Mac | Federal Agency Securities | \$3,283,845 |

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, 2021, none of the Authority's deposits in excess of FDIC limits were held in uncollateralized accounts.

EMPLOYMENT RISK MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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None of ERMA's investments were subject to custodial credit risk at June 30, 2021. 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, 2021, ERMA's investment in the California Asset Management Program (CAMP) pool was \$498,619. 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, 2021:

| Investment Type                    | Level 1 | Level 2      | Level 3 | Total        |
|------------------------------------|---------|--------------|---------|--------------|
| U.S. Treasury Notes                | \$      | \$10,881,140 | \$      | \$10,881,140 |
| U.S. Agency Securities             |         | 5,316,500    |         | 5,316,500    |
| Corporate Notes                    |         | 3,899,380    |         | 3,899,380    |
| Negotiable Certificates of Deposit |         | 1,472,373    |         | 1,472,373    |
| Supra-Nationals                    |         | 1,025,141    |         | 1,025,141    |
| Asset Backed Securities            |         | 2,062,392    |         | 2,062,392    |
| Municipal Bonds                    |         | 1,054,945    |         | 1,054,945    |

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, 2021

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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 1.5% and 2% for 2020/2021 and 2019/2020, respectively. 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, 2021 and 2020 was \$18,270,916 and \$18,682,754, respectively.

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

|                                                                                             | <u>2020/2021</u>    | <u>2019/2020</u>    |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| Claims liabilities at beginning of year                                                     | \$17,990,804        | \$13,958,647        |
| Incurred claims and claims adjustment expenses:                                             |                     |                     |
| Provision for insured events of the current year                                            | 6,418,061           | 5,971,321           |
| Change in provision for insured events for prior years                                      | <u>(3,296,939)</u>  | <u>2,294,727</u>    |
| Total incurred claims and claims adjustment expenses                                        | <u>3,121,122</u>    | <u>8,266,048</u>    |
| Payments:                                                                                   |                     |                     |
| Claims and claims adjustment expenses attributable to insured events of current fiscal year | 70,963              | 18,345              |
| Claims and claims adjustment expenses attributable to insured events of prior years         | <u>3,279,648</u>    | <u>4,215,546</u>    |
| Total payments                                                                              | <u>3,350,611</u>    | <u>4,233,891</u>    |
| Total claims liabilities at end of year                                                     | <u>\$17,761,315</u> | <u>\$17,990,804</u> |

The components of the claims liabilities as of June 30, 2021 and 2020 were as follows:

|                                             | <u>2020/2021</u>    | <u>2019/2020</u>    |
|---------------------------------------------|---------------------|---------------------|
| Claims reserves                             | \$ 2,450,876        | \$ 4,244,948        |
| Claims incurred but not reported (IBNR)     | 14,489,979          | 12,919,117          |
| Unallocated loss adjustment expenses (ULAE) | <u>820,460</u>      | <u>826,739</u>      |
|                                             | <u>\$17,761,315</u> | <u>\$17,990,804</u> |

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NOTE 5 - MEMBER DIVIDENDS:

In June, 2021, the Board of Directors approved the return of equity at the 90% confidence level totaling \$3,000,000, to members that participated in the program years 2012/2013 through 2015/2016. 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, 2021 was \$800,694.

NOTE 7 – SUBSEQUENT EVENTS:

ERMA's management evaluated its June 30, 2021 financial statements for subsequent events through , 2021 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

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CLAIMS DEVELOPMENT INFORMATION

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The following table illustrates how the Employment Practices Liability Program earned revenue (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Program 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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CLAIMS DEVELOPMENT INFORMATION

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**EMPLOYMENT PRACTICES LIABILITY PROGRAM**

|                                                                                               | <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>   | <u>2020/2021</u> |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------|--------------------|-------------------|---------------------|-------------------|------------------|--------------------|------------------|
| 1. Required contribution and investment revenue:                                              |                      |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| Earned                                                                                        | \$ 6,915,813         | \$ 6,324,018         | \$5,637,666         | \$5,360,293        | \$5,570,519       | \$6,305,939         | \$6,656,049       | \$7,186,334      | \$7,807,782        | \$9,140,672      |
| Net assessments/(dividends)                                                                   | (4,539,733)          | (2,445,908)          | (1,556,386)         | (229,200)          | (575,844)         |                     |                   |                  |                    |                  |
| Ceded                                                                                         | <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>     | <u>333,029</u>   |
| Net earned before allocated interest                                                          | 2,185,585            | 3,685,500            | 3,887,939           | 4,935,633          | 4,790,317         | 6,086,241           | 6,420,352         | 6,887,597        | 7,496,242          | 8,807,643        |
| Allocated interest earned                                                                     | <u>433,145</u>       | <u>536,693</u>       | <u>445,376</u>      | <u>259,048</u>     | <u>307,656</u>    | <u>434,639</u>      | <u>436,988</u>    | <u>511,803</u>   | <u>251,558</u>     | <u>27,495</u>    |
| Total net earned                                                                              | 2,618,730            | 4,222,193            | 4,333,315           | 5,194,681          | 5,097,973         | 6,520,880           | 6,857,340         | 7,399,400        | 7,747,800          | 8,835,138        |
| 2. Unallocated expenses                                                                       | 702,158              | 733,423              | 744,782             | 789,819            | 823,781           | 901,310             | 1,172,746         | 961,378          | 913,984            | 947,284          |
| 3. Estimated claims and expenses, end of program year:                                        |                      |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| Incurred                                                                                      | 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          | 6,418,061        |
| Ceded                                                                                         |                      |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| Net incurred                                                                                  | <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>   | <u>6,418,061</u> |
| 4. Net paid (cumulative) as of:                                                               |                      |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| End of program year                                                                           | 34,348               |                      |                     | 3,154              |                   |                     |                   | 27,980           | 18,345             | 70,963           |
| One year later                                                                                | 35,318               | 223,823              | 17,342              | 571,386            | 549,594           | 202,129             | 163,454           | 578,825          | 989,719            |                  |
| Two years later                                                                               | 322,389              | 932,721              | 926,832             | 1,138,422          | 1,422,765         | 1,210,214           | 3,079,649         | 1,397,468        |                    |                  |
| Three years later                                                                             | 1,546,668            | 1,754,660            | 1,625,601           | 2,749,312          | 3,032,900         | 3,493,915           |                   |                  |                    |                  |
| Four years later                                                                              | 1,916,982            | 1,786,551            | 2,172,644           | 3,367,741          | 3,055,127         | 2,141,826           |                   |                  |                    |                  |
| Five years later                                                                              | 1,916,982            | 1,827,552            | 2,208,703           | 3,413,372          | 3,214,567         |                     |                   |                  |                    |                  |
| Six years later                                                                               | 1,916,982            | 1,844,591            | 2,208,703           | 4,047,591          |                   |                     |                   |                  |                    |                  |
| Seven years later                                                                             | 1,916,982            | 1,868,656            | 2,210,525           |                    |                   |                     |                   |                  |                    |                  |
| Eight years later                                                                             | 1,916,982            | 1,873,510            |                     |                    |                   |                     |                   |                  |                    |                  |
| Nine years later                                                                              | 1,916,982            |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| 5. Reestimated ceded claims and expenses                                                      |                      |                      |                     | 673                | 204,905           |                     | 233,931           |                  |                    |                  |
| 6. Reestimated net incurred claims and expenses:                                              |                      |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| End of program year                                                                           | 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          | 6,418,061        |
| One year later                                                                                | 2,876,295            | 2,620,642            | 2,431,322           | 3,571,092          | 3,918,988         | 3,889,398           | 4,603,354         | 6,255,070        | 5,936,561          |                  |
| Two years later                                                                               | 1,969,700            | 2,570,866            | 3,139,528           | 3,524,645          | 3,868,253         | 3,784,898           | 5,938,019         | 5,262,299        |                    |                  |
| Three years later                                                                             | 2,501,089            | 2,676,825            | 2,846,320           | 4,140,235          | 4,278,651         | 3,671,902           | 4,715,872         |                  |                    |                  |
| Four years later                                                                              | 2,327,372            | 2,214,660            | 2,637,369           | 4,020,623          | 3,572,729         | 3,136,559           |                   |                  |                    |                  |
| Five years later                                                                              | 1,916,982            | 2,107,528            | 2,416,483           | 4,337,518          | 3,430,630         |                     |                   |                  |                    |                  |
| Six years later                                                                               | 1,916,982            | 1,975,855            | 2,208,703           | 4,212,213          |                   |                     |                   |                  |                    |                  |
| Seven years later                                                                             | 1,916,982            | 2,125,016            | 2,211,018           |                    |                   |                     |                   |                  |                    |                  |
| Eight years later                                                                             | 1,916,982            | 1,878,184            |                     |                    |                   |                     |                   |                  |                    |                  |
| Nine years later                                                                              | 1,916,982            |                      |                     |                    |                   |                     |                   |                  |                    |                  |
| 7. Increase (decrease) in estimated net incurred claims and expenses from end of program year | <u>\$(1,679,934)</u> | <u>\$(1,267,349)</u> | <u>\$ (699,445)</u> | <u>\$1,129,638</u> | <u>\$ (6,009)</u> | <u>\$ (953,867)</u> | <u>\$ 403,137</u> | <u>\$527,931</u> | <u>\$ (34,760)</u> | <u>\$ _____</u>  |

DRAFT  
10/19/21

OTHER REPORT





Sampson, Sampson & Patterson, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

3148 Willow Avenue, Suite 102  
Clovis, California 93612-4739  
(559) 291-0277 • FAX (559) 291-6411

DRAFT  
10/19/21

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, 2021, and the related notes to the financial statements, which collectively comprise ERMA's basic financial statements, and have issued our report thereon dated , 2021.

**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  
, 2021



Sampson, Sampson & Patterson, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

3148 Willow Avenue, Suite 102  
Clovis, California 93612-4739  
(559) 291-0277 • FAX (559) 291-6411

November 1, 2021

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, 2021. 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 20, 2021. 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, 2021. 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 1, 2021.

### *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*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Approval of Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services**

---

**BACKGROUND AND STATUS:**

Amendment Two to the Agreement for Administrative, Litigation Management, and Financial Services, assigning York's contractual obligations to Sedgwick along with compensation modifications reflecting the addition of two additional primary JPAs and thirty-seven additional member agencies, was approved on June 8, 2021.

Following the late withdrawal of one of the JPAs, an adjustment to the base contract price utilized in the Second Amendment is required.

Attached for the Board's review and consideration is Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services, which expires June 30, 2023.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services, effective November 1, 2021.*

**REFERENCE MATERIALS ATTACHED:**

- Amendment Three to the Agreement for Administrative, Litigation Management, and Financial Services in redline/strikeout

**AMENDMENT ~~TWO-THREE~~ TO THE**  
**AGREEMENT FOR ADMINISTRATIVE, LITIGATION**  
**MANAGEMENT, AND FINANCIAL SERVICES**

This Amendment ~~Two-Three~~ to that certain Agreement for Administrative, Litigation Management and Financial Services, effective as of July 1, 2018 (the "Agreement"), by and between the Employment Risk Management Authority ("ERMA") and Sedgwick Claims Management Services, Inc., successor in interest to Bickmore ("Bickmore"), is entered into by and among ERMA and Sedgwick Claims Management Services, Inc. ("Sedgwick").

WITNESSETH

WHEREAS, the Agreement at section VIII, Paragraph A, Annual Base Contract Price, provides that Sedgwick hereby agrees to perform the services set forth in the agreement for all five years of the Agreement for an "Annual Base Contract Price" (ABCP);

WHEREAS, the ABCP for the fiscal year 2018/19 was set at \$697,162 and was to increase by an annual inflator of 2% per program year plus any adjustments to account for new or withdrawing members to the program as outlined in subparagraph B to Section VIII;

WHEREAS, beginning with the fiscal year 2020/21, ERMA and Sedgwick have agreed to an additional 2% increase to the newly calculated ABCP as of July 1, 2021 in order to further compensate Sedgwick for an increase in claims volume for the program;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. For fiscal year 2021/~~2022~~, the ABCP shall be restated at \$~~956,175~~827,605 plus an additional 2% increase as of July 1, 2021 in order to further compensate Sedgwick for an increase in claims volume for the program. The calculation for the newly restated ABCP is attached hereto and incorporated by reference as though fully set forth.
2. If there is an additional significant increase in claims volume, Sedgwick may propose additional charges. Any further request shall include appropriate supporting documentation for the requested amounts as applicable for the contract based on increased claims volume, a projection of the duration of such increase in volume, and whether the increase in volume will extend to any remaining years of the Contract. If ERMA agrees to such additional charges, the fees will be adjusted accordingly. If ERMA does not agree to such charges, the parties shall use good faith and efforts to adjust the charges to an agreed amount.

All other terms of the Agreement shall remain in full force and effect and are not modified by this Amendment, except as expressly set forth herein. Any conflicts between this amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.

EMPLOYMENT RISK  
MANAGEMENT AUTHORITY

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Dated \_\_\_\_\_

Dated \_\_\_\_\_



**ADMINISTRATIVE MATTERS**

**SUBJECT: Approval of Service Agreement between ERMA and in2vate**

---

**BACKGROUND AND STATUS:**

As one of ERMA's long-term strategic partners, in2vate has provided a robust and comprehensive program to ERMA's 219 members that includes a learning management system providing online training and registration management and an employee protection line.

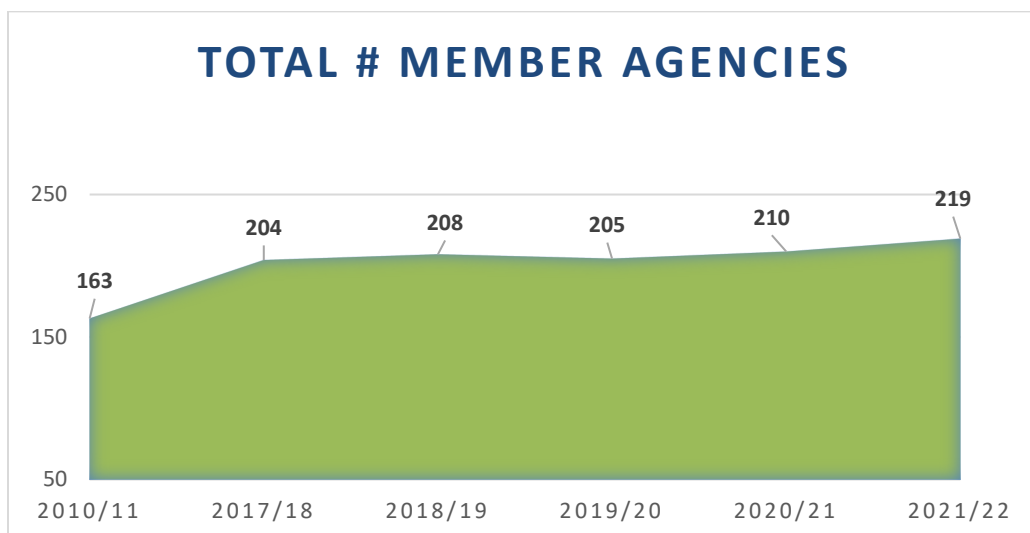
The existing agreement, executed on September 1, 2010, for a term of three years with automatic renewals for successive one-year periods, provides compensation to in2vate as follows:

- Learning Management System: \$24,000 annually
- Employee Protection Line: \$0.27 annual per employee + \$45 per telephone report fee

In a review of the service agreement, in2vate proposes the following updates:

- Learning Management System: \$12,000 ERMA annual licensing fee + \$70 per member annual licensing fee (219 members = \$15,330) TOTAL: \$27,330
- Employee Protection Line: \$0.30 annual per employee + \$50 per telephone report fee

The proposed revisions to the compensation structure for access to in2vate's Learning Management System (*ERMANet*) allows for adjustments to the annual member licensing fee in relation to the total number of individual member agencies. As reference, the following chart depicts the total number of ERMA members in recent years:



The proposed increase to fees associated with the employee protection line equates to a 1% annual increase since the execution of the existing agreement in 2010.

Staff and Doug Alliston, Board Counsel, have reviewed the proposed agreements and will answer questions from the Board.

**RECOMMENDATION:**

*Staff recommends the Board of Directors retroactively approve the proposed Service Agreement Between ERMA and in2vate, effective September 1, 2021.*

**REFERENCE MATERIALS ATTACHED:**

- In2vate Web Service Agreement
  - Statement of Work No. 1 – Learning Management System
  - Statement of Work No. 2 – Employee Protection Line

## **WEB SERVICES AGREEMENT**

THIS WEB SERVICES AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between in2vate, llc, an Oklahoma limited liability company ("in2vate"), and any entity identified as the Client in a Statement of Work ("SOW") attached to this Agreement ("Client"). Collectively, in2vate and Client are referred to as the "Parties." The Effective date of this Agreement is September 1, 2021 ("Effective Date").

WHEREAS, in2vate has developed a web-based tracking and training program for human resource, risk management, legal personnel, staff and volunteers ("in2vate online™");

WHEREAS, Client seeks to utilize in2vate online™ for its particular purposes;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties, intending to be bound, hereby agree as follows:

### **1. Scope of Services, Pricing & Payment**

(a) A description of in2vate online™, its products and services contained therein and accompanying pricing are indicated in the Statement(s) of Work attached hereto and incorporated by reference herein as SOW(s). Whenever the terms of the SOW(s) are in conflict with this Agreement, the terms of the SOW(s) shall be controlling. Any addition or deletion to, or modification of, the SOW(s) shall be effective and binding on the parties only upon execution of a revised SOW. The most recently executed SOW shall supersede all prior SOW(s).

(b) Notwithstanding anything to the contrary in this Agreement, in2vate reserves the right to add, eliminate or modify any component of in2vate online™ at any time without notice to Client, provided such modifications shall not materially decrease the functionality of in2vate online™ as set forth in the SOW(s). in2vate will provide reasonable notice to Client of any material component of in2vate online™ that is added, eliminated or modified.

(c) All charges shall be billed to Client and shall be payable by the Effective Date or the anniversary date, or as otherwise specified in the SOW(s). Any amounts not paid by Client to in2vate when due shall accrue interest at the rate of one and one-half percent (1.5%) per month, computed from the date such amounts were due to the date of payment.

### **2. Term and Termination**

(a) This Agreement shall commence on the Effective Date and shall continue for a duration of one (3) years (the "Term"). This Agreement shall automatically renew for successive one (1) year periods after the initial Term, unless terminated as provided for in this Agreement or altered by prior agreement of the Parties and incorporated by amendment to this Agreement.

(b) (1) Either party may terminate this Agreement on the last day of any Term by giving the other party thirty (30) days prior written notice of its intention to terminate.

(2) If either party fails to fulfill any material term or condition of this Agreement, the breaching party will have a thirty (30)-day period following receipt of written notice from the other party to cure the breach with the exception that any cure requiring the alteration(s) of a computer database will have a ninety (90)-day period following receipt of written notice. If the breach is not

cured within the applicable period, the other party shall have the option of terminating this Agreement and pursuing any other remedy available to it under the Agreement or under the law.

3. Hardware, Equipment & Software

Unless otherwise stated in this Agreement, Client is responsible for and must provide, at its sole cost, all telephone, computer, hardware and software equipment and services necessary to utilize in2vate online™. in2vate makes non-representations, warranties or assurances that Client or any other third-party equipment or services will be compatible with in2vate online™. Client is solely responsible for ensuring and maintaining interoperability, interconnection, interaction and access with respect to its equipment and/or services and in2vate online™.

4. Internet Access

Unless otherwise stated in this Agreement, Client and its clients are responsible for and must obtain, at its sole cost, Internet access service.

5. Acceptable Use Policy

Client agrees to use in2vate Online™ strictly in accordance with the Acceptable Use Policy located at in2vate.com which may be modified by in2vate from time to time, and which is incorporated herein by reference and made a part of this Agreement.

6. Lawful Purpose

Client may only use in2vate online™ for lawful purposes. Transmission or usage of any material in violation of any federal, state or local laws, rules, or regulations is strictly prohibited. This includes, but is not limited to, copyrighted material (without proper permission), material legally judged, or judged by in2vate in its sole discretion, to be threatening or obscene, pornographic or profane, or material protected by trade secrets. Furthermore, in2vate expressly forbids Client from using in2vate online™ for the propagation, distribution, housing, processing, storing, or otherwise handling in any manner of threatening, lewd, obscene, or pornographic material, or any other material which in2vate deems to be objectionable. The foregoing includes links or any connection to such materials. The designation of any materials as objectionable is left entirely to the discretion of in2vate.

7. Ownership of in2vate Products and Services

Client acknowledges that in2vate online™ is owned by in2vate, including, but not limited to, all in2vate products, services, and programming contained therein and as set forth in the SOW(s). Nothing contained herein to the contrary, Client obtains no right, title or interest in any of the products, services, and programming contained in in2vate online™, including any modifications, improvements, additions or deletions whether paid for by the Client or in2vate on behalf of Client.

8. Ownership Rights to Client Content and/or Third-Party Content Provided by Client

in2vate and Client acknowledge that during the Term of this Agreement they may agree to incorporate into in2vate online™ as set forth in the SOW(s), products and services ("content") owned by Client and/or content owned by a Third-Party and provided or made accessible by Client. If such an agreement is made, the ownership rights to any such Client and/or Third-Party content shall be agreed upon prior to incorporating it into in2vate online™. Any such agreement(s) shall be reflected in an Amendment(s) to the SOW(s) to this Agreement.

9. Ownership of Data

Client-related data is owned by the Client. The Client data is made available through a variety of reports and exports, lists and views through in2vate online™. In the event the Client requires an export of data

outside of the methods provide through the application, the Client agrees to pay the prevailing fees associated with extracting the data from the data base.

Client grants in2vate the right to use the data collected in a completely redacted format as long as there is no identifying information.

#### 10. Use of Logo

Client grants in2vate a limited right to use Client's official logo. The use of Client's logo will be limited to the in2vate website or on other materials where client logos are displayed.

#### 11. Warranties

(a) in2vate represents that in2vate is the owner of in2vate online™ and related documentation or otherwise has the right to grant to Client the license to access and use same as set forth in the Agreement without violating any rights of any third party.

(b) in2vate represents that there are features which can cause an automatic disabling of in2vate online™ if Client should have allegedly breached the Agreement. in2vate represents that it will not utilize such features to prevent Client from utilizing in2vate online™ unless it gives Client written notice of an alleged breach by Client pursuant to this Agreement and Client fails to cure said breach within thirty (30) days of its receipt of such notice.

(c) Client expressly agrees that use of in2vate online™ is at Client's sole risk. Neither in2vate, its employees, independent contractors, affiliates, agents, third-party information providers, merchants, licensors, or the like, warrant that in2vate online™ will not be interrupted or error free; provided that in2vate will undertake its best efforts to ensure that in2vate online™ will be uninterrupted and error free. in2vate will undertake its best efforts to ensure that the results that may be obtained from the user of in2vate online™ will be as represented in this Agreement and in the SOW(s). In2vate will undertake its best efforts to ensure that in2vate online™ content or any information, information service or merchandise, in or provided through in2vate online™ will be accurate and reliable.

(d) Under no circumstances shall in2vate, its employees, independent contractors, affiliates, agents, third-party information providers, merchants, licensors, or the like, or anyone else involved in creating, producing or distributing in2vate online™, be liable for any indirect, damages that result from the use of, or inability to use, in2vate online™, or that result from mistakes, omissions, interruptions, deletion of files, errors, defects, delays in operation, transmission or any failure of performance, caused by acts of God, communication failure, theft, destruction or unauthorized access to in2vate's records, programs or services. notwithstanding the foregoing, in2vate shall not be liable for any damages whatsoever for any failure to fulfill its obligations hereunder if such failure is caused by or arises out of an act of force majeure, including acts of God or strike, riot, labor dispute, natural disaster, power outage, fire, technical failure or any other reasons beyond the control of in2vate. Client hereby acknowledges that this Section shall specifically include, without limitation, any and all content contained within in2vate online™, regardless of the source of such content. This Section shall apply even if in2vate has been advised of the possibility of such damages. Since some states do not allow the exclusion or limitation of liability for consequential or incidental damages, in such states in2vate's liability is limited to the greatest extent permitted by law.

#### 12. Indemnification

Client agrees that it shall defend, indemnify, save and hold in2vate harmless from any and all demands, liabilities, losses, costs, causes of action, damages and claims, including reasonable attorney fees

("Liabilities") asserted against in2vate, its agents, its customers, servants, officers, employees, or independent contractors that arise or result from Client's performance or failure to perform its obligations hereunder.

in2vate agrees that it shall defend, indemnify, save and hold Client harmless from any and all demands, liabilities, losses, costs, causes of action, damages and claims, including reasonable attorney fees, ("Liabilities") asserted against Client, its agents, its customers, servants, officers, employees, or independent contractors that arise or result from in2vate's performance or failure to perform its obligations hereunder.

### 13. Assignment

Neither party shall directly nor indirectly assign this Agreement or the rights or duties created by this Agreement without the prior written consent of the other party. Any purported assignment or transfer in violation of the foregoing shall be null, void and unenforceable. This Agreement and the rights and obligations hereunder shall inure to the benefit of and be binding upon the parties' respective successors and permitted assigns.

### 14. Relationship of Parties

No agency, employer-employee, or any other direct relationship between in2vate and Client shall arise from this Agreement or from the parties' dealings otherwise. Client shall not hold itself out to any third parties as an agent of in2vate, and Client shall not be granted, or hold itself out to have, any authority to act for, or to create any liabilities on behalf of, in2vate other than as expressly set forth in this Agreement.

### 15. Notices

Any written notice given under this Agreement shall be to the addresses set forth below. The notice shall be deemed duly given, if sent to such address by electronic means (electronic mail or facsimile, with confirmation of receipt) or delivered by hand, on the same business day it was transmitted or delivered, or on the next business day if transmitted or delivered on a non-business day. The notice shall be deemed duly given, if sent by prepaid overnight, registered or certified mail, on the day of receipt.

If to in2vate:  
in2vate, llc  
PO Box 2550  
Tulsa, OK 74101-2550  
Fax: (918) 582-5261  
e-mail: rduffield@in2vate.com  
Attention: Roger Duffield, President

If to Client:  
ERMA  
c/o Sedgwick  
1750 Creekside Oaks Dr., Suite 200  
Sacramento, CA 95833  
e-mail: Jennifer.job@sedgwick.com  
Attention: Jennifer Jobe

In the event either party has a change of address or telephone number, such party agrees to notify the other party in writing within thirty (30) days of such change.

16. Waiver

The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect such party's rights to enforce such provision, nor shall the waiver by either party of a breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same or dissimilar provision.

17. Survival of Provisions

The provisions of Sections 7, 8, 9, 11, 12, 14, 15, 17, 19, 20, 21 and 22 shall survive the termination or expiration of this Agreement.

18. Entire Agreement & Severability

This Agreement constitutes the entire agreement between Client and in2vate and shall supersede any and all previous or contemporaneous representations, understandings, discussions or agreements between the parties with respect to the subject matter of this Agreement, and may only be modified or amended by written instrument, signed by the parties. In the event that any term or provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, then such term or provision shall be stricken, and the remaining provisions of this Agreement shall remain in full force and effect.

19. Patent, Copyright, and Trade Secret Indemnity

(a) in2vate warrants that the use of in2vate online™ shall not infringe upon any third-party patent, copyright or trade secret. At its own expense, in2vate shall defend or settle any claim, suit, or proceeding brought by a third party against Client and alleging infringement upon a third-party patent, copyright or trade secret in the use of in2vate online™. in2vate shall pay any and all costs and damages, including royalties and license fees, finally awarded against Client attributable to such claim. Client shall give in2vate prompt notice of any such claim, suit, or proceeding; shall permit in2vate through its counsel to defend such claim, suit or proceeding; and shall give in2vate all available information, reasonable assistance and authority to do so. in2vate shall have complete control of the defense of any such claim, suit or proceeding, including appeals, negotiations, and the right to affect a settlement or compromise thereof. (b) The foregoing indemnity shall not extend to any claim of infringement resulting from Client's modification of in2vate online™, however, in2vate shall provide such indemnification for any portion of in2vate online™ which is unmodified.

20. Confidentiality

in2vate hereby gives notice to Client that all information provided to Client by in2vate including, but not limited to, manuals and other written materials, audio and video tapes and DVDs, handbooks, publications, and training in written or computerized form, is confidential and is to be considered proprietary to in2vate; and none of such information shall be copied, distributed, or reproduced in any manner by Client or its affiliates and agents without the express prior written consent of in2vate. Except as otherwise provided or required by law, in2vate agrees to keep confidential any information it may receive from Client including but not limited to information regarding its prospects and insureds pursuant to this Agreement. Except as otherwise provided or required by law, in2vate further agrees to keep confidential any information concerning Client's marketing strategy, insurance company relationships, products and services of which in2vate may become aware of during the Term of this Agreement. Such confidentiality undertakings survive the termination of this Agreement.

21. Governing Law

This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Oklahoma. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought in the courts of record of the State of Oklahoma.

22. Arbitration

If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties endeavor to resolve the dispute by cooperative mutual agreement. Any controversy, claim or dispute arising out of or relating to this Agreement, that cannot be resolved by the parties shall be settled solely and exclusively by binding arbitration in Tulsa, Oklahoma. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"). If for any reason this arbitration clause is determined to be inapplicable, then each party may pursue its remedies to the fullest extent permitted by law, including all rights to trial by jury as to any issue relating to this agreement in any action, proceeding or claim or any other matter involving the parties hereto.

IN WITNESS WHEREOF, the undersigned authorized representatives of the Parties have executed this Agreement.

in2vate, llc

ERMA

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Roger Duffield, CPCU, ARM  
TITLE: President

Jennifer Jobe  
TITLE: Director, Pool Administration

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



**Statement of Work  
No. 1  
Learning Management System**

This Statement of Work ("SOW1") is made part of and incorporated by reference into the Web Services Agreement ("Web Agreement") entered into by and between in2vate, llc of Tulsa, Oklahoma, and Employment Risk Management Authority, a California Joint Powers Authority of Sacramento, California, ("Client"), with an effective date of September 1, 2021 ("SOW1 Effective Date").

If there are any conflicts between the terms and conditions of the Web Agreement and this SOW1, then the SOW1 will govern.

**A. Background**

in2vate provides a custom Learning Management System, with all EPL, SASC and Safety Content. The Client seeks to utilize in2vate's Learning Management System and risk management content. Client agrees to work within the current framework as described below.

**B. Client Objectives**

- Support Client as an industry leader in risk management.
- Facilitate Client's educational and risk management programs to improve the overall risk profile of their insureds to reduce the frequency and severity of claims.
- Growth in client loyalty.

**C. Member Outcomes**

- Access to online training, tracking and support resources.
- Simplification of administration's monitoring and implementation of employee education with a focus on compliance management, risk improvement and claim reduction.
- Access to a variety of services at discounted rates.

**D. Services**

The in2vate Online™ components that are included:

- Online training and content for employment practices, including the following modules:
  - Sexual Harassment and Discrimination – California Employees (SB 1343) (English & Spanish)
  - Sexual Harassment and Discrimination – California Supervisors (AB 1825)
  - California Ethics (AB1234)
  - Collective Risk Management Team
  - Employee Protection Line® Employee Awareness
  - Sensitivity Basics: Creating Positive Working Relationships
- Live training administration and tracking
- Weekly management training bulletins
- Video Training tools – self-managed video content library, with basic tracking
  - Includes in2vate quarterly webinar content
- Aggregate reporting by JPA (ERMA SuperAdmin access only)
  - Additional fee for access by JPA
- User self-registration page – <https://www.in2vate.com/erma>

ERMA members have access to discounted services that include, but are not limited to:

- Best Practices Risk Management Line® (BPRML) – HR consultations

- Discounted background screening/MVR reports
- Online Training

**E. Fees and Costs**

|                                                                               |                 |
|-------------------------------------------------------------------------------|-----------------|
| a. Annual licensing fee                                                       | \$12,000        |
| b. Per Member annual licensing fee (\$70 per member)<br>(2021 -- 227 members) | <u>15,890</u>   |
| Total Annual Fee                                                              | <u>\$27,890</u> |

**Payment Schedule and Method**

- Annual fee shall be paid in quarterly installments and due within 15 days of invoice:
  - August, November, February, and May
- Each year there will be CPI increase of 2.5%, beginning with the first renewal following the initial term of this Agreement.
- Client shall pay in2vate as follows: (1) ACH (preferred method); (2) Check. Invoices will provide ACH or check payment instructions, as applicable. All payments received by in2vate for work performed under this agreement shall be credited toward satisfaction of Client's payment obligation.

**F. Annual Report**

in2vate will prepare and present to Client a formal, annual report of activities as of year-end of the contract. This will be provided no later than 60 days after the end of the contract term. This report shall describe the past year's activities, achievements, progress towards goals, and mutually agreed-upon objectives.

**G. Term and Termination**

This SOW1 shall commence on the SOW1 Effective Date and shall continue for a duration of Three (3) years (the "SOW1 Term"). This SOW1 shall automatically renew for successive one (1) year periods after the SOW1 Term, unless terminated as provided for in this SOW1 or the Web Services Agreement.

Either party may terminate this SOW1 on the last day of the then current renewal term by giving the other party thirty (30) days prior written notice of its intention to terminate.

Accepted by Employment Risk Management Authority:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledged by in2vate:

Name: Roger Duffield, CPCU, ARM  
President

Date: \_\_\_\_\_

**Statement of Work  
No. 2  
Employee Protection Line®**

This Statement of Work ("SOW2") is made part of and incorporated by reference into the Web Services Agreement ("Web Agreement") entered into by and between in2vate, llc of Tulsa, Oklahoma, and Employment Risk Management Authority, a California Joint Powers Authority of Sacramento, California, ("ERMA"), with an effective date of September 1, 2021 ("SOW2 Effective Date").

If there are any conflicts between the terms and conditions of the Web Agreement and this SOW2, then the SOW2 will govern.

1. **Background.** in2vate provides an anonymous reporting hotline allowing employees to report workplace wrongdoing 24/7 via the web or telephone. ERMA seeks to provide in2vate's Employee Protection Line to its members as a value-add service. ERMA agrees to work within the current framework as described below.

2. **Services Provided by in2vate.** in2vate agrees to grant to all members of ERMA access to the Employee Protection Line® service ("EPL"). These members shall be referred to as "Subscribing Members." This service has been described to ERMA by in2vate or its agents and shall be substantially the same as outlined on the in2vate website or other materials provided to ERMA and Subscribing Members.

2. **Term and Termination.** The term of this Agreement shall begin upon the execution of this agreement by in2vate and ERMA. Services provided by in2vate will continue for existing members. For new members, services will not begin until receipt by in2vate of completed Subscriber Information and Contact Sheets for each new Subscribing Member. Regardless of when a new member is added, the term shall be for a period of one (1) year starting on September 1. The Term shall automatically renew for consecutive one (1) year Terms ("Renewal Terms") on each anniversary of the Effective Date (the "Renewal Date") unless either party gives written notice at least thirty (30) days prior to a Renewal Date of its intention to terminate this Agreement. In the event that ERMA terminates this Agreement, the Subscribing Member will be given the option to continue to subscribe to EPL at the Subscribing Member's expense at the then current pricing.

3. **Annual Fee.** Pricing for EPL is \$0.30 per employee, based on the total number of employees (FTE) for all Subscribing Members. in2vate has agreed to waive the per member minimum fee normally charged. Annual fee shall be paid within 15 days of invoice in August of each year. ERMA shall pay in2vate as follows: (1) ACH (preferred method); (2) Check. Invoices will provide ACH or check payment instructions, as applicable. All payments received by in2vate for work performed under this agreement shall be credited toward satisfaction of ERMA's payment obligation.

4. **Report Fee.** Subscription includes unlimited reports to the Employee Protection Line either via the web or via phone. There will be a report transcription fee of \$50 per report made via the phone. If a report is received from an employee in a language other than English, Subscriber agrees to pay a translation fee for each such report equal to the actual transcription fee charged to in2vate.

5. **Information/Confidentiality.** Upon in2vate's request, ERMA shall furnish all information reasonably necessary for in2vate to perform the services purchased. Any information furnished to in2vate, designated by ERMA and Subscribing Members as confidential, will not be disclosed except as reasonably necessary for in2vate's performance of the services and with ERMA's and Subscribing Members' written permission. Furnished information shall be returned to ERMA and Subscribing Members when it is no longer needed or when this Agreement terminates, whichever occurs first. ERMA acknowledges that information may be subject to production by subpoena or other formal legal process. in2vate hereby gives notice to ERMA that all implementation materials provided to ERMA by in2vate in the form of manuals, handbooks and publications, whether printed or electronic, is to be considered proprietary to in2vate and none of such information shall be disclosed, copied, distributed, or reproduced in any manner, whether or not distributed to third parties, without the express written consent of in2vate, except as necessary to assist members in implementing the service. In the event

either party terminates this Agreement, such material shall be removed from the facilities and employees of ERMA and its members and returned to in2vate. ERMA shall further notify Subscribing Members that may have access to the EPL of its termination of this Agreement. In such an event, each Subscribing Member will be allowed to renew their subscription to the EPL at the prevailing rate in effect on the Renewal Date. in2vate agrees not to disclose the substance of reports with a contact not listed by the Subscribing Member unless the Subscribing Member determines those reports discoverable through legal process or upon written permission, or in the event that all member contacts are conflicted for purposes of a report. In this event, in2vate will contact ERMA's legal department, as per protocol.

6. **Nonexclusive Services.** ERMA acknowledges that in2vate provides and will continue to provide its services to other private and governmental entities of in2vate's choosing.

7. **Subcontractors.** ERMA agrees in2vate may subcontract services to be provided pursuant to this Agreement.

8. **No Warranties/Guarantees.** in2vate does not warrant or guarantee that the EPL will prevent illegal activities, wrongdoing, lawsuits, damage assessments, or other claims or charges by any individual or entity.

9. **No Legal Representation or Services.** in2vate will not provide legal representation for ERMA or Subscribing Members. No confidential attorney-client relationship is intended or formed by this Agreement or the performance of it. Should ERMA or Subscribing Members desire legal representation, they agree to contact individuals or firms independent of in2vate.

10. **Report Recording.** ERMA agrees to in2vate's audio recording and transcription of all reports received from Subscribing Member's employees through the EPL toll-free number. ERMA agrees that the audio recordings are in2vate's sole property.

Accepted by Employment Risk Management Authority.:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledged by in2vate:

Name: Roger Duffield, CPCU, ARM  
President

Date: \_\_\_\_\_

**ADMINISTRATIVE MATTERS**

**SUBJECT: Proposed Amendments to Resolution Establishing Criteria for Approval of Investigators**

---

**BACKGROUND AND STATUS:**

An important aspect of ERMA's loss mitigation is the practice of conducting workplace investigations when appropriate. During this process, staff works with the member agency and defense counsel to retain quality independent investigators in an expeditious fashion. This practice most often allows the member agency and ERMA to address complaints in the most proactive manner possible.

ERMA's Litigation Manager annually reviews the panel to ensure the program continues to retain the most qualified investigators across the State. The most recent review of investigator rates took place in June 2018, after which the Board of Directors approved Resolution No. 2017-8, Establishing Criteria for Approval of Investigators, which reflected a \$40 per hour increase for attorney investigators and a \$35 per hour decrease for non-attorney investigators.

Staff was recently made aware the current rates under Resolution No. 2018-3 – \$160 per hour for non-attorney investigators and \$250 per hour for attorney investigators – no longer remain competitive and may be impacting ERMA's ability to retain quality investigators. Given the program's continued growth and the subsequent increased demand for investigators to quickly engage, staff proposes the following rate increases:

| INVESTIGATOR | CURRENT RATE | PROPOSED RATE | % INCREASE |
|--------------|--------------|---------------|------------|
| Non-Attorney | \$160        | \$200         | 25%        |
| Attorney     | \$250        | \$290         | 16%        |

Attached for the Board's review and consideration is Resolution No. 2021-7, Establishing Criteria for Approval of Investigators, reflecting the proposed increased hourly rates.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Resolution No. 2021-7, Establishing Criteria for Approval of Investigators, effective November 1, 2021.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2021-7, Establishing Criteria for Approval of Investigators, in redline/strikeout

**DRAFT RESOLUTION NO. 2021-7**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY  
ESTABLISHING CRITERIA FOR APPROVAL OF INVESTIGATORS**

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

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

WHEREAS, it is the desire of the Board of Directors to continue to reduce and control the costs and fees associated with the defense of claims, and

WHEREAS, the ERMA program has been in existence since 1999 and the Board of Directors previously established a panel of approved investigation firms to handle the employment practices investigations for ERMA and its members, and

WHEREAS, it is in the best interest of all members to ensure a thorough, good faith and impartial investigation of allegations of employment wrongdoing, when appropriate, to limit liability in an employment practices lawsuit, and

WHEREAS, it is in the best interest of all members to ensure professional, competent, and cost effective handling of investigations, and

WHEREAS, it is in the best interest of all members to have established professional criteria and a cap on the billable hourly rate an investigator may charge for the investigative services it provides.

NOW, THEREFORE, BE IT RESOLVED THIS RESOLUTION REPLACES RESOLUTION ~~2017-8~~2018-3 as follows:

A referral panel of approved investigators is in place for the ERMA program. *With prior approval of the ERMA Litigation Manager*, a member may use any investigator listed on the referral panel, or other investigator not listed on the referral panel who meets and agrees to the Investigator Criteria set forth below.

A. Criteria to be Approved to Conduct Investigative Services for ERMA Member Entities

Investigators desiring to be approved to perform investigative services for ERMA Member Entities must meet and agree to the following provisions before the Litigation Manager may approve them to do work for an ERMA member. Failure to obtain approval by the ERMA Litigation Manager will result in the fees and costs incurred by the member not being counted toward the member entity's self-insured retention (SIR):

1. The outside investigator must be able to perform the investigation for the member entity in a neutral and unbiased manner;
2. The outside investigator must have at least five years' experience conducting employment practices investigations, and be familiar with laws applicable to the facts of the investigation and applicable to the particular member entity;
3. A significant percentage of the outside investigator's practice and experience (if the investigator is an attorney, a significant percentage of his or her investigation practice and experience) must involve conducting public sector employment practices investigations;
4. Unless the outside investigator is an attorney or otherwise exempt, he/she must comply with the requirements of the California's Private Investigator Act;
5. The outside investigator must be familiar with the Fair Credit Reporting Act;
6. The outside investigator is preferred to have attended and completed the Association of Workplace Investigators' Training Institute, and obtain a certificate of completion;
7. At the commencement of the investigation, the outside investigator must agree to sign an engagement letter which outlines the scope of the investigation and responsibilities of the investigator. The outside investigator must be advised and agree that his/her role is to conduct a fact-based investigation, where a member may also ask for conclusions/opinions by the outside investigator of whether the member's policy or practice has been violated. The outside investigator agrees to conduct the investigation within the parameters of the member's requested scope of the investigation, and will not exceed that scope unless first authorized by the member and Litigation Manager. The scope of the outside investigator's role shall not at any time include drawing legal conclusions;
8. The outside investigator shall provide a proposed budget for the investigation at the commencement of the investigator's retention. Should the investigation begin to exceed the budget, the investigator shall, as soon as reasonably foreseeable, provide an updated budget for approval by the Litigation Manager or member;

9. Investigators must first obtain approval by the Litigation Manager before the member will have any expenditures of the investigator counted toward the member's SIR;
10. The rate to be charged by the investigator shall not exceed ~~\$250~~290.00 per hour if the investigator is also an attorney. The rate to be charged by the investigator shall not exceed ~~\$160~~200.00 for non-attorney investigators. Investigators agree to not separately bill a member for any differential amount between the investigator's standard hourly rate (if higher than ERMA's maximum hourly rate) and ERMA's approved hourly rate;
11. Upon approval of the Litigation Manager, members may be permitted to retain investigators with higher billing rates than established ERMA rates. Members shall pay the differential directly to the investigator, but such payments will not erode the member's SIR;
12. Should a particular investigation result in litigation or other process where the investigator is called upon to provide post-investigation services, including but not limited to deposition testimony, trial testimony, or preparation for deposition or trial testimony, the rate to be charged by the investigator shall not exceed ~~\$285~~325.00 per hour for attorney investigators, and ~~\$205~~245.00 per hour for non-attorney investigators; and,
13. The outside investigator agrees to submit monthly bills unless otherwise approved by the Litigation Manager, and will describe the services and costs provided during the billing period. Bills shall include a brief description of services performed, the date the services were performed, and the number of hours, or fraction thereof, spent performing the services.

Nothing in this resolution shall be construed to limit the right of a member entity to retain its own non-ERMA approved investigator to investigate allegations of employment wrongdoing. If, however, a member entity retains its own non-ERMA approved investigator, the member entity shall be solely responsible for that investigator's fees and costs, and the fees and costs will not be counted toward the member's SIR.

B. Evaluation of Investigators and Investigation Firms

The performance of investigators will be evaluated annually by the Litigation Management Staff. The Litigation Manager reserves the right to disapprove of any investigation firm or any investigator which would then preclude that investigator from doing additional work for a member entity that would count toward the member's SIR.

C. In-House Counsel, In-House Investigations, and Third Party Investigators

Nothing in this Resolution should be construed to require member entities to engage and retain the services of third-party investigators for investigation of allegations of wrongful employment acts. A



member entity has the right to utilize its own in-house investigators, in-house or outside counsel, employees, etc., to assist with or conduct an investigation for the member entity. However, no in-house or outside counsel or in-house investigator's fees or costs shall be applied towards the satisfaction of the member entity's SIR.

This resolution was adopted by the Board of Directors at a regular meeting of the Board held on November 1, 2021, in Sacramento, California by the following vote:

AYES \_\_\_\_\_  
NOES \_\_\_\_\_  
ABSTAIN \_\_\_\_\_  
ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
EXECUTIVE DIRECTOR

**ADMINISTRATIVE MATTERS**

**SUBJECT: 2021/22 Goals and Objectives Update**

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**BACKGROUND AND STATUS:**

At the February 2021 Annual Workshop, the Board of Directors established the following goals and objectives for the 2021/22 Program Year:

**Goal 1:** Review claim “type” categories:

- Gender/Sex Discrimination & Harassment
- Retaliation/Whistleblower

**UPDATE: In Progress**

**Goal 2:** Review financial position and opportunities:

- Identify and conduct net position stress test
- Review possibility of longer-term investing

**UPDATE: In Progress**

**Goal 3:** Review investigator panel:

- Investigation Process & Procedures
- Rates

**UPDATE: Completed**

**Goal 4:** Review expansion of coverage to include defense costs associated with wage and hour claims with an applied sub-limit.

**UPDATE: In Progress**

**Goal 5:** Develop Certificate Program in recognition of agency implementation of recommended policies, procedures, and training pertaining to:

- Electronic Communications
- Return-to-work
- Vaccination
- Hotline

**UPDATE: On Hold**

**RECOMMENDATION:**

*None*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Review of the 22<sup>nd</sup> Annual Workshop Agenda**

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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. 2021-6, Establishing Meeting Dates for the 2021/22 Fiscal Year, the 22<sup>nd</sup> Annual Workshop is scheduled to be held on February 10, 2022, in conjunction with a Board meeting on February 11<sup>th</sup>. Staff has identified and secured the Dream Inn, Santa Cruz, to provide accommodations to attendees and serve as the workshop and meeting venue.

The annual workshop offers an opportunity to provide an overview of ERMA's training program, financial position, and claims from the previous year, as well as conduct long-term strategic planning and goal setting for upcoming program years.

In preparation of the workshop, the Board typically reviews the proposed agenda at the preceding November meeting and directs staff to coordinate with the President to finalize the schedule.

**RECOMMENDATION:**

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

**REFERENCE MATERIALS ATTACHED:**

- Draft ERMA 22<sup>nd</sup> Annual Workshop Agenda



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
22<sup>nd</sup> ANNUAL WORKSHOP  
AGENDA**

**Thursday, February 10, 2022  
11:00 a.m.**

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

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**Page**

**1. WELCOME AND INTRODUCTIONS**

**2. ERMA OVERVIEW**

- A. Accomplishments and Review of 2021/22 Goals & Objectives
- B. Status of Program
  - \*1. Claims Overview
  - 2. Financial Overview
  - \*3. State of the Market
- C. Loss Prevention & Training
  - 1. Live & Online Training
  - 2. Employee Reporting Line
  - 3. Member Risk Assessments
  - 4. Attorney Hotline
  - 5. State of the Program: Jackson Lewis & Liebert Cassidy Whitmore

**3. PLANNING AND PROJECTED OVERVIEW FOR 2022/23 AND BEYOND**

- \*A. Long-Range Planning
  - 1. Program
    - A. Service Offerings/Expansion/Membership Growth
  - 2. Succession
    - A. Board of Directors
    - B. Service Providers
  - 3. Financial
    - \*A. Review of Target Equity Ratios
    - \*B. Uses of Equity

**4. STRATEGIC OUTCOME**

- A. Establish 2022/23 Goals & Strategic Objectives

**5. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM**

\*A. TBD

**6. PRESENTATION BY DEFENSE PANEL ATTORNEY FIRM**

\*A. TBD

**7. REVIEW OF SERVICE PROVIDERS**

A. Evaluation of Defense Panel Law Firms

B. Results of Vendor Services Survey

**8. SUMMARY AND CLOSING STATEMENTS**

A. Closing Thoughts

\* Reference materials enclosed with staff report.

**MEMBERSHIP MATTERS**

**SUBJECT: Discussion Regarding the City of California City's (CIRA) Termination of Participation as a Member of ERMA**

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**BACKGROUND AND STATUS:**

Annually, staff conducts an analysis of target ratio calculations based upon each member's loss history. As a result of the City of California City's (City) loss history for the 2017/18 Program Year, as of June 30, 2020, the City significantly exceeded the maximums allowed for the three parameters tracked by ERMA: claim severity, claim frequency and loss ratio. In cases such as this, risk assessments are recommended to identify the cause of a member's poor loss history and provide assistance to improve overall program performance. At the November 2, 2020, Board of Directors meeting, Kathy Maylin, Litigation Manager, was directed to conduct a risk assessment and provide a report to the Board at the June 2021 meeting.

Following is a timeline of events related to the City's risk assessment:

| EVENT                                                                               | DATE                       | NOTES                                                                                   |
|-------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------|
| Board of Directors approved targeted risk assessment recommendation                 | November 8, 2020           |                                                                                         |
| Litigation Manager conducts risk assessment process                                 | November 2020 – March 2021 | Series of telephonic meetings with City Manager and City Attorney                       |
| Specialized City Council Training per risk assessment (Gerry Preciado)              | December 3, 2020           | Completed                                                                               |
| Claim frequency, severity and loss ratio continues to exceed established parameters | 2019/20 – 2020/21          |                                                                                         |
| Litigation Manager reported results of risk assessment to Board of Directors        | June 8, 2021               | City completed recommended training and states commitment to improving loss performance |

Following the risk assessment, which included targeted guidance from the Litigation Manager and specialized training aimed at addressing the City's organizational impediments, the City continued to incur a higher-than-average number of claims, resulting in a loss ratio significantly outside of ERMA's established parameters.

On July 26, 2021, the City appointed Interim City Manager, Anne Ambrose to replace the City Manager with whom staff previously conducted the risk assessment and other personnel-related matters. Over the past several months, staff has met with City representatives regarding claim settlements and the City's management of personnel matters. As a result of staff's ongoing concerns regarding the City's losses, it was determined additional corrective action should be taken to aid in limiting ERMA's overall exposure.

On September 28, 2021, staff met with Ms. Ambrose and City Attorney Baron Bettenhausen to advise of staff's intent to request that the Board of Directors approve issuance of a notice of intent to terminate the City's participation in ERMA effective June 30, 2022.

As the Board does not convene again until February 11, 2022, notice is required in accordance with the Master Program Document (MPD) for the Pooled Employment Practices Liability Program, Article V. Participation, Section D.1.:

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

*(b) a written termination notice from the Executive Committee or Board of Directors has been sent to the Member.*

During the September 28<sup>th</sup> meeting, staff requested the City consider entering a Performance Improvement Plan (Plan) to continue participation in ERMA. The proposed Plan is structured to assist the City in developing an effective personnel management process. Ms. Ambrose expressed her commitment on behalf of the City to work collaboratively with ERMA to meet the terms of the proposed Plan and has, to date, taken the following steps demonstrating this commitment:

1. Met with ERMA staff to review and discuss Plan terms
2. Engaged Tom O'Connell, Best, Best & Krieger, for on-going advice and counsel on all personnel matters for the term of ERMA participation
3. City Council unanimously approved Resolution accepting the Plan

Attached for the Board's review is the proposed Performance Improvement Plan. Staff will present and discuss options with the Board regarding the City of California City's continued participation in ERMA.

**RECOMMENDATION:**

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

**REFERENCE MATERIALS ATTACHED:**

- City of California City Performance Improvement Plan

## **City of California City Performance Improvement Agreement**

THIS AGREEMENT (Agreement) is made effective as of \_\_\_\_\_, 2021, between the Employment Risk Management Authority (“ERMA”), and the City of California City (“City”), sometimes collectively referred to as the “Parties”.

On November 1, 2021, the Board of Directors of ERMA voted to enter in to a Performance Improvement Plan (“Plan”) with the City, which if the conditions of the Plan are met within the term of the Agreement, the ERMA Board of Directors will reconsider its decision to terminate the City’s participation as a member in ERMA. The ERMA Board made this decision because of significant concerns regarding the City’s governance, risk management practices, claims history and employment practices.

Upon the express consideration arising by reason of the Board of Director’s decision to reconsider its decision to terminate the City’s participation in ERMA, which consideration is expressly acknowledged and relied upon by the City, and upon express consideration of the City’s agreement to participate in and complete the Plan, which consideration is expressly acknowledged and relied upon by ERMA, the Parties agree as follows:

### **Performance Improvement Plan**

- ERMA staff have met with the City Manager to discuss the terms of the Plan prior to consideration by the ERMA Board of Directors.
- The City Council shall adopt the Plan by resolution no later than 30 days following adoption of the Plan by the ERMA Board of Directors. Once the City Council adopts the Plan, the Plan shall continue for ninety days from the date of adoption.
- All City management staff is required to complete “Management 101” training as identified by ERMA no later than 60 days after adoption of the Plan.
- The City shall retain an ERMA-recommended employment attorney from the ERMA defense panel to provide the City with ongoing advice and counsel on any/all personnel matters. Such personnel matters include, but are not limited to, termination, lay-off, job/position elimination, demotion, transfer, significant discipline, administrative leave, ADA/religion interactive process communication, and personnel investigation. Advice and counsel services shall be sought before the City takes any personnel action. If the City determines that it would like to disregard any specific advice and counsel recommendation by ERMA’s recommended employment attorney, the City shall first confer with ERMA’s Litigation Manager prior to taking the particular personnel action. If the City successfully completes the Plan and ERMA rescinds its termination of the City as a member, the City will continue to abide by the terms of this paragraph as long as the City retains its membership in ERMA.



- The City Manager shall meet with ERMA staff telephonically every 30 days to review the status and progress of the Plan. Meeting dates to be established following adoption of the Plan by the City Council.

In the event the ERMA Board of Directors rescinds its termination of the City as a Member, ERMA reserves the right to continue implementation of the Plan until such time as ERMA determines that the City's employment practices are consistent with and in compliance with the City's obligations as a Member of ERMA.

For ERMA:

For City of California City:

\_\_\_\_\_

Jennifer Jobe, Executive Director

\_\_\_\_\_

Anne V. Ambrose, Interim City Manager

Date: \_\_\_\_\_, 2021

Date: \_\_\_\_\_, 2021

**MEMBERSHIP MATTERS**

**SUBJECT: Review of Prospective New Member Application – City of Lindsay (CSJVRMA)**

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**BACKGROUND AND STATUS:**

The City of Lindsay (City), an underlying member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) has provided an application and supporting documentation for participation in ERMA at a \$25,000 self-insured retention (SIR) effective July 1, 2021.

The Underwriting Committee convened on September 28, 2021, and reviewed the City's application materials, as follows:

**City of Lindsay**

The City reports payroll of \$3M for the 2020 calendar year and has 40 full-time employees and 17 part-time employees.

The City has written personnel policies and procedures that were adopted by City Council but have not been reviewed since 2011.

The City is compliant with AB 1825 and SB 1343 training requirements and utilizes Liebert Cassidy Whitmore (LCW) to conduct training.

**RECOMMENDATION:**

*The Underwriting Committee recommends the Board of Directors approve the City of Lindsay (CSJVRMA) at a \$25,000 SIR, retroactively effective to July 1, 2021, with the condition the City's personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law, and approved by City Council, no later than July 1, 2023.*

**REFERENCE MATERIALS ATTACHED:**

- City of Lindsay Premium Indication
- City of Lindsay Completed Potential New Member Application

# EMPLOYMENT RISK MANAGEMENT AUTHORITY CONTRIBUTION INDICATION

## CSJVRMA

|                       |                               |
|-----------------------|-------------------------------|
| Name of Entity        | City of Lindsay               |
| 2020 Calendar Payroll | \$3,014,316                   |
| Coverage Period       | July 1, 2021 to June 30, 2022 |

### CALCULATION

| Member Retained Limit Options              |              | \$25,000        | \$50,000        | \$75,000        | \$100,000       |
|--------------------------------------------|--------------|-----------------|-----------------|-----------------|-----------------|
| Retained Limit Factor                      |              | 1.13            | 1.00            | 0.90            | 0.82            |
| Retained Limit Rate                        |              | 0.641           | 0.567           | 0.510           | 0.465           |
| Defense & Indemnity: Pooled Funding        |              | \$19,313        | \$17,091        | \$15,382        | \$14,015        |
| Administration                             | 0.0530       | 1,598           | 1,598           | 1,598           | 1,598           |
| Loss Prevention & Training                 | 0.0087       | 261             | 261             | 261             | 261             |
| Subtotal                                   |              | \$21,172        | \$18,950        | \$17,241        | \$15,874        |
| JPA Participation Credit                   | 6.24%        | (\$1,322)       | (\$1,183)       | (\$1,077)       | (\$991)         |
| Individual Experience Mod Factor *         |              | 1.000           |                 |                 |                 |
| Off-Balance Factor                         |              | 1.195           |                 |                 |                 |
| Excess Insurance \$2 million x \$1 million | 0.0400       | 1,206           | 1,206           | 1,206           | 1,206           |
| <b>ERMA CONTRIBUTION</b>                   |              | <b>\$24,936</b> | <b>\$22,446</b> | <b>\$20,530</b> | <b>\$18,997</b> |
| <b>CSJVRMA Administration Fee **</b>       | <b>5.00%</b> | <b>\$1,247</b>  | <b>\$1,122</b>  | <b>\$1,026</b>  | <b>\$950</b>    |
| <b>TOTAL CONTRIBUTION</b>                  |              | <b>\$26,183</b> | <b>\$23,568</b> | <b>\$21,556</b> | <b>\$19,947</b> |

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

\*\* Administration fee of 5% charged by the CSJVRMA.

# EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

## LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE MEMBERS OF A PARTICIPATING JOINT POWERS AUTHORITY

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

|                                                                                                                                                                                                                                                                 |                                                                                                                                                       |                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| ENTITY NAME: <u>CITY OF LINDSAY</u>                                                                                                                                                                                                                             |                                                                                                                                                       | Date: <u>05/17/2021</u>                                                                                   |
| <b>EMPLOYMENT PRACTICES INFORMATION</b>                                                                                                                                                                                                                         |                                                                                                                                                       |                                                                                                           |
| <b>A. Policies and Procedures</b>                                                                                                                                                                                                                               |                                                                                                                                                       |                                                                                                           |
| 1.                                                                                                                                                                                                                                                              | Does the Entity have written personnel policies and procedures?                                                                                       | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 2.                                                                                                                                                                                                                                                              | Does the Entity distribute the manual/rules to all employees?                                                                                         | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 3.                                                                                                                                                                                                                                                              | Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 4.                                                                                                                                                                                                                                                              | Are the following policies or procedures included in the manual? Check all that apply:                                                                |                                                                                                           |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Hiring                                                                                                            | <input checked="" type="checkbox"/> Termination <input checked="" type="checkbox"/> Suspension            |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Medical Leave                                                                                                     | <input checked="" type="checkbox"/> Unpaid Leave <input checked="" type="checkbox"/> Grievance Procedures |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Drug & Alcohol Testing                                                                                            | <input checked="" type="checkbox"/> Discipline <input checked="" type="checkbox"/> Attendance             |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Family Medical Leave Act                                                                                          | <input checked="" type="checkbox"/> Anti-Harassment Policies                                              |
|                                                                                                                                                                                                                                                                 | <input type="checkbox"/> Written Job Description for all Positions                                                                                    | <input checked="" type="checkbox"/> Workplace Violence Policies                                           |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees                                                          |                                                                                                           |
|                                                                                                                                                                                                                                                                 | <input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure                                                                              |                                                                                                           |
| 5.                                                                                                                                                                                                                                                              | Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 6.                                                                                                                                                                                                                                                              | Does the Entity have legal counsel regularly review the manual/rules?                                                                                 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                       |
| 7.                                                                                                                                                                                                                                                              | Have the above-referenced policies been updated within the past five years?                                                                           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                       |
|                                                                                                                                                                                                                                                                 | If no, when was the manual or rules last reviewed? <u>2011</u>                                                                                        |                                                                                                           |
| 8.                                                                                                                                                                                                                                                              | Were the above-referenced policies formally approved and adopted by council/governing board?                                                          | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 9.                                                                                                                                                                                                                                                              | Does the Entity have legal counsel to provide advice regarding disciplinary matters?                                                                  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| 10.                                                                                                                                                                                                                                                             | Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                       |
| <p><b><i>If you answered no to any of the above, please use this space to provide more information:</i></b></p> <p>City receives updates when new law changes, we update the policy and have city attorney review before having council approve the change.</p> |                                                                                                                                                       |                                                                                                           |

|                                |                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |                         |                         |                         |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>B. Employee Information</b> |                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |                         |                         |                         |
| 1.                             | Number of Full Time Employees: <u>40</u>                                                                                                                                                                                                                                                                                                                         |                         |                         |                         |                         |                         |
| 2.                             | Number of Part time Employees: <u>17</u>                                                                                                                                                                                                                                                                                                                         |                         |                         |                         |                         |                         |
| 3.                             | For each of the past five years, what has been your annual percentage turnover rate of employees?                                                                                                                                                                                                                                                                |                         |                         |                         |                         |                         |
|                                | <table style="width: 100%; border: none;"> <tr> <td style="border: none;"><u>2016</u>    <u>27 %</u></td> <td style="border: none;"><u>2017</u>    <u>61 %</u></td> <td style="border: none;"><u>2018</u>    <u>25 %</u></td> <td style="border: none;"><u>2019</u>    <u>25 %</u></td> <td style="border: none;"><u>2020</u>    <u>12 %</u></td> </tr> </table> | <u>2016</u> <u>27 %</u> | <u>2017</u> <u>61 %</u> | <u>2018</u> <u>25 %</u> | <u>2019</u> <u>25 %</u> | <u>2020</u> <u>12 %</u> |
| <u>2016</u> <u>27 %</u>        | <u>2017</u> <u>61 %</u>                                                                                                                                                                                                                                                                                                                                          | <u>2018</u> <u>25 %</u> | <u>2019</u> <u>25 %</u> | <u>2020</u> <u>12 %</u> |                         |                         |
| 4.                             | How many involuntary employment terminations have occurred in the past three years? <u>2</u>                                                                                                                                                                                                                                                                     |                         |                         |                         |                         |                         |
|                                | <table style="width: 100%; border: none;"> <tr> <td style="border: none;"><u>2020</u>    <u>-1</u></td> <td style="border: none;"><u>2018</u>    <u>-1</u></td> </tr> </table>                                                                                                                                                                                   | <u>2020</u> <u>-1</u>   | <u>2018</u> <u>-1</u>   |                         |                         |                         |
| <u>2020</u> <u>-1</u>          | <u>2018</u> <u>-1</u>                                                                                                                                                                                                                                                                                                                                            |                         |                         |                         |                         |                         |

|  |    |                                                                                                                                                                                                                                                                                                                                   |               |
|--|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|  |    | <i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i> |               |
|  | 5. | Percentage of Employees with salaries less than \$100,000<br>% 93                                                                                                                                                                                                                                                                 | Should = 100% |
|  | 6. | Percentage of Employees with salaries greater than \$100,000<br>% 7                                                                                                                                                                                                                                                               |               |

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

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

|                                                |                                                                                                                                                                                                                                                                 |                                                                     |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>D. Employment Practices Risk Management</b> |                                                                                                                                                                                                                                                                 |                                                                     |
| 1.                                             | Does the applicant have a Human Resources or Personnel Department?                                                                                                                                                                                              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|                                                | If no, please describe handling of this function:                                                                                                                                                                                                               |                                                                     |
| 2.                                             | Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?                                                                                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 3.                                             | Do you anticipate any "layoffs" during the next 24 months?                                                                                                                                                                                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|                                                | If yes, please provide details.                                                                                                                                                                                                                                 |                                                                     |
| 4.                                             | Have you had any "layoffs" in the past 36 months?                                                                                                                                                                                                               | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|                                                | If yes, please provide details.                                                                                                                                                                                                                                 |                                                                     |
| 5.                                             | Is your entity in full compliance with the training requirements set forth in AB 1825, SB 1343 and SB 778?                                                                                                                                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|                                                | If no, please explain.<br>N/A                                                                                                                                                                                                                                   |                                                                     |
| 6.                                             | Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records:<br><small>Copies of certificates are kept in personnel files, AB 1825 training file, and AB 1825 spread sheet logs are maintained to track when employees are due.</small> |                                                                     |
| 7.                                             | Does your entity provide SB 1343 training?                                                                                                                                                                                                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 8.                                             | Are elected officials trained on the entity's policy regarding harassment, discrimination, and retaliation?                                                                                                                                                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                |                                |                                 |                                 |                                 |                                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| <b>E. DESIRED SELF-INSURED RETENTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                |                                |                                 |                                 |                                 |                                 |  |
| <input checked="" type="checkbox"/> \$25K                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <input type="checkbox"/> \$50K | <input type="checkbox"/> \$75K | <input type="checkbox"/> \$100K | <input type="checkbox"/> \$250K | <input type="checkbox"/> \$350K | <input type="checkbox"/> \$500K |  |
| <b>Please attach the following:</b> <ul style="list-style-type: none"> <li><i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i></li> <li><i>Payroll information for the previous 7 completed calendar years;</i></li> <li><i>Completed resolution authorizing participation in ERMA;</i></li> <li><i>Completed intent to participate; and</i></li> <li><i>Most Recent Financial Audit.</i></li> </ul> |                                |                                |                                 |                                 |                                 |                                 |  |

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

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

The undersigned acknowledges:

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

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

City of Lindsay

Agency or Entity Name

Joseph Tanner

Applicant's Name (please print)

City Manager

Title



Applicant's Signature

May 27, 2021

Date

**COVERAGE MATTERS**

**SUBJECT: City of Banning (PERMA) Appeal of Denial of Coverage**

**BACKGROUND AND STATUS:**

The City of Banning, an underlying member of Public Entity Risk Management Authority (PERMA), untimely reported two internal complaints of sexual harassment by a Sergeant in the Banning Police Department. The first complaint (Segovia) reported the complaint to her Lieutenant in the Police Department on February 11, 2021, on which date an Internal Affairs investigation was initiated by the Banning Police Department. The investigation report (undated) indicates that while being interviewed as part of the investigation, another employee of the Police Department (Gifford) reported sexual harassment by the same Sergeant. The interview of Gifford wherein she disclosed the alleged sexual harassment took place in March of 2021.

A full investigation was conducted, including interviews of multiple witnesses. While the investigation was being conducted, the City hired a new Human Resources Manager (Cherie Johnson) who was not informed of the complaints and investigation until April 19, 2021. Ms. Johnson immediately contacted PERMA regarding the investigation, which was still ongoing at the time. On July 13, 2021, Ms. Johnson reported the matter to ERMA and on July 28, 2021, Captain Horn provided ERMA with an undated and unsigned copy of the Report of Investigation that found the complaints of sexual harassment to be sustained. After reviewing the investigation and the investigator's notes, ERMA determined the City, through the police department, became aware of Segovia's complaint in February 2021 and Gifford's complaint in March 2021.

Given that the City's first notice of Segovia's claim was February 11, 2021, the report of the claim to ERMA on May 6, 2021, occurred at least seven weeks beyond the required 30-day reporting requirement. The City's first notice of Gifford's claim was on or around March 31, 2020, at least 13 weeks beyond the required 30-day reporting requirement. As a result, ERMA was deprived of the opportunity to provide the City advice and counsel by defense panel and/or other guidance in managing the complaint. Both Segovia and Gifford's claims were denied in accordance with the Memorandum of Coverage (MOC).

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:

- (u) 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 2020/21 MOC includes a late reporting clause and a penalty provision. These late reporting provisions are as follows:

Section VII – Conditions 1.

(B) 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:

- (1) 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.

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.

- (3) 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**

| <b>SIR</b> | <b>Penalty</b> | <b>Percentage of<br/>Penalty<br/>to SIR</b> |
|------------|----------------|---------------------------------------------|
| \$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 Banning regarding the Segovia and Gifford claims is based on the following mitigating circumstances:

- The City's Police Department did not timely inform the City's Human Resources Manager regarding the investigation into Segovia and Gifford's complaints against the Sergeant.
- The City took reasonable initial steps in investigating and responding to the complaint.
- The Litigation Manager received notice of Segovia's claim on May 6, 2021, 17 days following the Police Department's notification of the Segovia's complaint, though 56 days after the 30-day reporting requirement.
- Immediately after reporting Segovia's complaint to ERMA, the City began working with defense counsel to provide advice and counsel regarding both Segovia and Gifford's complaints.
- 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 significant 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 Victorville    | April 27, 2021    | Stay            | N/A                                                    | Untimely Report                                            |
| Sunline Transit Agency | February 11, 2021 | Granted         | 25% SIR increase<br>\$50,000 to \$62,500               | Untimely Report                                            |
| City of Lathrop        | November 2, 2020  | Granted         | 25% SIR increase<br>\$25,000 to \$31,250               | Untimely Report                                            |
| City of El Cerrito     | February 7, 2020  | Granted         | \$500,000 SIR                                          | Untimely Report                                            |
| City of Hayward        | November 4, 2019  | Granted         | 10% SIR increase<br>\$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<br>\$25,000 to \$31,250               | Untimely report                                            |
| City of Susanville     | February 9, 2018  | Granted         | 25% SIR increase<br>\$25,000 to \$31,250 per claim (3) | Untimely report                                            |
| City of Menlo Park     | November 6, 2017  | Granted         | 15% SIR increase<br>\$250,000 to \$287,500             | Untimely report                                            |
| City of Pinole         | November 2, 2015  | Granted         | 25% SIR increase<br>\$50,000 to \$62,500               | Untimely report                                            |
| City of Coachella      | November 2, 2015  | Granted         | 25% SIR increase<br>\$25,000 to \$31,250               | Untimely report                                            |
| City of Calimesa       | November 2, 2015  | Denied          | N/A                                                    | Non-compliant training                                     |

**COVERAGE MATTERS**

**SUBJECT: Proposed Revisions to the Memorandum of Coverage, Effective  
November 1, 2021**

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**BACKGROUND AND STATUS:**

As member agencies continue to address the implementation of COVID-19 vaccination and testing policies, staff met with Doug Alliston, Board Counsel, to review and discuss necessary revisions to the Memorandum of Coverage (MOC) for the 2021/22 Program Year.

The Coverage Committee met on September 28, 2021, to review the following proposed exclusion, resulting in a revision to the MOC:

**15. Vaccination.** We do not cover *Claims* that arise out of the *Covered Party's* acts to encourage or require vaccination of *Employees* or others, or the failure to take such actions.

Staff will discuss the proposed change and along with Mr. Alliston and members of the Committee, answer any questions from the Board.

**RECOMMENDATION:**

*The Coverage Committee recommends the Board of Directors approve the proposed revisions to the Memorandum of Coverage, effective November 1, 2022.*

**REFERENCE MATERIALS ATTACHED:**

- Memorandum of Coverage for the 2021/22 Program Year, Effective November 1, 2021, in redline/strikeout text

**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
(ERMA)**

**MEMORANDUM OF COVERAGE**

FOR THE 2021/22 PROGRAM YEAR

EFFECTIVE ~~JULY~~NOVEMBER 1, 2021

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FORM NUMBER ERMA 2021-2EPL

## MEMORANDUM OF COVERAGE FOR THE EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

In consideration of the payment of the deposit premium, the *Authority* agrees with the *Members* as follows:

### **SECTION I - COVERAGE**

The *Authority* will pay *Ultimate Net Loss*, less the *Retained Limit*, up to the *Limit of Coverage* on behalf of the *Covered Party* due to a *Claim* against the *Covered Party* because of a *Wrongful Employment Practice* to which this Memorandum applies, caused by an *Occurrence*, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled risk sharing. This Memorandum is a negotiated agreement amongst the *Covered Parties* of the *Authority* and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such Memorandum. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *Covered Parties* of the *Authority*, acting through the Board of Directors in adopting this Memorandum of Coverage. Since the *Authority* is not an insurer, it has no obligation to issue reservation of rights letters, and failure to provide notice to a *Covered Party* of any coverage issue or dispute shall not operate to waive any of the provisions of this Memorandum. Since this Memorandum does not provide insurance, neither the *Authority* nor any *Covered Parties* shall be liable for or subject to any legal action or proceeding as to any claim alleging breach of the implied covenant of good faith and fair dealing with respect to any dispute between the *Authority* and any *Covered Parties* that may arise under this Memorandum.

### **SECTION II - DEFINITIONS**

1. "*Authority*" means the Employment Risk Management Authority.
2. "*Claim*" means oral or written notice to the *Covered Party* that an *Employee* alleges a *Wrongful Employment Practice*.

*Claim* does not include a *Union Grievance*, or any type of criminal proceeding, or any claim arising under the FLSA or any California Wage Orders or any similar federal or state law. *Claim* does not include a dispute arising out of a contract for employment between the *Covered Party* and any individual or *Employee*, including but not limited to any dispute regarding the validity or enforceability of such contract.

*Claim* does not include an internal administrative or disciplinary proceeding pursuant to the terms and conditions of employment.

A *Claim* shall be deemed to be made on the earliest date such notice is received by a *Covered Party*.

3 "Coverage Period" means that term prescribed for coverage by the *Authority* as set forth in the Declarations page.

4 "Covered Party" means:

(A) The *Member* and any additional entities named in the Declarations page.

(B) Any person who is an *Employee* of a *Covered Party* identified in Section (A) herein, whether or not compensated, while acting in an official capacity for or on behalf of such *Covered Party*, including while acting on any outside board at the direction of such *Covered Party*.

*Covered Party* shall not include any person, whether or not compensated, who is not acting in the course and scope of his or her employment or whose conduct, as a matter of law, is not within the course and scope of his or her employment by the *Covered Party* at the time of the act or acts alleged in a *Claim*.

(C) All entities named in Endorsement #2, and any officer, director or employee thereof while acting in an official capacity for or on behalf of such entity and in the course and scope of his or her duties. Except for those expressly identified in Endorsement #2, no other person, organization, or entity shall be deemed to be a "Covered Party" under Endorsement #2.

Notwithstanding sections (B) and (C) above, the defense and indemnity coverage afforded by this Memorandum to a past or present *Employee* of a *Covered Party* is not broader than the *Covered Party's* duty to defend and indemnify its *Employee*, pursuant to California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof. If the *Covered Party* which employs the *Employee* is not obligated under the California Government Code to provide a defense or to provide indemnity for a *Claim*, or if said *Covered Party* refuses to provide such defense and/or indemnity to said *Employee*, then this Memorandum shall not provide any such defense or indemnity coverage to said *Employee*. All immunities, defenses, rights, and privileges afforded to a *Covered Party* under California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof, shall be afforded to the *Authority* to bar any defense or indemnity coverage under this Memorandum to that *Covered Party's Employee*.

5 "Damages" means compensation in money which a *Covered Party* is legally obligated to pay as a result of a *Claim*. *Damages* include: (1) attorney fees not based on contract, awarded against the *Covered Party*, (2) interest on judgments, or (3) costs for which the *Covered Party* is liable either by adjudication, or by compromise with the written consent of the *Authority*, if the fees, interest, or costs arise from an *Occurrence* to which this coverage applies.

*Damages* with respect to *Wrongful Employment Practice* shall not include those sums owed by a *Covered Party* as contract damages, prospective salary, wages, or benefits, any salary, wage or benefits resulting from an order that a *Covered Party* hire an applicant or from promotion or reinstatement, or any damages owing under an express contract of employment or an express obligation to make severance payments in the event of termination of employment.



*Damages* with respect to *Wrongful Employment Practice* also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

- 6 “Defense Costs” means all fees and expenses incurred by any *Covered Party*, caused by and relating to the adjustment, investigation, defense, or litigation of a *Claim* to which this coverage applies, including attorney's fees, court costs, interest on judgments accruing after entry of judgment, and the time and travel expenses of the Litigation Manager for attendance at trials, mediations, arbitrations and settlement conferences. *Defense Costs* shall not include attorney fees or costs awarded to a prevailing plaintiff against the *Covered Party*.

*Defense Costs* shall not include the office expenses, salaries of *Employees*, or expenses of the *Covered Party* or the *Authority*. *Defense Costs* shall not include investigation costs incurred by investigators or adjusting expenses that were not approved by ERMA prior to the costs being incurred. *Defense Costs* are included within, and are not in addition to, the applicable *Limit of Coverage*.

*Defense Costs* shall not include any fee or expense relating to coverage issues or disputes between the *Authority* and any *Covered Party*.

- 7 “Discrimination” means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit, or the taking of any adverse or differential employment action because of race, color, creed, religion, age, sex, disability, pregnancy, sexual orientation, national origin, AIDS, or other protected category or characteristic established pursuant to any applicable federal, state, or local statute or ordinance.
- 8 “Employee” means any person whose labor or services is engaged and directed by a *Covered Party*, whether past, present or future, including a volunteer, official, or applicant for employment. This includes part-time, seasonal, and temporary labor or services, as well as any person employed in a supervisory, managerial, or confidential position. *Employee* shall not include leased employees, independent contractors or subcontractors, agents, or servants of any *Covered Party*, unless the *Covered Party* has the right to and does control and direct the details of their work rather than the result of that work. *Employee* also shall not include the spouse, child, unborn fetus, parent, brother, or sister of the *Employee*. *Employee* shall not include any person performing labor or services, either voluntarily or involuntarily, while incarcerated in any state or local correctional or penal institution or facility of any nature, or who performs labor or services, either voluntarily or involuntarily, as a condition of or in satisfaction of any penal sentence.

The exclusion of independent contractors or subcontractors from the definition of *Employee* shall not apply to a *Claim* for harassment specifically authorized under Cal. Gov. Code 12940 (j)(1) and (5).

9 “Harassment” means:

- (A) Unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature, including those which:
  - (1) are made a condition of employment with the *Covered Party*;
  - (2) are used as a basis for employment decisions by the *Covered Party*; or
  - (3) create a work environment that interferes with performance or creates an intimidating, hostile or offensive working environment; or
- (B) Workplace conduct (i.e. *Harassment* of a non-sexual nature) committed in violation of law or because of any protected category or characteristic which creates a work environment that interferes with performance, or creates an intimidating, hostile, or offensive working environment.

10 “Limit of Coverage” shall be the amount of coverage stated in the Declarations Page, or sublimits as stated therein for each *Covered Party* per *Occurrence*, subject to any lower sublimit stated in this Memorandum. The *Limit of Coverage* shall include the *Covered Party’s Retained Limit*. For each *Occurrence*, there shall be only one *Limit of Coverage* regardless of the number of claimants or *Covered Parties* against whom a *Claim* is made, or the number of *Coverage Periods* through which the *Occurrence* continues. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a *Claim* or suit, the *Authority* will pay only up to the amount stated in the Declarations in present value of the *Claim*, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations.

11 “Member” means a governmental entity, including any commissions, agencies, districts, authorities, boards, or other similar government entity under the direct control of the governmental entity, that is eligible to participate in a joint powers authority. A *Member* is one who has been accepted into ERMA and, is a Named *Covered Party* in the Memorandum of Coverage and Endorsements thereto.

12 “Occurrence” means act or omission or series of related acts or omissions by a *Covered Party* during the Coverage Period which results in a *Claim* for a *Wrongful Employment Practice*. All acts or omissions alleged by the same *Employee* in the same *Claim* shall be deemed to constitute one *Occurrence* that took place on the date of the first alleged act or omission.

Regardless of the number of *Covered Parties*, all *Claims* by all *Employees* arising from the same act or omission or series of related acts or omissions shall be deemed to be one *Occurrence* for the purpose of the Limit of Coverage, and that *Occurrence* shall be deemed to have taken place on the date of the first such act or omission alleged by the *Employee* or *Employees*.

13 “Retained Limit” means the amount of *Ultimate Net Loss*, identified in the applicable Declaration, which the *Covered Party* becomes liable to pay before the *Authority* is obligated to make payment.

For each *Occurrence*, there shall be only one *Retained Limit* regardless of the number of claimants or *Covered Parties* against whom a *Claim* is made, or *Coverage Periods* during which the *Occurrence* continues.

- 14. “Retaliation” means retaliatory treatment against an *Employee* of the *Covered Party* on account of such *Employee*’s exercise or attempted exercise of his or her rights under the law.
- 15. “Ultimate Net Loss” means the total of all *Defense Costs* incurred by the *Covered Parties* and all *Damages* for which the *Covered Parties* are liable either by adjudication or by compromise with the written consent of the *Authority*, arising from an *Occurrence* to which this coverage applies.
- 16. “Union Grievance” is limited to labor negotiations with respect to wages or working conditions, union organizing efforts, or unfair labor practice charges within the jurisdiction of the National Labor Relations Board or the Public Employment Relations Board.
- 17. “Workplace Tort” means any of the following acts alleged to have been committed in violation of law or because of any protected category or characteristic:
  - (A) Actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;
  - (B) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;
  - (C) Allegations of misrepresentation or defamation made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
  - (D) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
  - (E) Allegations of false imprisonment, detention, or malicious prosecution made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
  - (F) Allegations of libel, slander, defamation of character, invasion of privacy made by an *Employee* which arise from an employment decision to hire, fire, promote or demote; or
  - (G) Other allegations made by an *Employee* which arise from an employment decision to hire, fire, promote or demote.

*Workplace Torts* do not include *Damages* determined to be owing under a written contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

*Workplace Torts* shall not include any allegations other than those set forth above.

- 18 “Wrongful Employment Practice” means any actual or alleged *Wrongful Termination, Discrimination, Harassment, Retaliation, or Workplace Tort*.
- 19 “Wrongful Termination” means termination of an employment relationship in a manner which is alleged to have been committed in violation of law or because of any protected category or characteristic or in breach of an implied agreement to continue employment.

*Wrongful Termination* shall not include *Damages* determined to be owing under an express contract of employment or an express obligation to make payments in the event of the termination of employment.

### **SECTION III - DEFENSE AND SETTLEMENT**

The *Authority* shall have no duty to assume charge of investigation or defense of any *Claim*. However, the *Authority* shall have the right to assume the control of the negotiation, investigation, defense, appeal, or settlement of any *Claim* the *Authority* determines, in its sole discretion, to have reasonable probability of resulting in an *Ultimate Net Loss* in excess of the applicable *Retained Limit*. The *Covered Parties* shall fully cooperate in all matters pertaining to such *Claim* or proceeding. Such cooperation shall include, but not be limited to, executing all documents necessary to effectuate a settlement. If the *Covered Party*'s lack of cooperation prevents settlement of the claim for a reasonable amount, defined as the amount the *Authority* is willing to pay and the claimant is willing to accept, and increases the potential liability for *Damages* and continued *Defense Costs*, the *Covered Party* shall pay or shall reimburse the *Authority* for those *Defense Costs* incurred after the claim could have been settled, and for any *Damages* awarded or settlement agreed upon in excess of the amount for which the claim could have been settled, or, in the alternative, the *Authority* shall have the right to tender the claim back to the *Covered Party* and coverage shall cease.

If the *Authority* assumes the control of the handling of a *Claim*, the *Covered Parties* shall be obligated to pay at the discretion of the *Authority* any sum necessary for the defense and settlement of a *Claim*, or to satisfy liability imposed by law, up to the applicable *Retained Limit*.

No *Claim* shall be settled for an amount in excess of the *Retained Limit* without the prior written consent of the *Authority*, and the *Authority* shall not be required to contribute to any settlement to which it has not consented.

### **SECTION IV - ERMA'S LIMIT OF COVERAGE**

Regardless of the number of (1) *Covered Parties* under this Memorandum, (2) persons or organizations who sustain injury or damage, (3) *Claims* made or suits brought, or (4) *Coverage Periods involved*, the *Authority*'s liability is limited as follows:

With respect to coverage provided, the *Authority*'s liability for any one *Occurrence* shall be limited to the *Ultimate Net Loss* which is in excess of the *Covered Party*'s *Retained Limit*, but then only up to the sum set forth in the Declarations as the *Authority*'s Limit of Coverage for any one *Occurrence*. In the event that a structured settlement, whether purchased from or through a third party, or paid directly by the *Covered Party* in

installments, is utilized in the resolution of a *Claim* or suit, the *Authority* will pay only up to the amount stated in the Declarations in present value of the *Claim*, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations.

Nothing contained herein shall operate to increase the *Authority's Limit of Coverage* under this Memorandum.

## **SECTION V - COVERAGE PERIOD AND TERRITORY**

This Memorandum applies to *Wrongful Employment Practice* that occurs anywhere in the world during the *Coverage Period* identified in the applicable Declaration.

## **SECTION VI - EXCLUSIONS**

This Memorandum does not cover:

1. **Bodily Injury.** We do not cover *Claims*:

- (A) for bodily injury, sickness, disease or death of any person; or
- (B) brought by the person's domestic partner, spouse, child, parent, brother or sister as a result of such bodily injury, sickness, disease or death.

This does not apply to *Claims* for emotional distress, mental anguish or humiliation that arise from a *Wrongful Employment Practice*.

2. **Compliance with ADA Requirements.** We do not cover any costs or expenses incurred to make premises accessible to persons with disabilities as required by:

- (A) the Americans with Disabilities Act of 1990;
- (B) any similar federal, state or local law;
- (C) any amendments to such laws; or
- (D) any regulations promulgated under any such laws.

3. **Contractual Liability.** We do not cover the liability of others assumed by the *Covered Party* in a contract or agreement. This does not apply to liability that the *Covered Party* would have had in the absence of the contract or agreement.

4. **ERISA, COBRA WARN Act, and FLSA Liability.** We do not cover any liability imposed on the *Covered Party* under:

- (A) the Employee Retirement Income Security Act of 1974;
  - (B) the Comprehensive Omnibus Budget Reconciliation Act;
  - (C) the Worker Adjustment and Retraining Notification Act;
  - (D) the Fair Labor Standards Act, including but not limited to any wage and hour or other claim arising under the FLSA or any California Wage Orders or any similar federal or state law;
  - (E) any similar federal, state or local laws;
  - (F) any amendments to such laws; or
  - (G) any regulations promulgated under any such laws.
5. **Fines, Multiplied Damages, or Non-Monetary Relief.** We do not cover:
- (A) fines, taxes, penalties, or liquidated Damages;
  - (B) the multiplied portion of any Damage award that is subject to a multiplier;
  - (C) non-monetary relief; or
  - (D) any punitive damages or other uninsurable amounts.
6. **Intentional Conduct Done with Willful and Conscious Disregard.** We do not cover *Claims* for injury or *Damages* caused by intentional conduct done by the *Covered Party* with willful and conscious disregard of the rights or safety of others, or with malice. However, where the *Covered Party* did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its *Employee*, and the *Claim* against the *Covered Party* is based solely on its vicarious liability arising from its relationship with such *Employee*, this exclusion does not apply to said *Covered Party*.
7. **Intentional Violations of Laws and Orders.** We do not cover *Claims* that arise out of a *Covered Party's* intentional failure to comply with, or reckless disregard of, any law, order or regulation relating to employment practices.
8. **Prior *Wrongful Employment Practices*.** We do not cover liability arising out of any *Claim*, fact, circumstance, situation, transaction or event concerning a *Wrongful Employment Practice* of which any *Covered Party* had received a prior *Claim*, or which was the subject of any notice given under any insurance policy or coverage prior to the *Covered Party* obtaining coverage under this Memorandum.
9. **Property Damage.** We do not cover *Claims* for damage to or destruction of any tangible property, including loss of its use.

10. **Strikes and Lockouts.** We do not cover *Claims* that arise out of a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.
11. **Ultimate Net Loss.** We do not cover *Ultimate Net Loss* arising out of relief, or redress, in any form other than money *Damages* or seeking only injunctive or non-monetary relief, regardless of whether a prevailing claimant may be entitled to recover attorney's fees and costs.
12. **Actions for Administrative or Equitable Relief.** We do not cover any action, in any forum, for injunctive, administrative, declaratory, or other non-monetary form of relief, including specific performance, nor hearings of internal administrative matters or actions involving the review of any final administrative order or decision made as the result of an administrative hearing, regardless of whether such action seeks *Damages* or attorneys' fees. This exclusion is in addition to, and does not conflict with, Exclusion 11, above.
13. **Workers' Compensation or Similar Law.** We do not cover obligations under a workers' compensation law, Labor Code 132a, disability benefits or unemployment compensation law, or any similar law. This exclusion does not apply to *Retaliation* or *Discrimination* for filing a workers' compensation *Claim* or a *Claim* for disability benefits.
14. **Actions by Inmates or Prisoners.** We do not cover *Claims* for injury or *Damages* brought by any person:
  - (A) performing labor or services, either voluntarily or involuntarily, while incarcerated in any state or local correctional or penal institution or facility; or
  - (B) performing labor or services, either voluntarily or involuntarily, as a condition of or in satisfaction of any penal sentence.
15. **Vaccination.** We do not cover *Claims that arise out of the Covered Party's acts to encourage or require vaccination of Employees or others, or the failure to take such actions.*

## **SECTION VII – CONDITIONS**

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

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

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

Written notice containing particulars sufficient to identify the claimant(s), the *Covered Party(ies)*, and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the *Covered Party* and of available witnesses, shall be given to the *Authority* or any of its authorized agents as soon as possible.

- (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 Litigation Manager shall have 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.

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:

- (1) 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.

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.

- (2) 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.
- (3) 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%                          |
| \$350,000 | \$52,500 | 15%                          |
| \$500,000 | \$50,000 | 10%                          |



This provision shall not be construed as limiting the Board's power to deny an appeal of any late-reported *Claim*.

- (C) If a suit is brought against the *Covered Party*, in addition to the information required by subparagraph (A), the *Covered Party* shall be obligated to forward immediately to the *Authority* every demand, notice, summons, or other process received by it or its representative.
- (D) The *Covered Party* shall cooperate with the *Authority* and upon its request assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *Covered Party* because of *Wrongful Employment Practice* with respect to which coverage is afforded under this Memorandum. The *Covered Party* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. In all matters in which the *Authority* has selected defense counsel, the *Covered Party* shall refrain from interference with the *Authority's* control of the defense, and shall cooperate fully with the defense counsel and the *Authority* in respect to the defense of the Covered Parties in the *Claim* or suit.

With regard to the settlement of any *Claim* or suit, if the *Covered Party's* refusal to cooperate with the *Authority* in the conduct of the defense, execution of documents, enforcement of any right of contribution or indemnity, or in any other manner prevents settlement of the claim for a reasonable amount, defined as the amount the *Authority* is willing to pay and the claimant is willing to accept, and increases the potential liability for *Damages* and continued *Defense Costs*, the *Covered Party* shall pay or shall reimburse the *Authority* for those *Defense Costs* incurred after the claim could have been settled, and for any *Damages* awarded or settlement agreed upon in excess of the amount for which the claim could have been settled, or, in the alternative, the *Authority* shall have the right to tender the claim back to the *Covered Party* and coverage shall cease.

- (E) The *Authority* shall be entitled to complete access of the *Covered Party's Claim* file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *Covered Party through assigned defense counsel* shall be responsible to report on the progress of the litigation and any significant developments to the *Authority*, and to provide the *Authority* with simultaneous copies of all correspondence provided to the *Covered Party* by its defense attorneys and/or agents.

- (F) If the *Covered Party* is not in substantial compliance with the requirements of Government Code §12950.1 (AB 1825) during the *Coverage Period* for an *Occurrence* related to that code section, the Board shall increase the *Covered Party's Retained Limit* as follows:

#### **PENALTY STRUCTURE**

| <b>SIR</b> | <b>Penalty</b> | <b>Percentage of<br/>Penalty to SIR</b> |
|------------|----------------|-----------------------------------------|
| \$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%                                     |
| \$350,000  | \$52,500       | 15%                                     |
| \$500,000  | \$50,000       | 10%                                     |

Proof of substantial compliance shall be provided at the request of the *Authority* and in the form set forth in Resolution No. 2021-5, or any superseding Resolution, which requires documentation to confirm compliance with the sexual harassment training mandated by State law.

#### **2. Bankruptcy or Insolvency**

Bankruptcy or insolvency of the *Covered Party* shall not relieve the *Authority* of any of its obligations hereunder.

#### **3. Other Coverage**

If any *Covered Party* has coverage with any insurer, joint powers authority or other source which covers a loss also covered hereunder (whether on a primary, excess or contingent basis), the *Covered Party* shall, as soon as practicable after reporting a *Claim* to the *Authority*, or upon request of the *Authority*, provide the *Authority* with copies of all applicable policies, memorandums or documents evidencing such coverage, and shall cooperate in all respects with the *Authority* with respect to such coverage, including but not limited to the tendering of any *Claim* and providing the *Authority* with copies of all communications between the *Covered Party* and any entity providing coverage for such *Claim*.

If insurance or any other coverage with any insurer, joint powers authority or other source is available to the *Covered Party* covering a loss also covered hereunder (whether on primary, excess, or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage.

This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *Covered Party* herein as an additional *Covered Party* or additional insured party, where coverage is extended to a loss also covered hereunder. In order for the coverage herein to apply, the *Covered Party* must pay the full amount of its *Retained Limit*. Payment of the *Retained Limit* by the *Covered Party* is required in addition to and despite any payments from any other source for or on behalf of that *Covered Party*, unless the *Covered Party* has purchased insurance coverage solely and expressly for the purpose of satisfying its *Retained Limit*, in which case that insurance coverage may be used by the *Covered Party* in payment of its *Retained Limit*.

4. Accumulation of Limits

A *Claim* which contains allegations extending to a duration of more than one *Coverage Period* shall be treated as a single *Occurrence* arising during the *Coverage Period* when the first act takes place without regard to any review process or appeal relating to such conduct.

5. Severability of Interests

The term *Covered Party* is used severally and not collectively, but the inclusion herein of more than one *Covered Party* shall not operate to increase the limits of the *Authority's* liability or the *Retained Limit* applicable per *Occurrence*.

6. Subrogation

The *Authority* shall be subrogated to the extent of any payment hereunder to all the *Covered Parties'* rights of recovery thereof and the *Covered Parties* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amounts so recovered shall be apportioned as follows:

- (A) The highest layer of coverage shall be reimbursed first and if there are sufficient recoveries then the next highest layer shall be reimbursed until all recoveries are used up.
- (B) The expenses of all such recovery proceedings shall be paid before any reimbursements are made. If there is no recovery in the proceedings conducted by the *Authority*, it shall bear the expenses thereof.

7. Arbitration

Decisions by the *Authority* whether to assume control of the negotiation, investigation, defense, appeal, or settlement of a *Claim*, or whether or not coverage exists for a particular *Claim* or part of a *Claim* or any other dispute that arises under and in connection with the Memorandum shall be made by the Board of Directors of the *Authority*. An appeal to the Board from a coverage decision or opinion by staff or general counsel must be made in writing to the *Authority* by the *Covered Party* thirty (30) calendar days of receipt of such opinion or decision. If, either prior to or following the Board's decision, a new coverage opinion or decision is sent by staff or general counsel to the *Covered Party*, a new thirty (30) calendar day period commences from receipt of such new opinion or decision in which the *Covered Party* may appeal to the Board. The Program Administrator shall have the discretion to extend the time period within which an appeal from a

coverage decision or opinion must be presented to the Board by an additional 30 days.

The Board will take action on any appeal within sixty (60) calendar days or the next scheduled Board of Directors meeting, whichever is later, unless an extension is agreed to by the parties.

In the event a Covered Party disputes a decision by the Board, the Covered Party must request to binding arbitration within thirty (30) calendar days of written notification of the Board's decision. The *Covered Party* must exhaust all rights to appeal as established by the Bylaws, the Master Program Document and the Memorandum of Coverage prior to requesting arbitration of a dispute.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single arbitrator. No arbitrator shall be employed or affiliated with the *Authority* or the *Covered Party(ies)* or any Member of the Authority.

The selection of the arbitrator shall take place within twenty (20) calendar days from the receipt of the request for arbitration. The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall bear one-half the cost of the selected arbitrator. In addition, each party shall be responsible for its own attorneys' fees, costs and expenses of arbitration.

In the event that the *Member* prevails in the coverage dispute in the arbitration, the following shall apply to any monetary award in the *Member's* favor:

- (A) Any interest awarded shall be at the Local Agency Investment Fund (LAIF) rate + 1% in effect at the time of the award;
- (B) Any attorneys' fees award for *Defense Costs* of the underlying *Claim* above the *Member's Retained Limit* shall be subject to all provisions of the ERMA Litigation Management Guidelines and shall not exceed the hourly rate established by the ERMA Litigation Management Guidelines in effect at the time of the *Occurrence* of the underlying *Claim*;
- (C) Any award shall be subject to and shall not exceed the *Defense Costs* and indemnity *Coverage* under the *Limit of Coverage* afforded under the ERMA Memorandum in effect at the time of the *Occurrence* of the underlying *Claim*;
- (D) No award at the arbitration shall be permitted for damages of any nature or in any amount other than as expressly allowed in this Section VII, subsection 7. By way of example, and without limitation, no award shall be permitted for consequential damages, extra contractual damages, tort damages or damages for any alleged breach of the implied covenant of good faith and fair dealing; and
- (E) Any award for *Defense Costs* and/or indemnity with respect to the underlying *Claim* shall be treated the same for purposes of the determination of the *Member's* Ex Mod or premium calculation, as if the *Claim* had been originally covered by ERMA.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings.

The procedures set forth in California Code of Civil Procedure Section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 8.

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280).

The decision of the arbitrator shall be final and binding, and shall not be subject to appeal.

## **SECTION VIII – MISCELLANEOUS PROVISIONS**

### **1. Termination**

This Memorandum may be terminated at any time in accordance with the Bylaws of the *Authority*.

### **2. Changes**

Notice to any agent of the *Authority* or knowledge possessed by such agent or by any other person shall not effect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**MEMORANDUM OF COVERAGE**  
**ENDORSEMENT #1**

This endorsement, effective 12:01 a.m. 11/7/2021, forms a part of ERMA 2021-2EPL. It is understood that the named Covered Party of the Declarations and the “Retained Limits” for the Covered Parties are completed as follows:

Employment Risk Management Authority,

Bay Cities Joint Powers Insurance Authority (BCJPIA)

| COVERED PARTY                                                                                      | RETENTION |
|----------------------------------------------------------------------------------------------------|-----------|
| City of Albany                                                                                     | \$50,000  |
| City of Brisbane                                                                                   | \$50,000  |
| City of Emeryville                                                                                 | \$50,000  |
| Management of Emeryville Services Authority (MESA)                                                 |           |
| Town of Corte Madera                                                                               | \$100,000 |
| Town of Fairfax                                                                                    | \$50,000  |
| Central Marin Police Authority                                                                     | \$100,000 |
| Central Marin Fire Authority                                                                       | \$100,000 |
| City of Larkspur                                                                                   | \$250,000 |
| City of Los Altos                                                                                  | \$100,000 |
| City of Menlo Park                                                                                 | \$250,000 |
| City of Mill Valley                                                                                | \$50,000  |
| City of Novato                                                                                     | \$250,000 |
| City of Piedmont                                                                                   | \$50,000  |
| City of Pleasanton                                                                                 | \$75,000  |
| <i>(No coverage under this Memorandum is afforded to the Livermore-Pleasanton Fire Department)</i> |           |
| Town of San Anselmo                                                                                | \$50,000  |
| City of Sausalito                                                                                  | \$50,000  |
| Town of Tiburon                                                                                    | \$25,000  |
| City of Union City                                                                                 | \$75,000  |

California Transit Indemnity Pool (CalTIP)

| <b>COVERED PARTY</b>                       | <b>RETENTION</b> |
|--------------------------------------------|------------------|
| El Dorado County Transit Authority         | \$50,000         |
| Humboldt Transit Authority                 | \$75,000         |
| Livermore Amador Valley Transit Authority  | \$50,000         |
| Mendocino Transit Authority                | \$50,000         |
| Morongo Basin Transit Authority            | \$50,000         |
| San Luis Obispo Regional Transit Authority | \$50,000         |
| Tahoe Transportation District              | \$50,000         |
| Western Contra Costa Transit Authority     | \$50,000         |
| Yolo County Transportation District        | \$50,000         |

## California Intergovernmental Risk Authority (CIRA)

| COVERED PARTY                             | RETENTION |
|-------------------------------------------|-----------|
| City of Amador                            | \$250,000 |
| City of Arcata                            | \$250,000 |
| City of Avalon                            | \$250,000 |
| City of Belvedere                         | \$250,000 |
| City of Blue Lake                         | \$250,000 |
| City of California City                   | \$250,000 |
| City of Calimesa                          | \$250,000 |
| City of Calistoga                         | \$250,000 |
| City of Citrus Heights                    | \$250,000 |
| City of Clearlake                         | \$250,000 |
| City of Cloverdale                        | \$250,000 |
| City of Coalinga                          | \$250,000 |
| City of Cotati                            | \$250,000 |
| City of Eureka                            | \$250,000 |
| City of Ferndale                          | \$250,000 |
| City of Fortuna                           | \$250,000 |
| City of Grass Valley                      | \$250,000 |
| City of Highland                          | \$250,000 |
| City of Healdsburg                        | \$250,000 |
| City of Lakeport                          | \$250,000 |
| City of Menifee                           | \$250,000 |
| City of Nevada City                       | \$250,000 |
| City of Placentia                         | \$250,000 |
| City of Placerville                       | \$250,000 |
| City of Plymouth                          | \$250,000 |
| City of Point Arena                       | \$250,000 |
| City of Rancho Cucamonga                  | \$250,000 |
| Rancho Cucamonga Fire Protection District | \$250,000 |
| City of Rancho Santa Margarita            | \$250,000 |
| City of Rohnert Park                      | \$250,000 |
| City of San Juan Bautista                 | \$250,000 |
| City of Sebastopol                        | \$250,000 |
| City of Sierra Madre                      | \$250,000 |
| City of Sonoma                            | \$250,000 |
| City of South Lake Tahoe                  | \$250,000 |
| City of St. Helena                        | \$250,000 |
| City of Tehama                            | \$250,000 |
| City of Trinidad                          | \$250,000 |
| City of Truckee                           | \$250,000 |
| City of Twentynine Palms                  | \$250,000 |
| City of Ukiah                             | \$250,000 |



|                      |           |
|----------------------|-----------|
| City of Watsonville  | \$250,000 |
| City of Wheatland    | \$250,000 |
| City of Wildomar     | \$250,000 |
| City of Willits      | \$250,000 |
| Town of Windsor      | \$250,000 |
| Town of Yountville   | \$250,000 |
| City of Yucaipa      | \$250,000 |
| Town of Yucca Valley | \$250,000 |

Central San Joaquin Valley Risk Management Authority (CSJVRMA)

| COVERED PARTY          | RETENTION       |
|------------------------|-----------------|
| City of Angels         | \$25,000        |
| City of Atwater        | \$25,000        |
| City of Ceres          | \$25,000        |
| City of Chowchilla     | \$25,000        |
| City of Corcoran       | \$25,000        |
| City of Delano         | \$25,000        |
| City of Dinuba         | \$100,000       |
| City of Dos Palos      | \$25,000        |
| City of Escalon        | \$25,000        |
| City of Exeter         | \$25,000        |
| City of Farmersville   | \$75,000        |
| City of Fowler         | \$25,000        |
| City of Gustine        | \$25,000        |
| City of Hughson        | \$25,000        |
| City of Huron          | \$25,000        |
| City of Kerman         | \$25,000        |
| City of Kingsburg      | \$25,000        |
| City of Lathrop        | \$25,000        |
| City of Lemoore        | \$25,000        |
| <u>City of Lindsay</u> | <u>\$25,000</u> |
| City of Livingston     | \$25,000        |
| City of Madera         | \$25,000        |
| City of McFarland      | \$50,000        |
| City of Mendota        | \$25,000        |
| City of Merced         | \$100,000       |
| City of Newman         | \$25,000        |
| City of Oakdale        | \$50,000        |
| City of Orange Cove    | \$50,000        |
| City of Patterson      | \$50,000        |
| City of Porterville    | \$25,000        |
| City of Reedley        | \$25,000        |
| City of Riverbank      | \$50,000        |
| City of San Joaquin    | \$25,000        |
| City of Sanger         | \$25,000        |
| City of Selma          | \$50,000        |
| City of Shafter        | \$25,000        |
| City of Sonora         | \$25,000        |
| City of Taft           | \$25,000        |
| City of Tehachapi      | \$25,000        |
| City of Tulare         | \$100,000       |
| City of Wasco          | \$50,000        |
| City of Woodlake       | \$25,000        |

Exclusive Risk Management Authority of California (ERMAC)

| <b>COVERED PARTY</b> | <b>RETENTION</b> |
|----------------------|------------------|
| City of Hayward      | \$500,000        |
| City of Laguna Hills | \$100,000        |
| City of Santa Maria  | \$500,000        |

Monterey Bay Area Self Insurance Authority (MBASIA)

| COVERED PARTY         | RETENTION |
|-----------------------|-----------|
| City of Capitola      | \$500,000 |
| City of Del Rey Oaks  | \$500,000 |
| City of Gonzales      | \$500,000 |
| City of Greenfield    | \$500,000 |
| City of Hollister     | \$500,000 |
| City of King City     | \$500,000 |
| City of Marina        | \$500,000 |
| City of Sand City     | \$500,000 |
| City of Scotts Valley | \$500,000 |
| City of Soledad       | \$500,000 |

Municipal Pooling Authority (MPA)

| COVERED PARTY         | RETENTION |
|-----------------------|-----------|
| City of Antioch       | \$50,000  |
| City of Brentwood     | \$50,000  |
| City of Clayton       | \$50,000  |
| Town of Danville      | \$50,000  |
| City of El Cerrito    | \$50,000  |
| City of Hercules      | \$50,000  |
| City of Lafayette     | \$50,000  |
| City of Manteca       | \$50,000  |
| City of Martinez      | \$50,000  |
| Town of Moraga        | \$50,000  |
| City of Oakley        | \$50,000  |
| City of Orinda        | \$50,000  |
| City of Pacifica      | \$75,000  |
| City of Pinole        | \$50,000  |
| City of Pittsburg     | \$50,000  |
| City of Pleasant Hill | \$50,000  |
| City of San Pablo     | \$100,000 |
| City of San Ramon     | \$50,000  |
| City of Walnut Creek  | \$50,000  |

Public Entity Risk Management Authority (PERMA)

| COVERED PARTY                                                                              | RETENTION |
|--------------------------------------------------------------------------------------------|-----------|
| City of Banning                                                                            | \$25,000  |
| City of Barstow                                                                            | \$25,000  |
| City of Canyon Lake                                                                        | \$25,000  |
| City of Cathedral City                                                                     | \$25,000  |
| City of Coachella                                                                          | \$25,000  |
| City of Desert Hot Springs                                                                 | \$25,000  |
| City of Eastvale                                                                           | \$25,000  |
| City of Hesperia                                                                           | \$50,000  |
| City of Holtville                                                                          | \$25,000  |
| Imperial County Transportation Commission                                                  | \$25,000  |
| City of Jurupa Valley                                                                      | \$25,000  |
| City of La Mesa                                                                            | \$25,000  |
| City of Murrieta                                                                           | \$100,000 |
| <i>(No coverage under this Memorandum is afforded to the<br/>Murrieta Fire Department)</i> |           |
| Palm Springs Aerial Tramway                                                                | \$25,000  |
| City of Perris                                                                             | \$25,000  |
| City of Rancho Mirage                                                                      | \$50,000  |
| San Diego Regional Training Center                                                         | \$25,000  |
| City of San Jacinto                                                                        | \$25,000  |
| SunLine Transit Agency                                                                     | \$50,000  |
| Victor Valley Transit Authority                                                            | \$25,000  |
| City of Victorville                                                                        | \$25,000  |

Pooled Liability Assurances Network (PLAN)

**COVERED PARTY**

**RETENTION**

City of American Canyon  
Town of Atherton  
Town of Woodside

\$50,000  
\$100,000  
\$50,000

## Small Cities Organized Risk Effort (SCORE)

| <b>COVERED PARTY</b> | <b>RETENTION</b> |
|----------------------|------------------|
| City of Biggs        | \$25,000         |
| City of Colfax       | \$25,000         |
| City of Dunsmuir     | \$50,000         |
| City of Live Oak     | \$25,000         |
| City of Mt. Shasta   | \$25,000         |
| City of Portola      | \$25,000         |
| City of Rio Dell     | \$25,000         |
| City of Shasta Lake  | \$25,000         |
| City of Susanville   | \$25,000         |
| City of Tulelake     | \$25,000         |
| Town of Loomis       | \$25,000         |
| City of Weed         | \$100,000        |
| City of Yreka        | \$25,000         |



## Vector Control Joint Powers Agency (VCJPA)

| COVERED PARTY                                                                       | RETENTION |
|-------------------------------------------------------------------------------------|-----------|
| Alameda County Mosquito Abatement District                                          | \$25,000  |
| Burney Basin Mosquito Abatement District                                            | \$25,000  |
| Butte County Mosquito and Vector Control District                                   | \$25,000  |
| Coachella Valley Mosquito and Vector Control District                               | \$25,000  |
| Colusa Mosquito Abatement District                                                  | \$25,000  |
| Compton Creek Mosquito Abatement District                                           | \$25,000  |
| Consolidated Mosquito Abatement District                                            | \$25,000  |
| Contra Costa Mosquito and Vector Control District                                   | \$25,000  |
| <del>Delta Vector Control District</del> Delta Mosquito and Vector Control District | \$25,000  |
| Durham Mosquito Abatement District                                                  | \$25,000  |
| Fresno Mosquito and Vector Control District                                         | \$25,000  |
| Glenn County Mosquito and Vector Control District                                   | \$25,000  |
| Greater Los Angeles County Vector Control District                                  | \$25,000  |
| Kings Mosquito Abatement District                                                   | \$25,000  |
| Lake County Vector Control District                                                 | \$25,000  |
| Los Angeles County West Vector Control District                                     | \$25,000  |
| Marin-Sonoma Mosquito and Vector Control District                                   | \$25,000  |
| Mosquito and Vector Management District of Santa Barbara County                     | \$25,000  |
| Napa County Mosquito Abatement District                                             | \$25,000  |
| Northwest Mosquito and Vector Control District                                      | \$25,000  |
| Orange County Mosquito and Vector Control District                                  | \$25,000  |
| Placer Mosquito and Vector Control District                                         | \$25,000  |
| Sacramento-Yolo Mosquito and Vector Control District                                | \$25,000  |
| San Gabriel Valley Mosquito and Vector Control District                             | \$25,000  |
| San Joaquin County Mosquito and Vector Control District                             | \$25,000  |
| San Mateo County Mosquito Abatement District                                        | \$25,000  |
| Shasta Mosquito and Vector Control District                                         | \$25,000  |
| Sutter-Yuba Mosquito and Vector Control District                                    | \$25,000  |
| Tehama County Mosquito and Vector Control District                                  | \$25,000  |
| Turlock Mosquito Abatement District                                                 | \$25,000  |
| West Valley Mosquito and Vector Control District                                    | \$25,000  |

Individual Entities

| COVERED PARTY                         | RETENTION |
|---------------------------------------|-----------|
| Oakland Housing Authority             | \$50,000  |
| Contra Costa County Housing Authority | \$50,000  |

Effective Date: ~~July~~November 1, 2021

Endorsement No.: 1



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AUTHORIZED REPRESENTATIVE

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**MEMORANDUM OF COVERAGE**  
**ENDORSEMENT #2**

This endorsement, effective 12:01 a.m. ~~7~~11/1/2021, forms a part of ERMA 2021-2EPL.

It is understood that the definition of “Covered Party” in Section II is amended to include the following entities and any officer, director or employee while in the course and scope of their duties for the following entities:

Bay Cities Joint Powers Insurance Authority (BCJPIA)  
California Transit Indemnity Pool (CalTIP)  
California Intergovernmental Risk Authority (CIRA)  
Central San Joaquin Valley Risk Management Authority (CSJVRMA)  
Employment Risk Management Authority (ERMA)  
Exclusive Risk Management Authority of California (ERMAC)  
Monterey Bay Area Self Insurance Authority (MBASIA)  
Municipal Pooling Authority (MPA)  
Public Entity Risk Management Authority (PERMA)  
Pooled Liability Assurances Network (PLAN)  
Small Cities Organized Risk Effort (SCORE)  
Vector Control Joint Powers Agency (VCJPA)

The retained limit for the coverage provided by this endorsement is \$25,000.

It is further understood that no other person, organization, or entity shall be deemed to be a “Covered Party” under this endorsement except for those expressly identified herein.

Effective Date: ~~July~~November 1, 2021

Endorsement No.: 2



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AUTHORIZED REPRESENTATIVE

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**MEMORANDUM OF COVERAGE**  
**ENDORSEMENT #3**

This endorsement, effective 12:01 a.m. ~~711~~/1/2021, forms a part of ERMA 2021-2EPL.

It is understood that for the following Covered Parties, the limit of coverage is \$500,000 per *Occurrence*.

Small Cities Organized Risk Effort (SCORE)

| COVERED PARTY       | RETENTION |
|---------------------|-----------|
| City of Biggs       | \$25,000  |
| City of Colfax      | \$25,000  |
| City of Dunsmuir    | \$50,000  |
| City of Live Oak    | \$25,000  |
| City of Portola     | \$25,000  |
| City of Mt. Shasta  | \$25,000  |
| City of Shasta Lake | \$25,000  |
| City of Susanville  | \$25,000  |
| City of Tulelake    | \$25,000  |
| City of Rio Dell    | \$25,000  |
| Town of Loomis      | \$25,000  |
| City of Weed        | \$100,000 |
| City of Yreka       | \$25,000  |

Effective Date: ~~July~~November 1, 2021

Endorsement No.: 3



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

**TRAINING & LOSS PREVENTION MATTERS**

**SUBJECT: 2021 Target Risk Appraisal Recommendations**

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**BACKGROUND AND STATUS:**

In accordance with Resolution 2011-1, staff annually 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 for the most recent five program years 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:**

*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 2022 meeting, based upon the outcome of the 2021 target ratio calculations.*

**REFERENCE MATERIALS ATTACHED:**

- 2021 Target Ratio Calculation Summary

**Employment Risk Management Authority (ERMA)  
2021 Target Ratio Calculation  
Summary ~ All Claims**

|                                                   | Prior Risk Asmt. | 2015/2016<br>Target Ratios |           |          |            | 2016/2017<br>Target Ratios |           |          |            | 2017/2018<br>Target Ratios |           |          |            | 2018/2019<br>Target Ratios |           |          |            | 2019/2020<br>Target Ratios |           |          |            | TOTAL        | One parameter exceeded                                                    |
|---------------------------------------------------|------------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|--------------|---------------------------------------------------------------------------|
|                                                   |                  | Claims Count               | Frequency | Severity | Loss Ratio | Claims Count               | Frequency | Severity | Loss Ratio | Claims Count               | Frequency | Severity | Loss Ratio | Claims Count               | Frequency | Severity | Loss Ratio | Claims Count               | Frequency | Severity | Loss Ratio | Claims Count | Two parameters exceeded                                                   |
| ERMA's Target                                     |                  |                            | 2.40%     | 135.57%  | 320.05%    |                            | 2.66%     | 81.66%   | 186.54%    |                            | 2.28%     | 108.32%  | 254.88%    |                            | 2.23%     | 52.20%   | 128.32%    |                            | 1.98%     | 41.37%   | 90.29%     |              | Three parameters exceeded                                                 |
| Insured:                                          |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |              | Assessment Recommended                                                    |
|                                                   |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |              | COMMENTS                                                                  |
| City of Adelanto                                  | 2017/18          |                            |           |          |            | 4                          | 13.61%    | 717.45%  | 2366.82%   | 5                          | 19.98%    | 0.00%    | 0.00%      | 3                          | 10.70%    | 526.85%  | 1308.54%   |                            |           |          |            | 12           | City is no longer an ERMA member                                          |
| City of Angels Camp                               |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 3.60%     | 54.00%   | 92.32%     | 1            | Not recommended. Ratios exceeded due to one claim                         |
| City of Atwater                                   |                  |                            |           |          |            | 1                          | 1.89%     | 235.78%  | 297.37%    | 2                          | 3.68%     | 336.80%  | 366.62%    | 1                          | 1.83%     | 200.87%  | 186.67%    | 1                          | 0.61%     | 0.00%    | 0.00%      | 5            | Not recommended. Ratios exceeded due to historical administrative changes |
| City of Avalon                                    |                  | 2                          | 4.02%     | 371.92%  | 919.53%    |                            |           |          |            | 1                          | 1.84%     | 0.00%    | 0.00%      |                            |           |          |            |                            |           |          |            | 3            | Not recommended. Ratios exceeded due to one claim                         |
| City of Banning                                   | 14/15; 15/16     | 2                          | 1.53%     | 313.44%  | 378.75%    | 1                          | 0.75%     | 55.47%   | 67.95%     | 1                          | 0.70%     | 0.00%    | 0.00%      | 3                          | 1.93%     | 181.83%  | 181.26%    |                            |           |          |            | 7            | Not recommended. Ratios exceeded primarily due to one claim               |
| City of Belvedere                                 |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 4.09%     | 79.23%   | 147.75%    |                            |           |          |            | 1            | Not recommended. Ratios exceeded due to one claim                         |
| City of Brentwood                                 |                  |                            |           |          |            |                            |           |          |            | 3                          | 1.05%     | 331.40%  | 1091.05%   | 1                          | 0.32%     | 0.00%    | 0.00%      |                            |           |          |            | 4            | Not recommended. Ratios exceeded due to one claim                         |
| City of California City                           | 2020/21          |                            |           |          |            | 2                          | 2.88%     | 0.00%    | 0.00%      | 1                          | 1.40%     | 155.12%  | 240.70%    | 1                          | 1.47%     | 0.00%    | 0.00%      | 5                          | 7.58%     | 124.54%  | 179.00%    | 9            | Not recommended. Assessment done last year                                |
| City of Cathedral City                            |                  |                            |           |          |            | 1                          | 0.54%     | 46.99%   | 115.12%    | 1                          | 0.50%     | 316.74%  | 717.81%    |                            |           |          |            |                            |           |          |            | 2            | Not recommended. Ratios exceeded primarily due to one claim               |
| City of Ceres                                     |                  |                            |           |          |            | 3                          | 2.00%     | 9.43%    | 11.89%     | 1                          | 0.64%     | 0.00%    | 0.00%      |                            |           |          |            | 1                          | 0.68%     | 96.04%   | 98.51%     | 5            | Not recommended. Ratios exceeded due to one claim                         |
| City of Clearlake                                 |                  |                            |           |          |            |                            |           |          |            | 3                          | 8.96%     | 509.04%  | 975.92%    | 1                          | 2.75%     | 0.00%    | 0.00%      |                            |           |          |            | 4            | Not recommended. Ratios exceeded due to one claim                         |
| City of Coalinga                                  |                  |                            |           |          |            |                            |           |          |            | 1                          | 1.88%     | 291.85%  | 279.76%    | 2                          | 1.78%     | 0.00%    | 0.00%      | 1                          | 2.02%     | 118.78%  | 127.56%    | 4            | Not recommended. Ratios exceeded due to one claim                         |
| Consolidated Mosquito Abatement District          |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 13.50%    | 413.87%  | 762.91%    |                            |           |          |            | 1            | Not recommended. Ratios exceeded primarily due to one claim               |
| Contra Costa Mosquito and Vector Control District |                  |                            |           |          |            | 1                          | 3.31%     | 0.00%    | 0.00%      | 1                          | 3.16%     | 0.00%    | 0.00%      | 1                          | 3.04%     | 168.98%  | 186.91%    |                            |           |          |            | 3            | Not recommended. Ratios due to low loss claims                            |
| City of Del Rey Oaks                              |                  |                            |           |          |            | 2                          | 19.05%    | 0.00%    | 0.00%      |                            |           |          |            | 1                          | 9.82%     | 981.59%  | 5854.80%   | 1                          | 7.23%     | 0.00%    | 0.00%      | 4            | Not recommended. Ratios exceeded due to one claim                         |
| City of Desert Hot Springs                        | 2012/13          |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 1.81%     | 90.62%   | 191.48%    | 1            | Not recommended. Ratios exceeded due to one claim                         |
| City of Eastvale                                  |                  |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 7.22%     | 1133.12% | 2394.29%   | 1            | Not recommended. Ratios exceeded due to one claim                         |
| City of El Cerrito                                |                  | 1                          | 0.59%     | 0.00%    | 0.00%      |                            |           |          |            | 1                          | 0.53%     | 0.00%    | 0.00%      | 3                          | 1.50%     | 104.08%  | 351.45%    | 2                          | 0.96%     | 0.00%    | 0.00%      | 7            | Not recommended. Ratios exceeded due to one claim                         |
| City of Fowler                                    |                  |                            |           |          |            |                            |           |          |            | 1                          | 5.22%     | 1118.16% | 1174.56%   | 1                          | 5.20%     | 0.00%    | 0.00%      |                            |           |          |            | 2            | Not recommended. Ratios exceeded due to one claim                         |
| City of Kingsburg                                 |                  |                            |           |          |            | 2                          | 6.05%     | 946.52%  | 1569.72%   |                            |           |          |            |                            |           |          |            |                            |           |          |            | 2            | Not recommended. No recent claims activity                                |

**Employment Risk Management Authority (ERMA)  
2021 Target Ratio Calculation  
Summary ~ All Claims**

|                                                           | Prior Risk Assmt.   | 2015/2016<br>Target Ratios |           |          |            | 2016/2017<br>Target Ratios |           |          |            | 2017/2018<br>Target Ratios |           |          |            | 2018/2019<br>Target Ratios |           |          |            | 2019/2020<br>Target Ratios |           |          |            | TOTAL<br>Claims<br>Count |                                                                            |
|-----------------------------------------------------------|---------------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|----------------------------|-----------|----------|------------|--------------------------|----------------------------------------------------------------------------|
|                                                           |                     | Claims<br>Count            | Frequency | Severity | Loss Ratio | Claims<br>Count            | Frequency | Severity | Loss Ratio | Claims<br>Count            | Frequency | Severity | Loss Ratio | Claims<br>Count            | Frequency | Severity | Loss Ratio | Claims<br>Count            | Frequency | Severity | Loss Ratio |                          |                                                                            |
| ERMA's Target                                             |                     | 2.40%                      | 135.57%   | 320.05%  |            | 2.66%                      | 81.66%    | 186.54%  |            | 2.28%                      | 108.32%   | 254.88%  |            | 2.23%                      | 52.20%    | 128.32%  |            | 1.98%                      | 41.37%    | 90.29%   |            |                          | One parameter exceeded                                                     |
| Insured:                                                  |                     |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            |                          | Two parameters exceeded                                                    |
| Los Angeles County West Vector Control District           |                     |                            |           |          |            |                            |           |          |            | 1                          | 3.40%     | 157.36%  | 327.83%    |                            |           |          |            |                            |           |          |            | 1                        | Not recommended. No recent claims activity                                 |
| City of Manteca                                           |                     | 2                          | 0.68%     | 1.56%    | 2.01%      | 3                          | 0.93%     | 0.00%    | 0.00%      |                            |           |          |            | 2                          | 0.54%     | 0.00%    | 0.00%      | 1                          | 0.26%     | 93.67%   | 144.83%    | 8                        | Not recommended. Ratios exceeded primarily due to one claim                |
| City of McFarland                                         | 12/13; 14/15; 17/18 | 2                          | 8.68%     | 1076.29% | 1066.19%   | 1                          | 4.41%     | 10.06%   | 10.48%     | 2                          | 7.61%     | 0.00%    | 0.00%      |                            |           |          |            |                            |           |          |            | 5                        | Not recommended. No recent claims activity                                 |
| City of Menifee                                           |                     |                            |           |          |            |                            |           |          |            |                            |           |          |            | 3                          | 5.64%     | 391.03%  | 437.55%    | 3                          | 4.92%     | 0.00%    | 0.00%      | 6                        | Not recommended. Ratios exceeded primarily due to one claim                |
| MPA JPA Staff                                             |                     | 1                          | 6.69%     | 140.15%  | 0.00%      |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                        | Not recommended. No recent claims activity                                 |
| City of Mt. Shasta                                        |                     |                            |           |          |            |                            |           |          |            | 1                          | 5.14%     | 2212.24% | 5572.84%   |                            |           |          |            |                            |           |          |            | 1                        | Not recommended. Ratios exceeded due to one claim                          |
| City of Patterson                                         |                     |                            |           |          |            | 1                          | 1.59%     | 0.00%    | 0.00%      | 1                          | 1.42%     | 0.00%    | 0.00%      | 1                          | 1.24%     | 125.75%  | 262.60%    |                            |           |          |            | 3                        | Not recommended. Ratios exceeded due to one claim                          |
| City of Piedmont                                          |                     | 1                          | 0.88%     | 191.03%  | 555.51%    | 1                          | 0.86%     | 0.00%    | 0.00%      | 1                          | 0.84%     | 85.00%   | 230.29%    |                            |           |          |            |                            |           |          |            | 3                        | Not recommended. No recent claims activity                                 |
| City of Pleasant Hill                                     |                     | 2                          | 1.83%     | 868.72%  | 1330.05%   |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 2                        | Not recommended. No recent claims activity                                 |
| City of Pleasanton Fire Department (Livermore-Pleasanton) |                     |                            |           |          |            | 1                          | 0.52%     | 98.67%   | 308.23%    |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                        | Not recommended. No recent claims activity                                 |
| City of Porterville                                       |                     |                            |           |          |            |                            |           |          |            | 2                          | 1.02%     | 316.68%  | 574.54%    | 2                          | 1.00%     | 14.44%   | 26.84%     | 1                          | 0.48%     | 4.95%    | 8.45%      | 5                        | Not recommended. Ratios exceeded due to one claim                          |
| City of Rialto                                            | 2016/17             | 3                          | 1.16%     | 116.59%  | 287.79%    | 3                          | 1.03%     | 272.16%  | 532.58%    |                            |           |          |            |                            |           |          |            |                            |           |          |            | 6                        | City is no longer an ERMA member                                           |
| San Gabriel Valley Mosquito and Vector Control District   |                     | 1                          | 5.43%     | 1958.31% | 1928.69%   | 1                          | 5.35%     | 0.00%    | 0.00%      |                            |           |          |            |                            |           |          |            |                            |           |          |            | 2                        | Not recommended. Claims activity and severity arose under prior management |
| SunLine Transit Agency                                    |                     | 1                          | 0.71%     | 75.76%   | 205.30%    | 2                          | 1.31%     | 46.08%   | 126.73%    |                            |           |          |            |                            |           |          |            | 7                          | 4.25%     | 105.05%  | 124.79%    | 10                       | Assessment Recommended                                                     |
| City of Susanville                                        |                     |                            |           |          |            | 1                          | 2.72%     | 431.72%  | 1094.13%   | 1                          | 2.52%     | 0.00%    | 0.00%      |                            |           |          |            |                            |           |          |            | 2                        | Not recommended. Ratios exceeded primarily due to one claim                |
| City of Twentynine Palms                                  |                     |                            |           |          |            |                            |           |          |            | 1                          | 4.43%     | 0.00%    | 0.00%      | 1                          | 4.26%     | 1490.70% | 2779.98%   |                            |           |          |            | 2                        | Not recommended. Ratios exceeded due to one claim                          |
| City of Wasco                                             |                     | 1                          | 3.56%     | 255.73%  | 450.45%    |                            |           |          |            |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                        | Not recommended. No recent claims activity                                 |
| City of Watsonville                                       |                     | 2                          | 0.83%     | 7.67%    | 39.95%     |                            |           |          |            | 3                          | 1.10%     | 5.30%    | 15.80%     | 2                          | 0.70%     | 0.00%    | 0.00%      | 2                          | 0.67%     | 83.80%   | 185.03%    | 9                        | Not recommended. Ratios exceeded due to low loss claims                    |
| West Valley Mosquito and Vector Control District          |                     |                            |           |          |            |                            |           |          |            |                            |           |          |            | 1                          | 7.17%     | 358.30%  | 660.50%    |                            |           |          |            | 1                        | 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: 112  
Total number of claims: 394

**TRAINING & LOSS PREVENTION MATTERS**

**SUBJECT: Training Update**

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**BACKGROUND AND STATUS:**

**Live & Online Training:**

At the April 27, 2021, meeting, the Board approved training topics for the 2021/22 Program Year.

Despite COVID restrictions limiting in-person gatherings, member interest has increased in number and attendance volume relative to the comparable time frame from the previous program year. This trend has been primarily driven by increases in requests for trainings held in remote, webinar format, allowing members from geographically distant regions to attend who otherwise would be unable to do so. This is especially true for non-harassment training topics, which tend to be presented with less frequency.

At present, a total of 15 trainings have been completed or are confirmed for future dates. Of the eight training sessions already completed, a total of 726 participants have attended. This is a substantial increase from this time last year, in which a total of 105 participants attended over the span of five training sessions.

In sum, members' interest in ERMA's training programs appears to be both persistent and broadening in terms of content, as illustrated in the following table:

| <u>Date</u>        | <u>Training</u>                | <u>Host Site</u>                | <u>Attendees</u> |
|--------------------|--------------------------------|---------------------------------|------------------|
| August 31, 2021    | Implicit Bias in the Workplace | San Louis Obispo RTA (Webinar)  | 246              |
| September 8, 2021  | AB 1825/SB 1343                | City of Piedmont (Webinar)      | 68               |
| September 8, 2021  | AB 1825/SB 1343                | City of Wasco                   | 35               |
| September 9, 2021  | AB 1825/SB 1343                | City of Victorville (Webinar)   | 158              |
| September 23, 2021 | Implicit Bias in the Workplace | Town of San Anselmo (Webinar)   | 84               |
| September 30, 2021 | Disability Interactive Process | City of Emeryville (Webinar)    | 35               |
| October 6, 2021    | AB 1825                        | Victor Valley Transit Authority | 27               |
| October 7, 2021    | AB 1825/SB 1343                | City of San Jacinto (Webinar)   | 73               |

Members continue to utilize online training, including AB 1825 and SB 1343-compliant sessions via ERMANet.



**Training & Risk Management Program:**

Beginning July 1, 2020, ERMA launched the Training & Risk Management Program, wherein members may seek reimbursement of up to \$2,500 annually for eligible employment-related training and loss control activity expenditures. To date, 14 agencies have submitted requests for reimbursement, several of whom have submitted multiple requests for employment relations training as well as for costs associated with participation in the Liebert Cassidy Whitmore Consortium. Staff expects requests to increase as COVID restrictions relax and participation in in-person events (e.g., group training, conferences, and workshops) become more prevalent.

**Training Compliance:**

As a reminder, a self-certification survey was launched on January 1, 2021. This tool allows member agencies to certify compliance with mandated training.

Access to the self-certification survey has been disabled for the 2020/21 Program Year. Beginning in January 2022, access will be re-enabled, allowing members to self-certify compliance for the 2021/22 Program Year.

Staff continues to promote and encourage training compliance via the weekly Training Bulletin and various website updates.

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

**RECOMMENDATION:**

*None*

**LITIGATION MANANGEMENT**

**SUBJECT:** Report from Stacey Sullivan, Litigation Manager

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**BACKGROUND AND STATUS:**

This time is reserved for Stacey Sullivan, Litigation Manager, to report to the Board regarding any general litigation management and member support activities.

**RECOMMENDATION:**

*None*