

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

**MINUTES OF THE BOARD OF DIRECTORS  
MEETING OF JUNE 12, 2017**

A regular meeting of the Board of Directors of ERMA was held on June 12, 2017, at the Bickmore office in Sacramento, CA.

**BOARD MEMBERS PRESENT:** Scott Ellerbrock, President, PERMA  
John Gillison, Treasurer, PARSAC  
David Glasser, BCJPIA (*arrived at 10:29 a.m.*)  
Dave Elias, CSJVRMA  
Charlene Calica, Housing Authority of the County of  
Contra Costa  
Linda Cox, MPA  
John Duckett, SCORE  
Truc Dever, VCJPA

**BOARD MEMBERS ABSENT:** Don White, ERMAC  
Jamie Goldstein, MBASIA  
Artesia Dupree, Oakland Housing Authority

**ALTERNATE MEMBERS PRESENT:** Joanne Rennie, PARSAC  
Dan Weakley, BCJPIA  
Brett Miller, MBASIA

**ALTERNATE MEMBERS ABSENT:** Kerry Trost, PERMA  
Sean Scully, CSJVRMA  
Joseph Villarreal, Housing Authority of the County of  
Contra Costa  
Tracy Robinson, MPA  
Roger Carroll, SCORE  
Jamie Scott, VCJPA

**OTHERS PRESENT:** Rob Kramer, Executive Director  
Jennifer Jobe, Assistant Executive Director  
Kathy Maylin, Litigation Manager  
Nancy Broadhurst, Finance Manager  
Greg O’Dea, General Counsel  
Yahaira Martinez, Bickmore  
Seth Cole, Alliant Insurance Services  
Michael Christian, Jackson Lewis  
Geoff Sheldon, Liebert Cassidy Whitmore

1. CALL TO ORDER

The June 12, 2017, Board of Directors’ meeting was called to order at 10:02 a.m. by President Scott Ellerbrock.

2. INTRODUCTIONS

A majority of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**John Gillison moved to approve the agenda as posted. Seconded by John Duckett. Motion passed unanimously.**

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

**John Gillison moved to approve the following items: A) Minutes of May 16, 2017, Board of Directors Meeting and Summary of Action Items; B) General Warrants from May 1, 2017, through May 31, 2017; C) Claims Payments from May 1, 2017, through May 31, 2017; and D) Petty Cash Statements from April 1, 2017, through May 31, 2017. Seconded by Dan Weakley. The motion passed unanimously.**

6. CLAIMS MATTERS

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

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 10:05 a.m. to discuss the following claims for the payment of employment practices liability incurred by the joint powers authority:

- Anderson v. Rialto
- Ceballos v. Sunline Transit Agency
- Higginbotham v. Ceres
- Rex v. West Hollywood
- Salehi v. West Hollywood

B. Report from Closed Session

The Board reconvened to open session at 11:07 a.m. Mr. O'Dea reported the Board met to discuss the claims listed. With respect to both Ceballos v. Sunline Transit Agency, and Rex v. West Hollywood, no action was taken. With respect to Anderson v. Rialto, the Board voted unanimously to deny the City of Rialto's appeal as presented to the Board of Directors. With respect to both Higginbotham v. Ceres, and Salehi v. West Hollywood, the Board voted unanimously to extend settlement authority to the Litigation Manager.

*At 11:08 a.m., the Board recessed for a break and reconvened at 11:16 a.m.*

7. COVERAGE MATTERS

A. Discussion and Action Regarding Excess Coverage for the 2017/18 Program Year

Mr. Seth Cole, Alliant Insurance Services (Alliant), reported that Alliant obtained a renewal offer from RSUI at the expiring rates and terms. Ms. Jennifer Jobe, Assistant Executive Director, advised the Board that six of the ten CalTIP members opted to participate in the excess coverage through RSUI; therefore, the total premium amount stated in Mr. Cole's letter, which included all ten members, will be reduced down to \$236,000 due to the four declinations for excess coverage. Ms. Jobe noted that the Town of Corte Madera was inadvertently included in the quote as a participant through BCJPIA; however, BCJPIA does not purchase excess coverage through ERMA.

Lastly, Mr. Cole stated that RSUI also provided options to increase the limits of liability in the event the Board wishes to consider increased limits as the ERMA program continues to grow.

Mr. Scott Ellerbrock, President, stated that in the future, an ad hoc committee will be appointed to review and discuss existing policy limits and aggregates and bring forth a recommendation for the Board's consideration.

**Dave Elias moved to approve binding excess coverage through RSUI for the 2017/18 Program Year with the same terms and limits as expiring; seconded by Dave Glasser. The motion passed unanimously.**

8. ELECTION OF OFFICERS FOR THE 2017/18 AND 2018/19 PROGRAM YEARS

A. Nomination and Election of President

President Ellerbrock expressed his interest in continuing to serve as President.

**Dave Elias moved to elect Scott Ellerbrock as President for the 2017/18 and 2018/19 Program Years; seconded by John Gillison. The motion passed unanimously.**

B. Nomination and Election of Vice President

President Ellerbrock stated that Mr. Dave Elias, CSJVRMA, has expressed interest in serving as Vice President.

**Scott Ellerbrock moved to elect Dave Elias as Vice President for the 2017/18 and 2018/19 Program Years; seconded by John Gillison. The motion passed unanimously.**

C. Nomination and Election of Treasurer

Mr. John Gillison, Treasurer, expressed his interest in continuing to serve as Treasurer.

**Truc Dever moved to elect John Gillison as Treasurer for the 2017/18 and 2018/19 Program Years; seconded by John Duckett. The motion passed unanimously.**

9. ADMINISTRATIVE MATTERS

A. Appointment of Ms. Jennifer Jobe as Executive Director

Mr. Rob Kramer, Executive Director, advised the Board that in November 2015, Ms. Jobe was appointed as ERMA's Assistant Executive Director, with the intent that she would transition to the role of Executive Director after the Board had sufficient opportunity to evaluate her capacity.

**Dave Elias moved to appoint Ms. Jennifer Jobe as Executive Director effective June 12, 2017; seconded by John Gillison. The motion passed unanimously.**

B. Resolution 2016-6 Establishing Meeting Dates for the 2017/18 Fiscal Year

Enclosed in the agenda, the Board received the proposed resolution establishing the meeting dates for the 2017/18 Fiscal Year.

It was noted that the proposed November 7, 2017, at 9:00 a.m., meeting date conflicts with a LAWCX Board meeting, so it was proposed the meeting date be changed to November 6, 2017 at 10:00 a.m. to accommodate flight schedules for those Board Members traveling from Southern California.

Ms. Jobe reminded the Board that ERMA provides for reimbursement for travel to the meetings.

**Truc Dever moved to approve Resolution 2016-6 Establishing Meeting Dates for the 2017/18 Fiscal Year with an amendment to change the November meeting date and time to November 6, 2017, at 10:00 a.m. Seconded by John Gillison. The motion passed unanimously.**

C. 2017/18 Goals and Objectives Update

Ms. Jobe briefed the Board on the four goals and objectives established at its Annual Workshop in February 2017. The first goal is to conduct a self-insured retention (SIR) analysis of existing members. Ms. Jobe advised staff will conduct an analysis of all existing ERMA members' SIRs to ensure the continued overall appropriate level of risk, and a report will be provided with staff recommendations at the November 2017 Board meeting.

The second goal is to review the existing underwriting process to take into consideration any safety exposures relative to the recommended SIR for potential members. Ms. Jobe stated staff will work with the Underwriting Committee to conduct a review and analysis of ERMA's existing underwriting guidelines as they apply to the evaluation and consideration of various risk exposures, and a report will be provided to the Board with staff recommendations at the November 2017 meeting.

The third goal is to establish an ad hoc committee to discuss the marketing of ERMA's program. Ms. Jobe advised staff will work with the President to solicit volunteers for participation on the ad hoc committee and develop an outline for discussion.

The fourth goal is to continue support of the work conducted by the Ad Hoc Training Committee and staff on Phases I & II of the Policy Review initiative. Ms. Jobe stated staff anticipates distributing the information to the membership by the 3<sup>rd</sup> week of July in order to include the new members joining effective July 1<sup>st</sup>.

D. Consideration of Liebert Cassidy Whitmore and Jackson Lewis, P.C. Proposed Hourly Rates for Policy Review Services

Ms. Jobe reported that staff has been working with Liebert Cassidy Whitmore (LCW) and Jackson Lewis to determine hourly rates for legal services associated with ERMA's Policy Review Program. She advised the Board that during Phase I of the Policy Review Program, an initial evaluation is conducted by the assigned attorney firm of the Member's responses to the Policy Review online survey. Following the evaluation, a follow up telephonic review between the Member and the attorney firm will take place in order to discuss any identified issues or suggestions. Lastly, a recommended action memorandum will be issued to the Member that summarizes both the survey and telephone review and identifies any necessary policy updates, training deficiencies or other risks.

Ms. Jobe reported the two attorney firms agreed to use a blended hourly rate of \$255 for all attorneys. Upon completion of Phase I, if the Member or ERMA chooses to proceed with Phase II, the firms would conduct the work at the discounted hourly rates of \$315 for partners, \$295 for of counsel attorneys, and \$255 for associate attorneys. It was noted these rates represent a 10% or more discount off the firms' regular rates for their public sector clients.

A discussion ensued and it was the consensus of the Board to delay approval of the proposed Phase II rates as it is unclear what type of issues may arise from Phase I, or the level of Member participation the program will elicit. The Board agreed a secondary discussion should take place upon completion of Phase I as an overall completion timeline of both Phases remains unknown.

**Truc Dever moved to approve Liebert Cassidy Whitmore and Jackson Lewis, P.C.'s hourly rates for Phase I of the Policy Review Services, effective July 1, 2017. Seconded by Dave Elias. The motion passed unanimously.**

E. Contract with Farley Consulting Services, LLC for Claims Audit Services

Ms. Jobe reported that ERMA has engaged the services of Farley Consulting Services, LLC (FCS) since 2002, to conduct an audit of employment liability claims within ERMA's coverage layer on a biennial basis. She stated the existing contract for services with FCS expired with the most recent audit dated March 31, 2017, presented to and approved by the Board of Directors on May 16, 2017. Ms. Jobe requested direction from the Board regarding whether to issue a Request for Proposal or renew a contract with FCS.

The Board directed staff to renew a multi-year contract with FCS and provide the contract for formal approval of the Board.

F. Resolution 2016-7 Requiring Members to Provide Proof of Compliance with Training Mandated by State Law

Ms. Jobe reported that with the January 1, 2017, implementation of AB 1661 (McCarty), Local Government: Sexual Harassment Prevention Training and Education, ERMA Resolution 2010-2 was amended to reflect the requirement of ERMA members to provide proof of compliance with California Government Code 12950.1 and 53237.1 to include all managers, supervisors and local agency officials.

In response to an inquiry from the Board, Ms. Jobe stated that ERMA requests proof of training from members only in the event a claim arises wherein compliance is in question.

**Dave Elias moved to approve Resolution 2016-7 Requiring Members to Provide Proof of Compliance with Training Mandated by State Law, as presented. Seconded by John Duckett. The motion passed unanimously.**

G. Resolution 2016-8 Expressing Appreciation for the Honorable Service Provided to ERMA by Mr. Dan Weakley, Bay Cities Joint Powers Authority

President Ellerbrock presented Mr. Dan Weakley, BCJPIA, with the Resolution which expresses appreciation for Mr. Weakley's eight years of service with ERMA, and thanked Mr. Weakley for his professionalism, service and input on ERMA matters.

Mr. Weakley expressed his appreciation and stated he enjoyed working with everyone on the ERMA Board and Bickmore staff over the past several years.

**Dave Elias moved to approve Resolution 2016-8 Expressing Appreciation for the Honorable Service Provided to ERMA by Mr. Dan Weakley, Bay Cities Joint Powers Insurance Authority. Seconded by John Duckett. The motion passed unanimously.**

10. FINANCIAL MATTERS

A. Proposed Administrative and Operating Budget for the 2017/18 Program Year

Ms. Nancy Broadhurst, Finance Manager, briefly reviewed the proposed operating budget and reminded the Board that the preliminary budget was approved at the May 2017 Board meeting, and features funding at the 80% confidence level, and a 2.0% discount factor.

Ms. Broadhurst reported the only changes to the budget made since May are the addition of the funds to cover the cost for the ERMA website update, the addition of 12 new ERMA members, and withdrawal of two PARSAC members. She noted that there were no SIR changes this year.

**John Gillison moved to approve the 2017/18 Proposed Operating Budget at the 80% Confidence Level and a 2% discount factor. Seconded by David Elias. The motion passed unanimously.**

11. TRAINING/LOSS PREVENTION MATTERS

A. City of West Hollywood Risk Assessment Update

Ms. Kathy Maylin, Litigation Manager, provided an update to the Board regarding the risk assessment conducted for the City of West Hollywood. Ms. Maylin stated that the City confirmed its interest in remaining a member of ERMA, and noted they were receptive to the issues raised and committed to working with City Council to implement the necessary changes. Ms. Maylin informed the Board she was satisfied that the City is working to address the issues.

12. CLOSING COMMENTS

A. Board

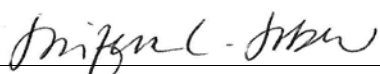
None.

B. Staff

None.

13. ADJOURNMENT

The June 13, 2016, ERMA Board of Directors' meeting adjourned at 11:57 a.m. by general consent.

  
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Jennifer Jobe, Executive Director