



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

**Friday, February 7, 2020  
9:00 a.m.**

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

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In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Mona Hedin at (916) 290-4645 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the ERMA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

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| <i>Page</i> | <b>1. CALL TO ORDER</b>   |
|             | <b>2. INTRODUCTIONS</b>   |
|             | <b>3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)</b>   |
|             | <b>4. PUBLIC COMMENTS</b> - This time is reserved for members of the public to address the Board relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total. |
|             | <b>5. CONSENT CALENDAR</b> - If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.   |
| <b>5</b>    | *A. Minutes of November 4, 2019, Meeting of the Board of Directors and Summary of Action Items  |
| <b>12</b>   | *B. General Warrants from October 1, 2019, through December 31, 2019  |
| <b>13</b>   | *C. Claims Payments from October 1, 2019, through December 31, 2019   |
| <b>15</b>   | *D. Petty Cash Statement from October 1, 2019, through December 31, 2019  |
| <b>16</b>   | *E. Treasurer's Reports as of September 30, 2019 and December 31, 2019  |
| <b>72</b>   | *F. Internal Financial Statement for the Quarter Ended December 31, 2019  |

1750 Creekside Oaks Drive, Suite 200  
Sacramento, California 95833  
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- G. Revised Coverage Effective Date: City of Rancho Mirage (PERMA), effective December 31, 2019, at a \$50,000 SIR
- H. New Member: City of Dunsmuir (SCORE), effective January 1, 2020, at a \$50,000 SIR
- 77 \*I. Notice of Intent to Withdraw: City of Merced (CSJVRMA), City of Stanton (PERMA), Town of Fort Jones (SCORE)
- 80 \*J. ERMA Benchmarking Ratio Results as of June 30, 2019
- 81 \*K. JPA Performance Report

**6. GOALS AND OBJECTIVES**

- 85 A. Review and Approval of ERMA Goals and Objectives Established at the 2020 Annual Workshop  
*Recommendation: Staff recommends the Board of Directors adopt the goals and objectives established at the February 6, 2020, Annual Workshop.*

**7. LITIGATION MANAGEMENT**

- 86 A. Report from Kathy Maylin, Litigation Manager  
*Recommendation: None*
- 87 \*B. Defense Panel Updates  
*Recommendation: Staff recommends the Board of Directors approve the proposed updates to the ERMA Defense Panel, effective February 7, 2020.*

**8. ADMINISTRATIVE MATTERS**

- 125 \*A. Consideration of Proposed Actuarial Services Agreement from Bickmore Actuarial  
*Recommendation: Provide direction to staff.*
- 129 \*B. Draft Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law  
*Recommendation: Staff recommends the Board of Directors approve Draft Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law.*
- 132 \*C. Consideration of Statement Regarding Further Assurances by ERMA to Pooled Liability Assurance Network  
*Staff recommends the Board of Directors approve the Statement Regarding Further Assurances by Employment Risk Management Authority to Pooled Liability Assurance Network, as presented.*

**9. FINANCIAL MATTERS**

- 134 \*A. Investment Performance Review Presented by PFM Asset Management, LLC  
*Recommendation: None*

\* = Material on agenda item enclosed

- 177        \*B.     Annual Review and Approval of Investment Policy  
    *Recommendation: Staff recommends the Board of Directors approve the Investment Policy, as presented.*

**10. COVERAGE MATTERS**

- 189        \*A.     Recommended Revisions to the Memorandum of Coverage for the 2020/21 Program Year, Effective July 1, 2020  
    *Recommendation: Provide direction to staff.*
- 224        \*B.     Recommended Revisions to the Master Program Document for the 2020/21 Program Year, Effective July 1, 2020  
    *Recommendation: Provide direction to staff.*
- 255        \*C.     Excess Coverage and Marketing Strategy for the 2020/21 Program Year  
    *Recommendation: None*

**11. TRAINING/LOSS PREVENTION MATTERS**

- 257        \*A.     Training - Ad Hoc Training Committee Update  
    *Recommendation: Staff recommends the Board of Directors approve the Training & Risk Management Consortium, as presented and provide further direction.*

**12. CLAIMS MATTERS**

- 260        A.     Closed Session - Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:
- Perez v. City of El Cerrito
  - Pina/Aldaoud v. City of Adelanto
  - Candelas v. City of Cathedral City
  - McAllister v. Los Angeles County West Vector Control District
- B.     Report from Closed Session  
    Pursuant to Government Code Section 54957.1, the Board of Directors must report in open session any action, or lack thereof, taken in closed session.

**13. CLOSING COMMENTS** – This time is reserved for comments by the Board of Directors members and staff to identity matters of future Board of Directors business.

- A.     Board of Directors  
              B.     Staff

**14. ADJOURNMENT**

**NOTICES:**

The next Board of Directors meetings will be held:

- Tuesday, April 28, 2020, 9:00 a.m. in Sacramento, CA.
- Tuesday, June 9, 2020, 9:00 a.m. in Sacramento, CA

\* = Material on agenda item enclosed

**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 require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar.

**RECOMMENDATION:**

*Approval of the Consent Calendar.*

**REFERENCE MATERIALS ATTACHED:**

- \*A.   Minutes of November 4, 2019, Meeting of the Board of Directors and Summary of Action Items
- \*B.   General Warrants from October 1, 2019, through December 31, 2019
- \*C.   Claims Payments from October 1, 2019, through December 31, 2019
- \*D.   Petty Cash Statement from October 1, 2019, through December 31, 2019
- \*E.   Treasurer's Reports as of September 30, 2019, and December 31, 2019
- \*F.   Internal Financial Statement for the Quarter Ended December 31, 2019
- G.   Revised Coverage Effective Date: City of Rancho Mirage (PERMA), effective December 31, 2019, at a \$50,000 SIR
- H.   New Member: City of Dunsmuir (SCORE), effective January 1, 2020 at a \$50,000 SIR
- \*I.   Notice of Intent to Withdraw: City of Merced (CSJVRMA), City of Stanton (PERMA), Town of Fort Jones (SCORE)
- \*J.   ERMA Benchmarking Ratio Results as of June 30, 2019
- \*K.   JPA Performance Report

\* = Material on agenda item enclosed

# EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF NOVEMBER 4, 2019

A regular meeting of the Board of Directors of ERMA was held on November 4, 2019, at the PARSAC office in Sacramento, CA.

**BOARD MEMBERS PRESENT:** John Gillison, President, PARSAC  
Truc Dever, Vice President, GLACVD  
Stuart Schillinger, Treasurer, BCJPIA  
Scott Ellerbrock, PERMA  
Brett Miller, MBASIA  
John Duckett, SCORE  
Charlene Calica, CCCHA  
Artesia Dupree, OHA  
Don White, ERMAC  
Linda Cox, MPA  
Robert Thompson, CalTIP (*arrived at 10:03 am*)

**BOARD MEMBERS ABSENT:** Sean Scully, CSJVRMA

**ALTERNATE MEMBERS PRESENT:** Kin Ong, PARSAC  
Jamie Scott, GLACVD (*arrived at 10:09 am*)

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

**OTHERS PRESENT:** Jennifer Jobe, Executive Director  
Mona Hedin, Analyst & Training Coordinator  
Alana Theiss, Finance Manager  
Kathy Maylin, Litigation Manager  
Mona Nicolae, Litigation Analyst  
Doug Alliston, General Counsel  
Shane Larsen, Jackson Lewis  
Jaesa McCulligan, BCJPIA  
Chrissy Mack, CalTIP/VCJPA  
Connor Boughey, Alliant  
Seth Cole, Alliant  
Jeff Johnston, Sedgwick  
Bill Patterson, Sampson & Sampson (*left at 10:21 am*)  
Paul Keith, City of El Cerrito (*left at 11:33 am*)  
Karen Pinkos, City of El Cerrito (*left at 11:33 am*)

Alexandra Orologas, City of El Cerrito *(left at 11:33 am)*  
Kristen Cunningham, City of El Cerrito *(left at 11:33am)*

1. CALL TO ORDER

The November 4, 2019, Board of Directors meeting was called to order at 10:00 a.m., by President John Gillison.

2. INTRODUCTIONS

A majority of the members were present, constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Truc Dever moved to approve the agenda as posted; seconded by John Duckett. The motion passed unanimously.**

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

**Truc Dever moved to approve the following items A) Minutes of May 17, 2019 Special Board of Directors Meeting and Summary of Actions; B) Minutes of June 11, 2019, Board of Directors Meeting and Summary of Action Items; C) General Warrants from June 1, 2019, through September 30, 2019; D) Claims Payments from June 1, 2019, through September 30, 2019; E) Petty Cash Statements from June 1, 2019, through September 30, 2019; F) Treasurer's Report as of June 30, 2019; G) PFM Quarter Ended June 30, 2019 Review of Investment Portfolio; H) Sedgwick Acquisition of York; I) Murphy, Campbell, Alliston & Quinn Legal Services Agreement; J) AGRiP Fall Forum Report; K) EPL Excess Invoice and Policy. Seconded by Don White. The motion passed unanimously.**

6. FINANCIAL MATTERS

A. Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019

Bill Patterson, Sampson, Sampson & Patterson, LLP, reviewed the draft audited financial statements for the Fiscal Year ended June 30, 2019. Mr. Patterson reviewed the audit parameters, and the program and financial highlights from the 2018/19 Program Year. He discussed the changes in revenues, expenses, assets, and liabilities, noting total revenues increased by \$1.3 million; expenses increased by \$724,000; assets increased by \$3.9 million and liabilities increased by \$4.6 million over the prior year.

Mr. Patterson then reviewed the Statement of Net Position, presented in comparison format for the current and prior year. He stated the total assets were \$29 million, which was an increase of \$3.9 million mainly due to increases in cash, cash equivalents and investments. Total liabilities were noted at \$17.2 million, which was an increase of \$4.6 million over the prior year. Mr. Patterson stated the increase was largely due to member dividends which had not been paid out until the month of July.

Mr. Patterson reviewed Operating Revenues which were \$7,197,032, an increase of \$278,000, stating this was a result of an increase in payroll, the addition of several new members and an increase in the fee for Pooling and Funding Rates. Operating Expenses were \$6,118,827, an increase of \$724,000, most of which related to claims paid and an increase in claims liabilities.

Mr. Patterson concluded his report, noting there were no deficiencies in ERMA's internal controls.

**Scott Ellerbrock moved to approve the Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2019; seconded by Truc Dever. The motion passed unanimously.**

B. Financial Status Report for the Fiscal Year Ended June 30, 2019

Alana Theiss, Finance Manager, requested feedback from the Board to determine the level of detail with which she should discuss the Report. The Board determined the report presented by Mr. Patterson provided sufficient detail and stated they did not require an additional review.

**Scott Ellerbrock moved to approve the Internal Financial Statements for the Fiscal Year Ended June 30, 2019, and JPA Performance Report, as of June 30, 2019; seconded by Brett Miller. The motion passed unanimously.**

7. ADMINISTRATIVE MATTERS

A. Appointment of Mona Hedin as Board Secretary

Jennifer Jobe, Executive Director, stated that in order to aid in the execution of ERMA's administrative obligations and responsibilities, a member of staff is designated to serve as Board Secretary. She further noted that due to recent staffing changes, the Board Secretary position has been vacant since March 2018.

Ms. Jobe introduced Mona Hedin, stating she joined Bickmore in September 2013, and has served as ERMA's Analyst & Training Coordinator since June 2019. Ms. Jobe added that Ms. Hedin currently serves as the Board Secretary for another Sedgwick-administered JPA, the California Rural Water Risk Management Authority.

**Truc Dever moved to appoint Mona Hedin as ERMA's Board Secretary; seconded by John Duckett. The motion passed unanimously.**

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

Ms. Jobe advised the Board that Governor Gavin Newsom approved Senate Bill 778, an act amending Section 12950.1 of the Government Code, on August 30, 2019.

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

Discussion ensued regarding the inclusion of additional Resolution language to note compliance tracking of training by ERMA staff via a self-certification process, which will begin in January 2021.

Ms. Dever requested the proposed Resolution be amended to include "elected officials" in the two-hour training requirement for supervisory employees and that a copy of the revised Resolution be provided to the Board along with the draft minutes.

**Scott Ellerbrock moved to approve Draft Resolution No. 2019-3, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law, as amended; seconded by Artesia Dupree. The motion passed unanimously.**

C. Review of the 20<sup>th</sup> Annual Workshop Agenda

Ms. Jobe reported the 20<sup>th</sup> Annual Workshop will be held February 6-7, 2020, at the Dream Inn in Santa Cruz, California. The Board reviewed the proposed 20<sup>th</sup> Annual Workshop and Board meeting agendas.

**Artesia Dupree moved to direct staff to work with the President to finalize the workshop agenda; seconded by Brett Miller. The motion passed unanimously.**

8. MEMBERSHIP MATTERS

A. Review of Prospective New Member Application – City of Rancho Mirage (PERMA)

Ms. Jobe reported the City of Rancho Mirage applied for membership in ERMA as an underlying member of PERMA and has requested a \$50,000 self-insured retention (SIR). She



stated that based upon the City's reported payroll of \$7,250,967, the requested SIR is in accordance with Underwriting Guidelines and the City has requested an effective date of coverage of January 1, 2020.

Ms. Jobe advised the City reports 90 full-time and 29 part-time employees and has one reported, closed EPL claim within the previous seven program years with no incurred loss. She further advised the City has written personnel policies in place, however, as it has been many years since a thorough review was conducted, the City has engaged Liebert Cassidy Whitmore (LCW) to assist with an update.

Ms. Jobe concluded by stating that as the City's current EPL policy is held by a commercial insurance carrier, the premium indication provided to the City included additional premium for "nose" coverage. She noted this additional coverage is necessary to ensure there are no coverage gaps between the commercial claims-made policy and ERMA's occurrence-based Memorandum of Coverage (MOC).

**Linda Cox moved to approve the City of Rancho Mirage as an underlying member of PERMA at a \$50,000 SIR effective January 1, 2020; seconded by John Duckett. The motion passed unanimously.**

9. COVERAGE MATTERS

A. City of Hayward (ERMAC) Appeal of Denial Coverage

Kathy Maylin, Litigation Manager, presented the City of Hayward's appeal of denial of coverage. She advised the City untimely reported both an internal complaint received in late 2018, and a Government Tort Claim filed on May 1, 2019. As ERMA did not receive notice of the tort claim until July 23, 2019, the claim was denied in accordance with ERMA's MOC.

Ms. Maylin advised that although the City does not dispute the claim was reported in an untimely manner, it contends there is no prejudice to ERMA. She stated the City believes they took appropriate and timely steps to investigate the claim and no sustained findings were identified. Ms. Maylin concluded by stating the City has not historically late-reported claims and that should the claim be accepted by the Board, the late report will not cause ERMA financial or other prejudice.

**Don White moved to grant the City of Hayward's appeal of denial of coverage with a 10% increase to the SIR from \$500,000 to \$550,000; seconded by Artesia Dupree. The motion passed unanimously.**

B. City of El Cerrito (MPA) Appeal of Denial Coverage

Doug Alliston, General Counsel, reported the City of El Cerrito, an underlying member of MPA, untimely reported a claim. Mr. Alliston discussed the claim's timeline of events, including the City's internal investigations and initial report to ERMA received on June 19, 2019. Mr. Alliston stated prior complaint history was determined via an internal investigation and, as such, the claim was denied in accordance with ERMA's MOC.

Karen Pinkos, El Cerrito City Manager, and Paul Keith, Police Chief, addressed the Board regarding the appeal and presented additional details regarding the City's actions. They stated the City believes the claim was handled appropriately and reported in a timely manner, given their understanding of ERMA's reporting process.

Following extensive discussion by the Board, Ms. Maylin stated should the Board grant the City's appeal, ERMA may incur significant financial or other prejudice. Linda Cox, MPA's Chief Administrative Officer, spoke in support of the City stating they are an engaged member and believed they reported the claim to ERMA in a timely manner.

Further discussion ensued regarding various additional points of the claim. At the Board's request, Ms. Jobe provided an overview of the Program's guidelines relative to the appeal and arbitration process. She advised that pursuant to the Master Program Document, the Board was obligated to levy a decision during the current meeting and concluded by noting the City's right to request binding arbitration should the coverage denial be upheld.

**Stuart Schillinger moved to deny the City of El Cerrito's appeal; seconded by John Duckett. A roll call was taken. Ayes: Dever, Schillinger, Thompson, White, Miller, Duckett, Calica. Noes: Gillison, Ellerbrock, Cox, Dupree. The motion passed by majority.**

10. TRAINING/LOSS PREVENTION MATTERS

A. 2019 Target Risk Appraisal Recommendations

Ms. Maylin reported staff reviews member's loss performance annually to aid in determining which members will be recommended for a risk assessment. She advised this analysis is conducted annually to determine frequency, severity, and the overall loss ratio for each member, using payroll, premium, number of claims, and total incurred data. ERMA ratios are then compared to each individual member's performance. If a member's ratio exceeds two times ERMA's ratio in any of the three categories, they are reviewed by staff for a possible risk assessment.

Ms. Maylin stated there were no recommendations for members in need of risk assessments at this time.

11. CLAIMS MATTERS

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

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 11:35 a.m. to discuss the following claims:

- Guzman v. City of Brentwood
- Stoll v. City of Menifee
- Stordahl v. City of Rialto
- Martinez v. City of Watsonville

B. Report from Closed Session

The Board reconvened to open session at 11:52 a.m. The Board met to discuss the claims listed above. Mr. Alliston advised no reportable action was taken in closed session.

12. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None

13. ADJOURNMENT

The November 4, 2019, ERMA Board of Directors meeting adjourned at 11:53 a.m. by general consent.

*Mona Hedin*

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Mona Hedin, Board Secretary

System: 1/2/2020 2:30:15 PM  
User Date: 1/2/2020

Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 1  
User ID: lkokhanets

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	10/1/2019
Vendor ID	First	Last	Checkbook ID	CBT GENERAL
Vendor Name	First	Last		CBT GENERAL

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000112	DR100	Alliant Insurance Services, In	10/16/2019	CBT GENERAL	PMCHK00000669	\$2,730.28
EFT000113	JA100 EFT	Jackson Lewis P.C.	10/16/2019	CBT GENERAL	PMCHK00000669	\$2,150.00
EFT000114	LO120	Longyear & Lavra, LLP	10/16/2019	CBT GENERAL	PMCHK00000669	\$67.50
EFT000115	PC100	Administration	10/16/2019	CBT GENERAL	PMCHK00000669	\$4,287.43
EFT000116	SA160	Santa Cruz Dream Inn	10/16/2019	CBT GENERAL	PMCHK00000669	\$5,299.38
EFT000118	AG100	in2vate, LLC	10/16/2019	CBT GENERAL	PMCHK00000671	\$6,000.00
EFT000120	SA160	Santa Cruz Dream Inn	11/15/2019	CBT GENERAL	PMCHK00000673	\$3,299.38
EFT000121	YO110	York Risk Services Group, Inc.	11/15/2019	CBT GENERAL	PMCHK00000673	\$202.04
EFT000123	AG100	in2vate, LLC	12/16/2019	CBT GENERAL	PMCHK00000681	\$6,000.00
EFT000124	JA100 EFT	Jackson Lewis P.C.	12/16/2019	CBT GENERAL	PMCHK00000681	\$4,300.00
EFT000125	YO110	York Risk Services Group, Inc.	12/16/2019	CBT GENERAL	PMCHK00000681	\$179,242.61
G 003242	SA100	Sampson, Sampson and Patterson	10/16/2019	CBT GENERAL	PMCHK00000670	\$5,000.00
* G 003243	ED100	Edible Events	11/15/2019	CBT GENERAL	PMCHK00000674	\$467.63
* G 003244	EL100	Scott Ellerbrock	11/15/2019	CBT GENERAL	PMCHK00000674	\$1,157.20
* G 003245	GR105	Greater LA County VCD	11/15/2019	CBT GENERAL	PMCHK00000674	\$202.53
* G 003246	RA100	City of Rancho Cucamonga	11/15/2019	CBT GENERAL	PMCHK00000674	\$147.97
* G 003247	TH110	34th Street Consulting	11/15/2019	CBT GENERAL	PMCHK00000674	\$3,400.00
* G 003248	ED100	Edible Events	11/15/2019	CBT GENERAL	PMCHK00000675	\$467.63
G 003249	ED100	Edible Events	11/15/2019	CBT GENERAL	PMCHK00000676	\$467.63
G 003250	EL100	Scott Ellerbrock	11/15/2019	CBT GENERAL	PMCHK00000677	\$1,157.20
G 003251	GR105	Greater LA County VCD	11/15/2019	CBT GENERAL	PMCHK00000677	\$202.53
G 003252	RA100	City of Rancho Cucamonga	11/15/2019	CBT GENERAL	PMCHK00000677	\$147.97
G 003253	TH110	34th Street Consulting	11/15/2019	CBT GENERAL	PMCHK00000677	\$3,400.00
G 003254	LA140	City of Laguna Hills	12/16/2019	CBT GENERAL	PMCHK00000682	\$431.34
G 003255	LI100	Liebert Cassidy Whitmore	12/16/2019	CBT GENERAL	PMCHK00000682	\$9,675.00
G 003256	MU110	Murphy, Campbell, Alliston & Q	12/16/2019	CBT GENERAL	PMCHK00000682	\$23.50
G 003257	SA100	Sampson, Sampson and Patterson	12/16/2019	CBT GENERAL	PMCHK00000682	\$4,950.00

Total Checks:	27	Total Amount of Checks:	\$239,033.79
			=====

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	10/1/2019
Vendor ID	First	Last	Checkbook ID	CBT CLAIMS
Vendor Name	First	Last		CBT CLAIMS

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 007228	BE100	Best Best and Krieger LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$22,682.02
L 007229	BE100	Best Best and Krieger LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$1,640.48
L 007230	CA170	Carpenter Rothans & Dumont LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$1,686.50
L 007231	CA190	City of California City	10/3/2019	CBT CLAIMS	PMCHK00000668	\$56,948.00
L 007232	KI100	City of Kingsburg	10/3/2019	CBT CLAIMS	PMCHK00000668	\$1,122.60
L 007233	LO100	Lozano Smith, LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$354.00
L 007234	LO100	Lozano Smith, LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$2,763.52
L 007235	LO100	Lozano Smith, LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$4,336.50
L 007236	LO100	Lozano Smith, LLP	10/3/2019	CBT CLAIMS	PMCHK00000668	\$9,789.17
L 007237	SU102	SunLine Transit Agency	10/3/2019	CBT CLAIMS	PMCHK00000668	\$11,487.96
L 007238	VC100	VCJPA	10/3/2019	CBT CLAIMS	PMCHK00000668	\$9,757.98
L 007239	BE100	Best Best and Krieger LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$623.84
L 007240	CA170	Carpenter Rothans & Dumont LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$3,182.71
L 007241	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$600.00
L 007242	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$13,973.78
L 007243	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$9,526.37
L 007244	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$6,697.15
L 007245	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$9,423.80
L 007246	JA100	Jackson Lewis P.C.	11/15/2019	CBT CLAIMS	PMCHK00000672	\$12,287.27
L 007247	LI100	Liebert Cassidy Whitmore	11/15/2019	CBT CLAIMS	PMCHK00000672	\$10,141.69
L 007248	LI100	Liebert Cassidy Whitmore	11/15/2019	CBT CLAIMS	PMCHK00000672	\$1,092.00
L 007249	LI100	Liebert Cassidy Whitmore	11/15/2019	CBT CLAIMS	PMCHK00000672	\$9,945.80
L 007250	LI100	Liebert Cassidy Whitmore	11/15/2019	CBT CLAIMS	PMCHK00000672	\$193.40
L 007251	LI100	Liebert Cassidy Whitmore	11/15/2019	CBT CLAIMS	PMCHK00000672	\$9,073.31
L 007252	LO100	Lozano Smith, LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$3,718.25
L 007253	LO100	Lozano Smith, LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$9,728.65
L 007254	LO100	Lozano Smith, LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$1,703.93
L 007255	LO100	Lozano Smith, LLP	11/15/2019	CBT CLAIMS	PMCHK00000672	\$5,207.52
L 007256	SA085	City of Sanger	11/15/2019	CBT CLAIMS	PMCHK00000672	\$90,000.00
L 007257	BR151	Client Trust Account of Brock	12/9/2019	CBT CLAIMS	PMCHK00000678	\$35,000.00
L 007258	BE100	Best Best and Krieger LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$2,177.06
L 007259	CA170	Carpenter Rothans & Dumont LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$5,272.00
L 007260	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$6,982.15
L 007261	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$47.00
L 007262	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$1,929.02
L 007263	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$4,026.30
L 007264	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$4,699.90
L 007265	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$10,676.05
L 007266	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$19,431.10
L 007267	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$11,619.35
L 007268	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$5,858.55
L 007269	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$4,402.18
L 007270	JA100	Jackson Lewis P.C.	12/12/2019	CBT CLAIMS	PMCHK00000679	\$749.23
L 007271	LI100	Liebert Cassidy Whitmore	12/12/2019	CBT CLAIMS	PMCHK00000679	\$284.84
L 007272	LI100	Liebert Cassidy Whitmore	12/12/2019	CBT CLAIMS	PMCHK00000679	\$236.00
L 007273	LI100	Liebert Cassidy Whitmore	12/12/2019	CBT CLAIMS	PMCHK00000679	\$7,226.00
L 007274	LI100	Liebert Cassidy Whitmore	12/12/2019	CBT CLAIMS	PMCHK00000679	\$10,916.96
L 007275	LI100	Liebert Cassidy Whitmore	12/12/2019	CBT CLAIMS	PMCHK00000679	\$7,335.55
L 007276	LO100	Lozano Smith, LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$10,195.32
L 007277	LO100	Lozano Smith, LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$7,175.02
L 007278	LO100	Lozano Smith, LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$295.00
L 007279	LO100	Lozano Smith, LLP	12/12/2019	CBT CLAIMS	PMCHK00000679	\$1,008.00
L 007280	BA110	City of Banning	12/13/2019	CBT CLAIMS	PMCHK00000680	\$7,654.00
L 007281	FR107	Freiman Legal Client Trust Acc	12/13/2019	CBT CLAIMS	PMCHK00000680	\$147,500.00
L 007282	PA152	Pamela Stone and her attorneys	12/13/2019	CBT CLAIMS	PMCHK00000680	\$50,000.00

System: 1/2/2020 2:32:10 PM  
User Date: 1/2/2020

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
-----						
Total Checks:	55				Total Amount of Checks:	\$682,384.78
						=====

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User Date: 1/2/2020

Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 1  
User ID: lkokhanets

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	10/1/2019
Vendor ID	First	Last	Checkbook ID	CBT PETTY
Vendor Name	First	Last		CBT PETTY

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
1322	T0125	Town of San Anselmo	10/8/2019	CBT PETTY	PMTRX00000797	\$181.97
1323	YR100	City of Yreka	10/8/2019	CBT PETTY	PMTRX00000797	\$138.28
1324	TE095	City of Tehachapi	10/8/2019	CBT PETTY	PMTRX00000797	\$65.44
1325	VI100	City of Victorville	11/12/2019	CBT PETTY	PMTRX00000804	\$590.00
-----						
Total Checks:	4				Total Amount of Checks:	\$975.69
						=====

# Employment Risk Management Authority

## Cash & Investment Report

September 30, 2019

Accounts	Book Value	Market Value *	% of Total	Effective Yield
California Bank & Trust - Administration <sup>1</sup>	\$ 1,098	\$ 1,098	0.00%	0.00%
California Bank & Trust - General Operating <sup>1</sup>	19,901	19,901	0.06%	0.00%
California Bank & Trust - Claims Payment <sup>2</sup>	0	0	0.00%	0.00%
Local Agency Investment Fund	2,967,040	2,971,915	9.35%	2.45%
CAMP - Liquidity Account	3,654,114	3,654,114	11.50%	2.22%
CAMP - Money Market	127,245	127,245	0.40%	2.22%
CAMP - Investments managed by PFM	24,659,430	24,994,267	78.68%	2.33%
<b>Total</b>	<b>\$ 31,428,829</b>	<b>\$ 31,768,540</b>		<b>2.33%</b>

\* Yield to Maturity at Cost

### Notes:

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

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

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

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

Respectfully submitted,



Alana Theiss, Assistant Treasurer

Accepted,



Stuart Schillinger, Treasurer



# California State Treasurer

## Fiona Ma, CPA



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

October 11, 2019

[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

September 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/6/2019	9/5/2019	RW	1616800	ALANA THEISS	-100,000.00
9/18/2019	9/17/2019	RW	1617536	ALANA THEISS	-250,000.00

### Account Summary

Total Deposit:	0.00	Beginning Balance:	3,317,040.34
Total Withdrawal:	-350,000.00	Ending Balance:	2,967,040.34

**ERMA  
LAIF Market Value  
9/30/2019**

<b>Adjustment for Market Value</b>	
LAIF Statement Balance	\$ 2,967,040.34
Fair Value Factor per LAIF Performance Report	<u>1.001642817</u>
Adjusted Market Value	<u><u>\$ 2,971,914.64</u></u>



# CALIFORNIA STATE TREASURER FIONA MA, CPA



## PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/16/19	2.28	2.35	182
09/17/19	2.27	2.35	188
09/18/19	2.27	2.35	187
09/19/19	2.27	2.35	186
09/20/19	2.26	2.35	185
09/21/19	2.26	2.34	185
09/22/19	2.26	2.34	185
09/23/19	2.26	2.34	186
09/24/19	2.26	2.34	185
09/25/19	2.25	2.34	184
09/26/19	2.25	2.34	186
09/27/19	2.25	2.34	187
09/28/19	2.25	2.34	187
09/29/19	2.25	2.34	187
09/30/19	2.25	2.34	185
10/01/19	2.22	2.22	200
10/02/19	2.22	2.22	200
10/03/19	2.21	2.22	198
10/04/19	2.21	2.22	198
10/05/19	2.21	2.21	198
10/06/19	2.21	2.21	198
10/07/19	2.21	2.21	197
10/08/19	2.21	2.21	197
10/09/19	2.21	2.21	196
10/10/19	2.20	2.21	199
10/11/19	2.20	2.21	200
10/12/19	2.20	2.21	200
10/13/19	2.20	2.21	200
10/14/19	2.20	2.21	197
10/15/19	2.20	2.21	198
10/16/19	2.19	2.21	197

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

## LAIF Performance Report

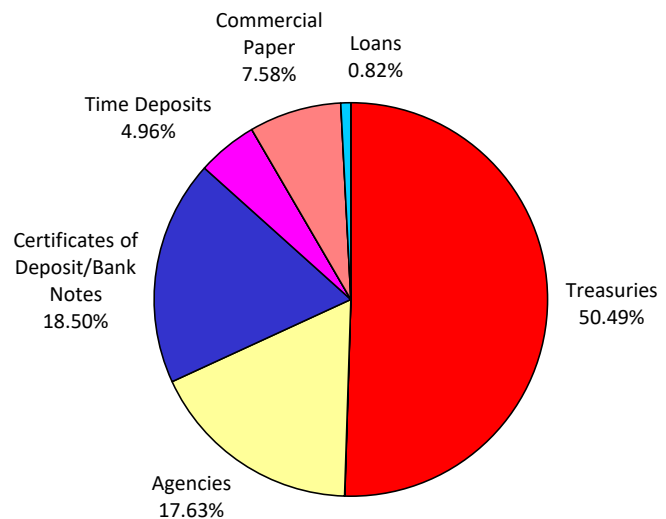
### Quarter Ending 09/30/19

Apportionment Rate: 2.45  
 Earnings Ratio: .00006701807521016  
 Fair Value Factor: 1.001642817  
 Daily: 2.25%  
 Quarter to Date: 2.34%  
 Average Life: 185

### PMIA Average Monthly Effective Yields

**Sep 2019 2.280**  
 Aug 2019 2.341  
 July 2019 2.379

## Pooled Money Investment Account Portfolio Composition 09/30/19 \$97.4 billion



Percentages may not total 100% due to rounding

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

Based on data available as of 10/16/2019

# California State Treasurer

## Fiona Ma, CPA



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

September 12, 2019

[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

August 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/7/2019	8/5/2019	RD	1614638	ALANA THEISS	700,000.00
8/20/2019	8/19/2019	RW	1615601	ALANA THEISS	-20,000.00
8/22/2019	8/21/2019	RW	1615779	ALANA THEISS	-575,000.00

### Account Summary

Total Deposit:	700,000.00	Beginning Balance:	3,212,040.34
Total Withdrawal:	-595,000.00	Ending Balance:	3,317,040.34

# California State Treasurer

## Fiona Ma, CPA



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

October 17, 2019

[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

July 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/3/2019	7/2/2019	RW	1609886	ALANA THEISS	-300,000.00
7/15/2019	7/12/2019	QRD	1611380	SYSTEM	12,073.41
7/22/2019	7/22/2019	RD	1613565	ALANA THEISS	2,980,000.00

### Account Summary.

Total Deposit:	2,992,073.41	Beginning Balance:	519,966.93
Total Withdrawal:	-300,000.00	Ending Balance:	3,212,040.34



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>3,647,456.54</b>
09/30/19	10/01/19	Accrual Income Div Reinvestment - Distributions	1.00	6,657.31	3,654,113.85
<b>Closing Balance</b>					<b>3,654,113.85</b>

	Month of September	Fiscal YTD January-September		
<b>Opening Balance</b>	3,647,456.54	0.00	<b>Closing Balance</b>	3,654,113.85
<b>Purchases</b>	6,657.31	5,454,113.85	<b>Average Monthly Balance</b>	3,647,678.45
<b>Redemptions (Excl. Checks)</b>	0.00	(1,800,000.00)	<b>Monthly Distribution Yield</b>	2.22%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>3,654,113.85</b>	<b>3,654,113.85</b>		
<b>Cash Dividends and Income</b>	6,657.31	34,113.85		



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>220,933.02</b>
08/01/19	08/01/19	Purchase - ACH Purchase	1.00	1,720,000.00	1,940,933.02
08/06/19	08/06/19	Purchase - ACH Purchase	1.00	1,700,000.00	3,640,933.02
08/30/19	09/03/19	Accrual Income Div Reinvestment - Distributions	1.00	6,523.52	3,647,456.54

**Closing Balance** **3,647,456.54**

	Month of August	Fiscal YTD January-August		
<b>Opening Balance</b>	220,933.02	0.00	<b>Closing Balance</b>	3,647,456.54
<b>Purchases</b>	3,426,523.52	5,447,456.54	<b>Average Monthly Balance</b>	3,367,160.34
<b>Redemptions (Excl. Checks)</b>	0.00	(1,800,000.00)	<b>Monthly Distribution Yield</b>	2.28%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>3,647,456.54</b>	<b>3,647,456.54</b>		
<b>Cash Dividends and Income</b>	6,523.52	27,456.54		



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>220,480.73</b>
07/31/19	08/01/19	Accrual Income Div Reinvestment - Distributions	1.00	452.29	220,933.02
<b>Closing Balance</b>					<b>220,933.02</b>

	Month of July	Fiscal YTD January-July		
<b>Opening Balance</b>	220,480.73	0.00	<b>Closing Balance</b>	220,933.02
<b>Purchases</b>	452.29	2,020,933.02	<b>Average Monthly Balance</b>	220,495.32
<b>Redemptions (Excl. Checks)</b>	0.00	(1,800,000.00)	<b>Monthly Distribution Yield</b>	2.42%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>220,933.02</b>	<b>220,933.02</b>		
<b>Cash Dividends and Income</b>	452.29	20,933.02		





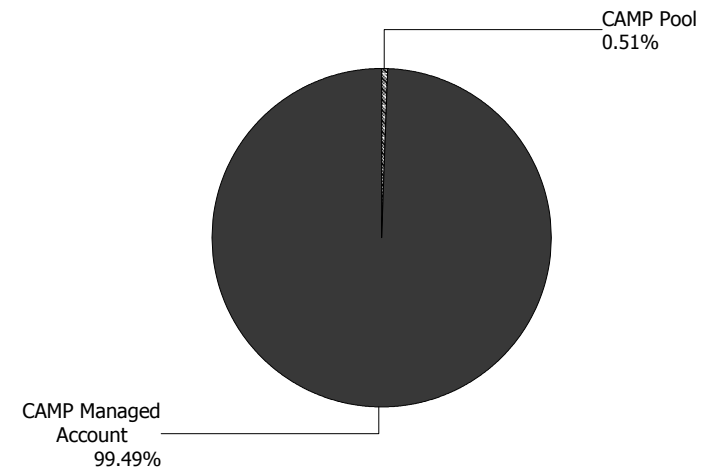
## Account Statement - Transaction Summary

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

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

<b>CAMP Pool</b>	
Opening Market Value	397,935.56
Purchases	730,416.16
Redemptions	(1,001,106.82)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$127,244.90</b>
Cash Dividends and Income	244.77
<b>CAMP Managed Account</b>	
Opening Market Value	25,141,878.21
Purchases	248,980.00
Redemptions	(325,401.59)
Unsettled Trades	0.00
Change in Value	(71,189.74)
<b>Closing Market Value</b>	<b>\$24,994,266.88</b>
Cash Dividends and Income	28,632.47

<b>Asset Summary</b>		
	<b>September 30, 2019</b>	<b>August 31, 2019</b>
<b>CAMP Pool</b>	127,244.90	397,935.56
<b>CAMP Managed Account</b>	24,994,266.88	25,141,878.21
<b>Total</b>	<b>\$25,121,511.78</b>	<b>\$25,539,813.77</b>
<b>Asset Allocation</b>		





## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	05/03/16	05/06/16	37,171.09	1.21	347.03	35,549.50	35,314.44
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	250,000.00	AA+	Aaa	09/01/16	09/02/16	258,984.38	1.22	1,680.33	253,210.90	251,162.00
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	03/15/17	03/17/17	633,115.24	2.02	3,003.59	643,153.44	646,343.75
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	85,000.00	AA+	Aaa	10/03/16	10/05/16	88,190.82	1.21	144.78	86,268.59	85,524.62
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	AA+	Aaa	12/01/16	12/05/16	677,003.91	1.93	1,149.73	675,835.68	679,166.10
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	1,532.97	902,576.30	905,554.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	06/27/17	06/29/17	1,111,988.28	1.73	1,873.63	1,105,614.38	1,106,789.20
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	08/30/17	08/31/17	541,320.31	1.64	2,877.04	545,591.19	545,531.25
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	AA+	Aaa	01/03/18	01/04/18	271,508.79	2.18	2,157.78	272,876.94	276,858.45
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	AA+	Aaa	07/03/18	07/06/18	509,496.09	2.69	4,119.40	514,351.65	528,547.95
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	AA+	Aaa	05/03/18	05/07/18	580,828.13	2.73	4,707.88	587,336.48	604,054.80
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	450,000.00	AA+	Aaa	09/05/18	09/07/18	431,121.09	2.76	933.93	436,034.39	450,597.60
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	225,000.00	AA+	Aaa	08/01/18	08/03/18	218,232.42	2.86	1,208.31	219,936.05	228,840.75
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	AA+	Aaa	12/12/18	12/13/18	487,617.19	2.78	2,685.12	489,965.51	508,535.00



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	650,000.00	AA+	Aaa	01/30/19	01/31/19	639,691.41	2.55	3,490.66	641,383.84	661,095.50
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	700,000.00	AA+	Aaa	01/07/19	01/10/19	689,910.16	2.51	3,759.17	691,682.05	711,949.00
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	850,000.00	AA+	Aaa	11/02/18	11/06/18	821,013.67	3.00	4,564.71	827,031.79	864,509.50
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	AA+	Aaa	04/01/19	04/05/19	316,151.37	2.32	1,774.85	317,155.68	325,634.73
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	AA+	Aaa	03/04/19	03/06/19	361,391.60	2.53	2,047.90	363,152.75	375,732.38
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	05/01/19	05/03/19	390,375.00	2.25	2,184.43	391,314.13	400,781.20
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	06/03/19	06/07/19	570,485.35	1.83	3,140.11	570,833.89	576,122.98
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	AA+	Aaa	07/01/19	07/03/19	322,854.49	1.78	2,210.09	322,973.37	325,698.10
<b>Security Type Sub-Total</b>		<b>11,020,000.00</b>					<b>10,863,900.01</b>	<b>2.24</b>	<b>51,593.44</b>	<b>10,893,828.50</b>	<b>11,094,344.10</b>
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	09/12/17	09/19/17	623,500.00	1.64	514.91	624,515.20	623,623.75
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/02/17	10/10/17	504,634.55	1.81	4,190.97	501,693.61	501,546.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	AAA	Aaa	04/12/18	04/19/18	149,670.00	2.70	1,771.88	149,826.22	151,941.00



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	AAA	Aaa	07/18/18	07/25/18	498,830.00	2.83	2,597.22	499,280.62	509,255.00

<b>Security Type Sub-Total</b>	<b>1,775,000.00</b>	<b>1,776,634.55</b>	<b>2.12</b>	<b>9,074.98</b>	<b>1,775,315.65</b>	<b>1,786,365.75</b>
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<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	116,445.91	AA+	Aaa	04/11/18	04/30/18	118,762.12	2.27	345.46	117,764.80	118,602.66
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	AA+	Aaa	04/04/18	04/09/18	131,107.03	2.61	334.75	130,667.97	132,952.34
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	105,980.38	AA+	Aaa	12/07/18	12/17/18	105,980.06	3.11	282.88	105,980.06	107,808.05

<b>Security Type Sub-Total</b>	<b>352,426.29</b>	<b>355,849.21</b>	<b>2.65</b>	<b>963.09</b>	<b>354,412.83</b>	<b>359,363.05</b>
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<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	02/24/17	02/28/17	149,904.00	1.52	206.25	149,986.68	149,744.40
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	625,000.00	AA+	Aaa	07/14/16	07/15/16	621,199.38	1.25	1,503.91	623,614.62	618,941.88

<b>Security Type Sub-Total</b>	<b>775,000.00</b>	<b>771,103.38</b>	<b>1.30</b>	<b>1,710.16</b>	<b>773,601.30</b>	<b>768,686.28</b>
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<b>Corporate Note</b>											
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	BBB+	A3	01/04/17	01/10/17	249,900.00	2.46	1,378.13	249,990.55	250,169.25
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	A-	A2	02/28/17	03/03/17	179,812.80	2.24	308.00	179,972.92	180,028.08
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	04/11/17	04/17/17	349,839.00	1.97	3,109.17	349,970.09	350,026.60



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	05/04/17	05/11/17	199,796.00	1.84	1,400.00	199,957.56	199,867.80
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	125,000.00	A	A2	05/24/17	06/05/17	124,927.50	1.82	725.00	124,983.29	124,831.50
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	256.69	184,950.99	184,752.84
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/06/17	11/13/17	124,988.75	2.05	982.29	124,995.73	125,185.75
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/17	10/20/17	249,637.50	1.95	1,398.61	249,857.89	250,555.25
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A2	02/01/18	02/06/18	249,877.50	2.67	1,030.56	249,943.82	252,219.25
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	02/21/18	02/26/18	99,889.00	2.94	128.89	99,945.37	101,252.80
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	04/12/18	04/19/18	149,365.50	3.05	193.33	149,676.52	151,879.20
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/05/17	10/10/17	164,967.00	2.01	1,521.67	164,985.16	165,512.16
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	A-	A2	11/01/17	11/03/17	25,194.00	2.39	295.31	25,088.90	25,223.28
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	05/17/16	05/20/16	250,532.50	2.00	2,106.94	250,171.71	250,187.50
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	05/25/16	05/31/16	149,721.00	2.29	1,368.75	149,906.70	150,532.05
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	A	A1	05/03/18	05/10/18	99,931.00	3.12	1,171.11	99,961.90	101,670.50



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	05/19/16	05/24/16	69,735.40	2.03	500.50	69,910.43	70,007.77
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	A	A2	05/17/18	05/22/18	159,995.20	3.25	1,877.78	159,997.26	163,300.00
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A2	09/13/17	09/18/17	175,000.00	2.33	2,037.00	175,000.00	175,196.18
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	03/10/17	03/15/17	224,007.75	2.75	1,407.81	224,519.10	228,535.43
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	A+	A1	02/22/19	03/01/19	49,956.00	2.88	118.75	49,964.27	50,936.05
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	A-	A2	05/14/18	05/17/18	50,000.00	3.50	651.20	50,000.00	50,991.95
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	A-	A2	03/15/19	03/22/19	250,000.00	3.21	4,209.19	250,000.00	256,092.00
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	A-	A3	02/12/19	02/15/19	251,780.00	3.34	1,652.78	251,572.67	263,945.00
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	250,000.00	BBB+	A3	07/19/19	07/23/19	264,322.50	2.59	4,090.28	263,792.40	265,957.50
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	A	A2	07/11/19	07/15/19	248,760.00	2.51	1,566.67	248,810.69	252,695.25
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	BBB+	A3	07/08/19	07/11/19	261,645.00	2.84	2,219.10	261,159.11	264,645.50
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	A-	A2	08/01/19	08/05/19	250,415.00	2.46	1,076.39	250,403.00	252,005.75
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	250,000.00	A	A2	09/03/19	09/06/19	248,980.00	1.84	303.82	248,993.60	247,536.50
<b>Security Type Sub-Total</b>		<b>5,335,000.00</b>					<b>5,357,820.50</b>	<b>2.45</b>	<b>39,085.72</b>	<b>5,358,481.63</b>	<b>5,405,738.69</b>



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	A-1	P-1	04/18/19	04/18/19	490,175.00	2.67	0.00	496,215.56	496,952.00
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>490,175.00</b>	<b>2.67</b>	<b>0.00</b>	<b>496,215.56</b>	<b>496,952.00</b>
<b>Certificate of Deposit</b>											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A-1	P-1	02/07/18	02/08/18	250,000.00	2.67	10,995.21	250,000.00	250,644.25
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A-1	P-1	03/02/18	03/06/18	250,000.00	2.93	563.89	250,000.00	251,017.75
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	A-1	P-1	06/05/18	06/07/18	249,905.00	3.10	2,481.11	249,966.99	252,140.75
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A-1	P-1	08/01/18	08/03/18	425,000.00	3.23	2,146.60	425,000.00	428,607.83
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	A-1+	P-1	08/03/17	08/07/17	450,000.00	2.05	1,383.75	450,000.00	450,941.85
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A	A1	10/16/18	10/18/18	249,660.00	3.46	3,955.00	249,962.65	254,093.00
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	AA-	Aa2	11/16/17	11/17/17	500,000.00	2.30	4,350.83	500,000.00	500,938.50
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	AA-	Aa2	06/07/18	06/08/18	425,000.00	3.24	4,360.50	425,000.00	435,160.48
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	250,000.00	A	A1	02/27/19	02/28/19	250,000.00	3.01	4,449.31	250,000.00	256,892.50
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	AA-	Aa3	08/27/19	08/29/19	250,000.00	1.87	423.96	250,000.00	250,275.25
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	A+	Aa2	08/29/19	09/03/19	250,000.00	1.88	361.67	250,000.00	250,346.75
<b>Security Type Sub-Total</b>		<b>3,550,000.00</b>					<b>3,549,565.00</b>	<b>2.69</b>	<b>35,471.83</b>	<b>3,549,929.64</b>	<b>3,581,058.91</b>



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security</b>											
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	44,117.21	AAA	NR	10/18/16	10/25/16	44,114.35	1.04	19.28	44,116.52	44,033.26
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	40,691.16	AAA	Aaa	03/07/17	03/15/17	40,686.38	1.74	31.29	40,689.40	40,650.97
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	32,779.18	AAA	Aaa	09/14/16	09/21/16	32,774.77	1.30	18.79	32,777.93	32,722.84
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	29,049.85	NR	Aaa	01/24/17	01/31/17	29,047.31	1.70	21.95	29,048.95	29,013.51
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	122,784.86	NR	Aaa	01/18/17	01/25/17	122,784.41	1.67	91.13	122,784.72	122,598.39
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	130,704.37	NR	Aaa	03/21/17	03/29/17	130,688.96	1.79	103.40	130,698.26	130,553.50
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	44,495.03	AAA	NR	09/25/17	09/29/17	44,490.21	1.94	28.76	44,492.57	44,457.76
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	AAA	Aaa	01/23/18	01/31/18	99,998.85	2.35	104.44	99,999.32	100,220.05
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	AAA	Aaa	11/20/18	11/28/18	224,966.36	3.17	316.00	224,972.90	229,453.49
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	AAA	Aaa	12/04/18	12/12/18	224,956.89	3.53	322.00	224,964.39	230,069.48
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	AAA	NR	08/28/19	09/05/19	499,874.10	1.73	621.11	499,876.38	497,984.85
<b>Security Type Sub-Total</b>		<b>1,494,621.66</b>					<b>1,494,382.59</b>	<b>2.24</b>	<b>1,678.15</b>	<b>1,494,421.34</b>	<b>1,501,758.10</b>
<b>Managed Account Sub-Total</b>		<b>24,802,047.95</b>					<b>24,659,430.24</b>	<b>2.33</b>	<b>139,577.37</b>	<b>24,696,206.45</b>	<b>24,994,266.88</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		127,244.90	AAA	NR			127,244.90		0.00	127,244.90	127,244.90





## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Money Market Sub-Total		127,244.90					127,244.90		0.00	127,244.90	127,244.90
Securities Sub-Total		\$24,929,292.85					\$24,786,675.14	2.33%	\$139,577.37	\$24,823,451.35	\$25,121,511.78
Accrued Interest											\$139,577.37
Total Investments											\$25,261,089.15



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
BUY										
08/28/19	09/05/19	COMET 2019-A2 A2	14041NFU0	500,000.00	(499,874.10)	0.00	(499,874.10)			
		DTD 09/05/2019 1.720% 08/15/2024								
08/29/19	09/03/19	SKANDINAV ENSKILDA BANK LT CD	83050PDR7	250,000.00	(250,000.00)	0.00	(250,000.00)			
		DTD 09/03/2019 1.860% 08/26/2022								
09/03/19	09/06/19	WALT DISNEY COMPANY/THE	254687FK7	250,000.00	(248,980.00)	0.00	(248,980.00)			
		DTD 09/06/2019 1.750% 08/30/2024								

<b>Transaction Type Sub-Total</b>				<b>1,000,000.00</b>	<b>(998,854.10)</b>	<b>0.00</b>	<b>(998,854.10)</b>			
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<b>INTEREST</b>										
09/01/19	09/01/19	PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	0.00	712.50	712.50			
09/01/19	09/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
09/01/19	09/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	120,901.23	0.00	371.76	371.76			
09/01/19	09/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	106,153.20	0.00	283.34	283.34			
09/03/19	09/03/19	AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	0.00	1,980.00	1,980.00			
09/03/19	09/03/19	UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	0.00	3,685.42	3,685.42			
09/04/19	09/04/19	CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	0.00	1,711.25	1,711.25			
09/04/19	09/04/19	WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	0.00	975.00	975.00			
09/12/19	09/12/19	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	0.00	4,881.25	4,881.25			
09/15/19	09/15/19	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	0.00	1,450.00	1,450.00			
09/15/19	09/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	141,455.94	0.00	196.86	196.86			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
INTEREST										
09/15/19	09/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	148,771.24	0.00	220.68	220.68			
09/15/19	09/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
09/15/19	09/15/19	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	0.00	2,175.00	2,175.00			
09/15/19	09/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	47,811.95	0.00	68.93	68.93			
09/15/19	09/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
09/15/19	09/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	39,746.97	0.00	42.73	42.73			
09/15/19	09/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
09/15/19	09/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	33,637.71	0.00	47.65	47.65			
09/18/19	09/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	48,522.62	0.00	72.38	72.38			
09/18/19	09/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	53,936.64	0.00	54.39	54.39			
Transaction Type Sub-Total				3,060,937.50	0.00	20,655.97	20,655.97			
PAYDOWNS										
09/01/19	09/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	172.82	172.82	0.00	172.82	0.00	0.00	
09/01/19	09/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	4,455.33	4,455.33	0.00	4,455.33	(88.62)	0.00	
09/15/19	09/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	6,967.79	6,967.79	0.00	6,967.79	0.94	0.00	
09/15/19	09/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	7,120.79	7,120.79	0.00	7,120.79	0.84	0.00	
09/15/19	09/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	18,066.87	18,066.87	0.00	18,066.87	2.13	0.00	



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
09/15/19	09/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	4,587.86	4,587.86	0.00	4,587.86	0.40	0.00	
09/15/19	09/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	18,671.09	18,671.09	0.00	18,671.09	0.07	0.00	
09/18/19	09/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	4,027.59	4,027.59	0.00	4,027.59	0.44	0.00	
09/18/19	09/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	9,819.43	9,819.43	0.00	9,819.43	0.64	0.00	
Transaction Type Sub-Total				73,889.57	73,889.57	0.00	73,889.57	(83.16)	0.00	
SELL										
08/28/19	09/05/19	US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	100,000.00	100,589.84	92.73	100,682.57	4,785.15	3,766.95	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	100,000.00	101,066.41	641.98	101,708.39	2,105.47	1,704.82	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	150,000.00	151,599.61	962.98	152,562.59	3,503.91	2,790.71	FIFO
09/03/19	09/06/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	150,000.00	151,541.02	49.45	151,590.47	(4,089.84)	(777.20)	FIFO
09/03/19	09/06/19	WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	99,971.00	10.83	99,981.83	(3.00)	(24.59)	FIFO
Transaction Type Sub-Total				600,000.00	604,767.88	1,757.97	606,525.85	6,301.69	7,460.69	
Managed Account Sub-Total						(320,196.65)	22,413.94	(297,782.71)	6,218.53	7,460.69
Total Security Transactions						(\$320,196.65)	\$22,413.94	(\$297,782.71)	\$6,218.53	\$7,460.69



## Managed Account Security Transactions & Interest

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

### 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										
08/01/19	08/05/19	BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	(250,415.00)	(104.17)	(250,519.17)			
08/27/19	08/29/19	NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	(250,000.00)	0.00	(250,000.00)			
08/28/19	09/05/19	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	(499,874.10)	0.00	(499,874.10)			
08/29/19	09/03/19	SKANDINAVISKA ENSKILDA BANKEN AB CERT DE DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	(250,000.00)	0.00	(250,000.00)			

<b>Transaction Type Sub-Total</b>				<b>1,250,000.00</b>	<b>(1,250,289.10)</b>	<b>(104.17)</b>	<b>(1,250,393.27)</b>			
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<b>INTEREST</b>										
08/01/19	08/01/19	BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	0.00	698.75	698.75			
08/01/19	08/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
08/01/19	08/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	106,325.15	0.00	283.80	283.80			
08/01/19	08/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	121,756.73	0.00	364.27	364.27			
08/05/19	08/05/19	BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	0.00	13,821.12	13,821.12			
08/05/19	08/05/19	IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	0.00	3,312.50	3,312.50			
08/07/19	08/07/19	WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	0.00	4,612.50	4,612.50			
08/15/19	08/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	55,466.44	0.00	79.96	79.96			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
08/15/19	08/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,399.88	0.00	1.46	1.46			
08/15/19	08/15/19	CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	0.00	1,787.50	1,787.50			
08/15/19	08/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
08/15/19	08/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	161,861.02	0.00	225.26	225.26			
08/15/19	08/15/19	US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	550,000.00	0.00	4,468.75	4,468.75			
08/15/19	08/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	168,876.23	0.00	250.50	250.50			
08/15/19	08/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	46,895.07	0.00	50.41	50.41			
08/15/19	08/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
08/15/19	08/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	38,810.86	0.00	54.98	54.98			
08/15/19	08/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	405.22	0.00	0.53	0.53			
08/15/19	08/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
08/18/19	08/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	52,662.02	0.00	78.55	78.55			
08/18/19	08/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	64,235.21	0.00	64.77	64.77			
08/28/19	08/28/19	FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	0.00	1,125.00	1,125.00			
08/31/19	08/31/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	0.00	11,000.00	11,000.00			
08/31/19	08/31/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	0.00	6,750.00	6,750.00			
08/31/19	08/31/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	0.00	9,000.00	9,000.00			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
08/31/19	08/31/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	235,000.00	0.00	2,350.00	2,350.00			
Transaction Type Sub-Total				6,573,693.83	0.00	62,107.44	62,107.44			
MATURITY										
08/15/19	08/15/19	CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	275,000.00	0.00	275,000.00	(594.00)	0.00	
Transaction Type Sub-Total				275,000.00	275,000.00	0.00	275,000.00	(594.00)	0.00	
PAYDOWNS										
08/01/19	08/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	171.95	171.95	0.00	171.95	0.00	0.00	
08/01/19	08/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	855.51	855.51	0.00	855.51	(17.02)	0.00	
08/15/19	08/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	405.23	405.23	0.00	405.23	0.08	0.00	
08/15/19	08/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	5,173.15	5,173.15	0.00	5,173.15	0.45	0.00	
08/15/19	08/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	7,654.49	7,654.49	0.00	7,654.49	0.90	0.00	
08/15/19	08/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	20,104.99	20,104.99	0.00	20,104.99	2.37	0.00	
08/15/19	08/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,399.90	1,399.90	0.00	1,399.90	0.11	0.00	
08/15/19	08/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	7,148.10	7,148.10	0.00	7,148.10	0.96	0.00	
08/15/19	08/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	20,405.08	20,405.08	0.00	20,405.08	0.08	0.00	
08/18/19	08/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	4,139.40	4,139.40	0.00	4,139.40	0.45	0.00	
08/18/19	08/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	10,298.57	10,298.57	0.00	10,298.57	0.67	0.00	



## Managed Account Security Transactions & Interest

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

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
Transaction Type Sub-Total				77,756.37	77,756.37	0.00	77,756.37	(10.95)	0.00	
SELL										
08/01/19	08/05/19	BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	125,000.00	124,452.50	605.03	125,057.53	(465.00)	(517.42)	FIFO
08/01/19	08/05/19	BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	64,871.30	15.53	64,886.83	(98.80)	(114.37)	FIFO
08/27/19	08/29/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	250,000.00	252,685.55	1,541.27	254,226.82	5,283.21	4,289.50	FIFO
08/28/19	09/05/19	US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	100,000.00	100,589.84	92.73	100,682.57	4,785.15	3,766.95	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	150,000.00	151,599.61	962.98	152,562.59	3,503.91	2,790.71	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	100,000.00	101,066.41	641.98	101,708.39	2,105.47	1,704.82	FIFO
Transaction Type Sub-Total				790,000.00	795,265.21	3,859.52	799,124.73	15,113.94	11,920.19	
Managed Account Sub-Total						(102,267.52)	65,862.79	(36,404.73)	14,508.99	11,920.19
Total Security Transactions						(\$102,267.52)	\$65,862.79	(\$36,404.73)	\$14,508.99	\$11,920.19

Bolded items are forward settling trades.





## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
BUY										
07/01/19	07/03/19	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	(322,854.49)	(918.48)	(323,772.97)			
07/08/19	07/11/19	GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	(261,645.00)	(80.21)	(261,725.21)			
07/11/19	07/15/19	AMERICAN HONDA FINANCE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	(248,760.00)	(300.00)	(249,060.00)			
07/19/19	07/23/19	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	250,000.00	(264,322.50)	(2,260.42)	(266,582.92)			

<b>Transaction Type Sub-Total</b>			<b>1,075,000.00</b>	<b>(1,097,581.99)</b>	<b>(3,559.11)</b>	<b>(1,101,141.10)</b>
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<b>INTEREST</b>										
07/01/19	07/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	416.91	0.00	0.57	0.57			
07/01/19	07/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	121,996.07	0.00	361.94	361.94			
07/01/19	07/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
07/01/19	07/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	110,611.88	0.00	295.24	295.24			
07/06/19	07/06/19	JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	0.00	2,981.25	2,981.25			
07/10/19	07/10/19	CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	0.00	3,062.50	3,062.50			
07/14/19	07/14/19	FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	625,000.00	0.00	3,515.63	3,515.63			
07/15/19	07/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
07/15/19	07/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
07/15/19	07/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	180,382.18	0.00	251.03	251.03			
07/15/19	07/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,869.93	0.00	3.73	3.73			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
INTEREST										
07/15/19	07/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
07/15/19	07/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	43,559.03	0.00	61.71	61.71			
07/15/19	07/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	187,121.42	0.00	277.56	277.56			
07/15/19	07/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	62,506.62	0.00	90.11	90.11			
07/15/19	07/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	3,193.52	0.00	3.33	3.33			
07/15/19	07/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	54,150.21	0.00	58.21	58.21			
07/18/19	07/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	56,630.14	0.00	84.47	84.47			
07/18/19	07/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	74,270.82	0.00	74.89	74.89			
07/23/19	07/23/19	PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	0.00	4,375.00	4,375.00			
07/23/19	07/23/19	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	0.00	6,875.00	6,875.00			

<b>Transaction Type Sub-Total</b>				<b>3,427,708.73</b>	<b>0.00</b>	<b>24,099.00</b>	<b>24,099.00</b>			
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<b>PAYDOWNS</b>										
07/01/19	07/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	416.92	416.92	0.00	416.92	(4.18)	0.00	
07/01/19	07/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	239.34	239.34	0.00	239.34	(4.76)	0.00	
07/01/19	07/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	4,286.73	4,286.73	0.00	4,286.73	0.01	0.00	
07/15/19	07/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	4,748.17	4,748.17	0.00	4,748.17	0.41	0.00	
07/15/19	07/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	7,255.14	7,255.14	0.00	7,255.14	0.98	0.00	



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
PAYDOWNS										
07/15/19	07/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,793.63	1,793.63	0.00	1,793.63	0.14	0.00	
07/15/19	07/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	7,040.18	7,040.18	0.00	7,040.18	0.83	0.00	
07/15/19	07/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	18,245.19	18,245.19	0.00	18,245.19	2.15	0.00	
07/15/19	07/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	18,521.15	18,521.15	0.00	18,521.15	0.07	0.00	
07/15/19	07/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	2,464.71	2,464.71	0.00	2,464.71	0.48	0.00	
07/18/19	07/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	10,035.61	10,035.61	0.00	10,035.61	0.65	0.00	
07/18/19	07/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	3,968.12	3,968.12	0.00	3,968.12	0.43	0.00	
Transaction Type Sub-Total				79,014.89	79,014.89	0.00	79,014.89	(2.79)	0.00	
SELL										
07/08/19	07/11/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	250,000.00	247,958.98	455.09	248,414.07	7,031.24	6,317.27	FIFO
07/11/19	07/15/19	AMERICAN HONDA FINANCE DTD 02/15/2018 2.650% 02/12/2021	02665WCD1	125,000.00	125,631.25	1,407.81	127,039.06	806.25	725.20	FIFO
07/11/19	07/15/19	AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	100,000.00	99,624.00	947.92	100,571.92	(275.00)	(341.20)	FIFO
07/19/19	07/23/19	MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	250,512.50	1,597.22	252,109.72	(297.50)	96.10	FIFO
Transaction Type Sub-Total				725,000.00	723,726.73	4,408.04	728,134.77	7,264.99	6,797.37	
Managed Account Sub-Total						(294,840.37)	24,947.93	(269,892.44)	7,262.20	6,797.37
Total Security Transactions						(\$294,840.37)	\$24,947.93	(\$269,892.44)	\$7,262.20	\$6,797.37

# Employment Risk Management Authority

## Cash & Investment Report

December 31, 2019

Accounts	Book Value	Market Value *	% of Total	Effective Yield
California Bank & Trust - Administration <sup>1</sup>	\$ 4,156	\$ 4,156	0.01%	0.00%
California Bank & Trust - General Operating <sup>1</sup>	164,287	164,287	0.53%	0.00%
California Bank & Trust - Claims Payment <sup>2</sup>	(57,654)	(57,654)	-0.19%	0.00%
Local Agency Investment Fund	3,068,277	3,073,151	9.88%	2.29%
CAMP - Liquidity Account	2,667,272	2,667,272	8.58%	1.80%
CAMP - Money Market	139,621	139,621	0.45%	1.80%
CAMP - Investments managed by PFM	24,881,803	25,111,593	80.74%	2.21%
<b>Total</b>	<b>\$ 30,867,761</b>	<b>\$ 31,102,427</b>		<b>2.18%</b>

\* Yield to Maturity at Cost

### Notes:

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

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

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

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

Respectfully submitted,



Alana Theiss, Assistant Treasurer

Accepted,



Stuart Schillinger, Treasurer

California State Treasurer  
**Fiona Ma, CPA**



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

January 02, 2020

[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

December 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/10/2019	12/9/2019	RW	1625226	ALANA THEISS	-30,000.00
12/17/2019	12/13/2019	RW	1625662	ALANA THEISS	-320,000.00
12/17/2019	12/16/2019	RW	1625753	ALANA THEISS	-215,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,633,276.72
Total Withdrawal:	-565,000.00	Ending Balance:	3,068,276.72

**ERMA  
LAIF Market Value  
12/31/2019**

<b>Adjustment for Market Value</b>	
LAIF Statement Balance	\$ 3,068,276.72
Fair Value Factor per LAIF Performance Report	<u>1.001770298</u>
Adjusted Market Value	<u>3,073,708</u>
(1) Adjust to December 31, 2019 financial statements	<u>(557)</u>
Adjusted Market Value as reported at December 31, 2019	<u><u>\$ 3,073,151</u></u>

- (1) The LAIF Performance Report for the month of December 31, 2019 was not available at the time the December books were closed. Management elected to use an estimate for the fair market adjustment to LAIF on the December 31, 2019 financial statements. As anticipated, the actual results differed from this estimate by this trivial amount.



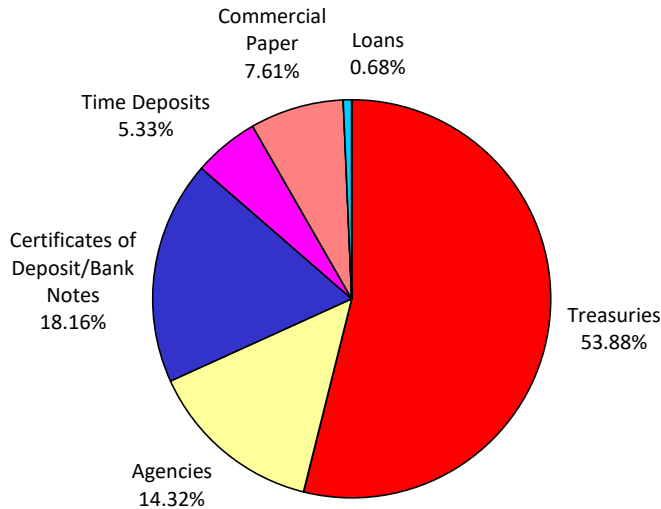
## PMIA/LAIF Performance Report as of 01/15/2020



### Pooled Money Investment Account Portfolio Composition <sup>(1)</sup>

**12/31/19**

**\$88.9 billion**



Percentages may not total 100% due to rounding

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

<b>Dec 2019</b>	<b>2.043</b>
Nov 2019	2.103
Oct 2019	2.190

### LAIF Quarterly Performance Quarter Ended 12/31/19

Apportionment Rate <sup>(2)</sup> :	2.29
Earnings Ratio <sup>(2)</sup> :	0.0000625008577897
Fair Value Factor <sup>(1)</sup> :	1.001770298
Daily <sup>(1)</sup> :	2.02%
Quarter to Date <sup>(1)</sup> :	2.11%
Average Life <sup>(1)</sup> :	226

### PMIA Daily Rates<sup>(1)</sup>

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/16/19	2.04	2.13	226
12/17/19	2.04	2.13	226
12/18/19	2.04	2.13	227
12/19/19	2.04	2.13	226
12/20/19	2.03	2.12	224
12/21/19	2.03	2.12	224
12/22/19	2.03	2.12	224
12/23/19	2.03	2.12	222
12/24/19	2.03	2.12	225
12/25/19	2.03	2.12	225
12/26/19	2.03	2.12	224
12/27/19	2.03	2.12	227
12/28/19	2.03	2.12	227
12/29/19	2.03	2.12	227
12/30/19	2.03	2.11	224
12/31/19	2.02	2.11	226
01/01/20	2.03	2.03	224
01/02/20	2.00	2.02	231
01/03/20	2.00	2.01	229
01/04/20	2.00	2.01	229
01/05/20	2.00	2.01	229
01/06/20	2.00	2.00	226
01/07/20	1.99	2.00	224
01/08/20	1.99	2.00	224
01/09/20	1.99	2.00	224
01/10/20	1.98	2.00	223
01/11/20	1.98	2.00	223
01/12/20	1.98	2.00	223
01/13/20	1.98	1.99	220
01/14/20	1.97	1.99	221
01/15/20	1.96	1.99	228

\*Daily yield does not reflect capital gains or losses

[View Prior Month 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 pursuant to Public Utility Code 3288 (a).

Source:

(1) State of California, Office of the Treasurer

(2) 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

December 05, 2019

[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

November 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/18/2019	11/15/2019	RW	1623886	ALANA THEISS	-210,000.00

### Account Summary

Total Deposit:	0.00	Beginning Balance:	3,843,276.72
Total Withdrawal:	-210,000.00	Ending Balance:	3,633,276.72



# California State Treasurer

## Fiona Ma, CPA



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

November 06, 2019

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[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

October 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/8/2019	10/3/2019	RD	1618726	ALANA THEISS	860,000.00
10/15/2019	10/15/2019	QRD	1620057	SYSTEM	16,236.38

### Account Summary

Total Deposit:	876,236.38	Beginning Balance:	2,967,040.34
Total Withdrawal:	0.00	Ending Balance:	3,843,276.72



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>2,663,199.18</b>
12/31/19	01/02/20	Accrual Income Div Reinvestment - Distributions	1.00	4,072.53	2,667,271.71
<b>Closing Balance</b>					<b>2,667,271.71</b>

	Month of December	Fiscal YTD January-December		
<b>Opening Balance</b>	2,663,199.18	0.00	<b>Closing Balance</b>	2,667,271.71
<b>Purchases</b>	4,072.53	5,467,271.71	<b>Average Monthly Balance</b>	2,663,330.55
<b>Redemptions (Excl. Checks)</b>	0.00	(2,800,000.00)	<b>Monthly Distribution Yield</b>	1.80%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>2,667,271.71</b>	<b>2,667,271.71</b>		
<b>Cash Dividends and Income</b>	4,072.53	47,271.71		



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>2,659,083.27</b>
11/29/19	12/02/19	Accrual Income Div Reinvestment - Distributions	1.00	4,115.91	2,663,199.18
<b>Closing Balance</b>					<b>2,663,199.18</b>

	Month of November	Fiscal YTD January-November		
<b>Opening Balance</b>	2,659,083.27	0.00	<b>Closing Balance</b>	2,663,199.18
<b>Purchases</b>	4,115.91	5,463,199.18	<b>Average Monthly Balance</b>	2,659,357.66
<b>Redemptions (Excl. Checks)</b>	0.00	(2,800,000.00)	<b>Monthly Distribution Yield</b>	1.88%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>2,663,199.18</b>	<b>2,663,199.18</b>		
<b>Cash Dividends and Income</b>	4,115.91	43,199.18		



## Account Statement

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

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

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
<b>CAMP Pool</b>					
<b>Opening Balance</b>					<b>3,654,113.85</b>
10/07/19	10/07/19	Redemption - ACH Redemption	1.00	(1,000,000.00)	2,654,113.85
10/31/19	11/01/19	Accrual Income Div Reinvestment - Distributions	1.00	4,969.42	2,659,083.27
<b>Closing Balance</b>					<b>2,659,083.27</b>

	Month of October	Fiscal YTD January-October		
<b>Opening Balance</b>	3,654,113.85	0.00	<b>Closing Balance</b>	2,659,083.27
<b>Purchases</b>	4,969.42	5,459,083.27	<b>Average Monthly Balance</b>	2,847,822.54
<b>Redemptions (Excl. Checks)</b>	(1,000,000.00)	(2,800,000.00)	<b>Monthly Distribution Yield</b>	2.05%
<b>Check Disbursements</b>	0.00	0.00		
<b>Closing Balance</b>	<b>2,659,083.27</b>	<b>2,659,083.27</b>		
<b>Cash Dividends and Income</b>	4,969.42	39,083.27		



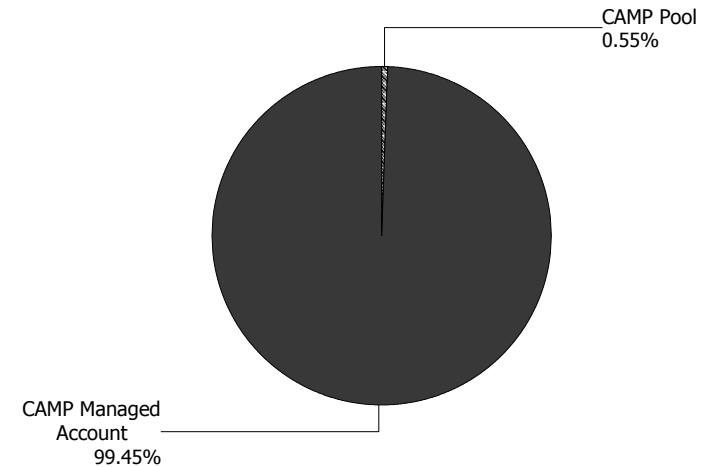
## Account Statement - Transaction Summary

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

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

<b>CAMP Pool</b>	
Opening Market Value	4,713.56
Purchases	1,675,405.55
Redemptions	(1,540,497.82)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$139,621.29</b>
Cash Dividends and Income	97.87
<b>CAMP Managed Account</b>	
Opening Market Value	25,239,850.10
Purchases	1,468,000.00
Redemptions	(1,591,484.83)
Unsettled Trades	0.00
Change in Value	(4,771.87)
<b>Closing Market Value</b>	<b>\$25,111,593.40</b>
Cash Dividends and Income	97,047.32

<b>Asset Summary</b>		
	<b>December 31, 2019</b>	<b>November 30, 2019</b>
<b>CAMP Pool</b>	139,621.29	4,713.56
<b>CAMP Managed Account</b>	25,111,593.40	25,239,850.10
<b>Total</b>	<b>\$25,251,214.69</b>	<b>\$25,244,563.66</b>
<b>Asset Allocation</b>		





## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	05/03/16	05/06/16	37,171.09	1.21	118.63	35,427.02	35,293.93
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	03/15/17	03/17/17	633,115.24	2.02	781.42	644,172.67	648,019.45
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	410,000.00	AA+	Aaa	12/01/16	12/05/16	411,217.19	1.93	2,770.88	410,441.60	412,706.82
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	6,082.42	902,241.13	905,941.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	06/27/17	06/29/17	1,111,988.28	1.73	7,434.07	1,104,883.26	1,107,262.20
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	08/30/17	08/31/17	541,320.31	1.64	1,171.02	546,117.13	546,691.20
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	AA+	Aaa	01/03/18	01/04/18	271,508.79	2.18	878.26	273,079.08	276,783.10
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	AA+	Aaa	07/03/18	07/06/18	509,496.09	2.69	1,676.68	515,359.79	528,404.10
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	AA+	Aaa	05/03/18	05/07/18	580,828.13	2.73	1,916.21	588,534.96	603,890.40
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	450,000.00	AA+	Aaa	09/05/18	09/07/18	431,121.09	2.76	2,762.06	437,206.96	450,422.10
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	550,000.00	AA+	Aaa	01/30/19	01/31/19	541,277.35	2.55	32.11	543,248.12	558,378.70
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	AA+	Aaa	04/01/19	04/05/19	316,151.37	2.32	461.75	317,672.60	325,012.68
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	AA+	Aaa	03/04/19	03/06/19	361,391.60	2.53	532.79	363,930.50	375,014.63
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	05/01/19	05/03/19	390,375.00	2.25	568.31	391,887.21	400,015.60



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	06/03/19	06/07/19	570,485.35	1.83	816.94	571,111.03	575,022.43
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	AA+	Aaa	07/01/19	07/03/19	322,854.49	1.78	899.55	323,095.00	324,708.15
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	AA+	Aaa	10/02/19	10/04/19	452,583.98	1.48	1,245.54	452,435.05	449,595.90
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	AA+	Aaa	12/02/19	12/05/19	1,218,000.00	1.66	65.93	1,217,727.43	1,216,640.40
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	AA+	Aaa	11/01/19	11/06/19	1,300,798.83	1.55	70.05	1,299,993.14	1,292,680.43
<b>Security Type Sub-Total</b>		<b>10,970,000.00</b>					<b>10,907,133.40</b>	<b>1.98</b>	<b>30,284.62</b>	<b>10,938,563.68</b>	<b>11,032,484.02</b>
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	09/12/17	09/19/17	623,500.00	1.64	2,953.98	624,642.60	625,131.25
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/02/17	10/10/17	504,634.55	1.81	1,534.72	501,313.32	501,668.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	AAA	Aaa	04/12/18	04/19/18	149,670.00	2.70	787.50	149,853.82	151,809.60
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	AAA	Aaa	07/18/18	07/25/18	498,830.00	2.83	6,034.72	499,377.62	508,312.50
<b>Security Type Sub-Total</b>		<b>1,775,000.00</b>					<b>1,776,634.55</b>	<b>2.12</b>	<b>11,310.92</b>	<b>1,775,187.36</b>	<b>1,786,921.35</b>
<b>Municipal Bond / Note</b>											
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	AA-	Aa1	11/06/19	12/05/19	60,000.00	2.10	91.04	60,000.00	59,896.80



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Security Type Sub-Total</b>		<b>60,000.00</b>					<b>60,000.00</b>	<b>2.10</b>	<b>91.04</b>	<b>60,000.00</b>	<b>59,896.80</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	106,400.81	AA+	Aaa	04/11/18	04/30/18	108,517.22	2.27	315.66	107,435.72	107,461.21
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	AA+	Aaa	04/04/18	04/09/18	131,107.03	2.61	334.75	130,592.09	132,739.96
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	75,696.28	AA+	Aaa	12/07/18	12/17/18	75,696.05	3.11	202.05	75,696.05	77,397.77
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	99,842.82	AA+	Aaa	11/20/19	11/26/19	99,840.42	2.03	174.06	99,840.42	99,413.40
<b>Security Type Sub-Total</b>		<b>411,939.91</b>					<b>415,160.72</b>	<b>2.48</b>	<b>1,026.52</b>	<b>413,564.28</b>	<b>417,012.34</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	02/24/17	02/28/17	149,904.00	1.52	768.75	149,994.84	149,971.05
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	625,000.00	AA+	Aaa	07/14/16	07/15/16	621,199.38	1.25	3,261.72	623,806.51	620,330.63
<b>Security Type Sub-Total</b>		<b>775,000.00</b>					<b>771,103.38</b>	<b>1.30</b>	<b>4,030.47</b>	<b>773,801.35</b>	<b>770,301.68</b>
<b>Corporate Note</b>											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	A-	A2	02/28/17	03/03/17	179,812.80	2.24	1,298.00	179,988.95	179,997.66
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	04/11/17	04/17/17	349,839.00	1.97	1,402.92	349,983.81	349,992.65
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	05/04/17	05/11/17	199,796.00	1.84	500.00	199,974.88	199,820.60
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	125,000.00	A	A2	05/24/17	06/05/17	124,927.50	1.82	162.50	124,989.43	124,933.00





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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	1,112.31	184,964.17	184,916.75
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/06/17	11/13/17	124,988.75	2.05	341.67	124,996.68	125,208.00
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/17	10/20/17	249,637.50	1.95	211.11	249,887.05	250,341.25
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A2	02/01/18	02/06/18	249,877.50	2.67	2,686.81	249,954.11	252,288.00
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	02/21/18	02/26/18	99,889.00	2.94	853.89	99,954.61	101,125.50
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	04/12/18	04/19/18	149,365.50	3.05	1,280.83	149,731.22	151,688.25
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/05/17	10/10/17	164,967.00	2.01	696.67	164,987.55	165,470.75
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	A-	A2	11/01/17	11/03/17	25,194.00	2.39	131.25	25,074.76	25,229.05
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	05/17/16	05/20/16	250,532.50	2.00	825.69	250,143.82	250,795.25
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	05/25/16	05/31/16	149,721.00	2.29	525.00	149,921.12	150,722.85
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	A	A1	05/03/18	05/10/18	99,931.00	3.12	396.11	99,967.65	101,692.90
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	05/19/16	05/24/16	69,735.40	2.03	159.25	69,923.95	70,145.11
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	A	A2	05/17/18	05/22/18	159,995.20	3.25	577.78	159,997.67	163,121.28



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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A2	09/13/17	09/18/17	175,000.00	2.33	1,018.50	175,000.00	175,498.58
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	03/10/17	03/15/17	224,007.75	2.75	2,898.44	224,570.62	228,773.03
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	A+	A1	02/22/19	03/01/19	49,956.00	2.88	475.00	49,967.86	51,047.50
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	A-	A2	05/14/18	05/17/18	50,000.00	3.50	213.83	50,000.00	51,004.55
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	A-	A2	03/15/19	03/22/19	250,000.00	3.21	2,004.38	250,000.00	255,961.75
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	A-	A3	02/12/19	02/15/19	251,780.00	3.34	3,840.28	251,487.64	263,300.00
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	250,000.00	BBB+	A3	07/19/19	07/23/19	264,322.50	2.59	1,668.40	263,080.94	265,769.50
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	A	A2	07/11/19	07/15/19	248,760.00	2.51	66.67	248,870.71	252,798.00
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	BBB+	A3	07/08/19	07/11/19	261,645.00	2.84	4,625.35	260,612.47	264,424.25
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	A-	A3	08/01/19	08/05/19	250,415.00	2.46	2,638.89	250,383.72	253,292.00
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	250,000.00	A	A2	09/03/19	09/06/19	248,980.00	1.84	1,397.57	249,042.54	248,103.00
<b>Security Type Sub-Total</b>		<b>5,085,000.00</b>					<b>5,107,920.50</b>	<b>2.45</b>	<b>34,009.10</b>	<b>5,107,457.93</b>	<b>5,157,461.01</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	A-1	P-1	04/18/19	04/18/19	490,175.00	2.67	0.00	499,563.34	499,674.00
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>490,175.00</b>	<b>2.67</b>	<b>0.00</b>	<b>499,563.34</b>	<b>499,674.00</b>



## Managed Account Detail of Securities Held

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

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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A-1	P-1	02/07/18	02/08/18	250,000.00	2.67	12,663.96	250,000.00	250,253.75
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A-1	P-1	03/02/18	03/06/18	250,000.00	2.93	2,416.67	250,000.00	250,507.25
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	A-1	P-1	06/05/18	06/07/18	249,905.00	3.10	556.11	249,979.08	251,534.75
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A-1	P-1	08/01/18	08/03/18	425,000.00	3.23	5,611.30	425,000.00	427,890.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	A-1+	P-1	08/03/17	08/07/17	450,000.00	2.05	3,690.00	450,000.00	451,055.70
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A-1	P-1	10/16/18	10/18/18	249,660.00	3.46	1,812.71	249,912.56	253,427.00
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	A-1+	P-1	11/16/17	11/17/17	500,000.00	2.30	1,387.22	500,000.00	501,365.50
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	AA-	Aa2	06/07/18	06/08/18	425,000.00	3.24	918.00	425,000.00	434,420.13
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	250,000.00	A	A1	02/27/19	02/28/19	250,000.00	3.01	6,353.19	250,000.00	256,595.00
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	AA-	Aa3	08/27/19	08/29/19	250,000.00	1.87	1,605.90	250,000.00	250,407.25
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	A+	Aa2	08/29/19	09/03/19	250,000.00	1.88	1,550.00	250,000.00	250,472.75
DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	250,000.00	AA-	Aa2	12/04/19	12/06/19	250,000.00	2.04	382.50	250,000.00	249,731.50
<b>Security Type Sub-Total</b>		<b>3,800,000.00</b>					<b>3,799,565.00</b>	<b>2.65</b>	<b>38,947.56</b>	<b>3,799,891.64</b>	<b>3,827,660.58</b>
<b>Asset-Backed Security</b>											
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	17,925.56	AAA	NR	10/18/16	10/25/16	17,924.40	1.04	7.83	17,925.34	17,911.54



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<b>Asset-Backed Security</b>											
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	21,714.84	AAA	Aaa	03/07/17	03/15/17	21,712.29	1.74	16.70	21,714.06	21,704.51
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	13,962.12	AAA	Aaa	09/14/16	09/21/16	13,960.25	1.30	8.00	13,961.69	13,952.64
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	16,590.72	NR	Aaa	01/24/17	01/31/17	16,589.28	1.70	12.54	16,590.29	16,579.80
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	73,038.09	NR	Aaa	01/18/17	01/25/17	73,037.82	1.67	54.21	73,038.02	72,989.42
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	83,356.04	NR	Aaa	03/21/17	03/29/17	83,346.21	1.79	65.94	83,352.74	83,315.82
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	33,661.82	AAA	NR	09/25/17	09/29/17	33,658.17	1.94	21.76	33,660.18	33,646.37
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	94,094.66	AAA	Aaa	01/23/18	01/31/18	94,093.58	2.35	98.28	94,094.08	94,340.65
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	AAA	Aaa	11/20/18	11/28/18	224,966.36	3.17	316.00	224,974.87	228,696.19
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	AAA	Aaa	12/04/18	12/12/18	224,956.89	3.53	322.00	224,966.69	229,291.45
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	AAA	NR	08/28/19	09/05/19	499,874.10	1.73	382.22	499,882.79	498,465.30
VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	AAA	NR	10/01/19	10/04/19	249,990.60	2.02	154.31	249,991.21	249,287.93
<b>Security Type Sub-Total</b>		<b>1,554,343.85</b>					<b>1,554,109.95</b>	<b>2.28</b>	<b>1,459.79</b>	<b>1,554,151.96</b>	<b>1,560,181.62</b>
<b>Managed Account Sub-Total</b>		<b>24,931,283.76</b>					<b>24,881,802.50</b>	<b>2.21</b>	<b>121,160.02</b>	<b>24,922,181.54</b>	<b>25,111,593.40</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		139,621.29	AAA	NR			139,621.29		0.00	139,621.29	139,621.29



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

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Money Market Sub-Total		139,621.29					139,621.29		0.00	139,621.29	139,621.29
Securities Sub-Total		\$25,070,905.05					\$25,021,423.79	2.21%	\$121,160.02	\$25,061,802.83	\$25,251,214.69
Accrued Interest											\$121,160.02
Total Investments											\$25,372,374.71



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
BUY										
11/06/19	12/05/19	CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	(60,000.00)	0.00	(60,000.00)			
12/02/19	12/05/19	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	(1,218,000.00)	(10,304.35)	(1,228,304.35)			
12/04/19	12/06/19	DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	250,000.00	(250,000.00)	0.00	(250,000.00)			

<b>Transaction Type Sub-Total</b>				<b>1,510,000.00</b>	<b>(1,528,000.00)</b>	<b>(10,304.35)</b>	<b>(1,538,304.35)</b>			
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<b>INTEREST</b>										
12/01/19	12/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	81,388.86	0.00	217.24	217.24			
12/01/19	12/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	110,070.07	0.00	331.42	331.42			
12/01/19	12/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
12/01/19	12/25/19	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	100,000.00	0.00	174.33	174.33			
12/05/19	12/05/19	BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	0.00	3,850.00	3,850.00			
12/05/19	12/05/19	HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	125,000.00	0.00	1,125.00	1,125.00			
12/07/19	12/07/19	ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	0.00	6,885.00	6,885.00			
12/15/19	12/15/19	WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	0.00	2,375.00	2,375.00			
12/15/19	12/15/19	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	716.67	716.67			
12/15/19	12/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	20,107.95	0.00	21.62	21.62			
12/15/19	12/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
12/15/19	12/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
12/15/19	12/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	20,324.05	0.00	28.79	28.79			
12/15/19	12/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	88,360.91	0.00	122.97	122.97			
12/15/19	12/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	97,694.24	0.00	144.91	144.91			
12/15/19	12/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	27,726.68	0.00	39.97	39.97			
12/15/19	12/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
12/18/19	12/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	26,229.04	0.00	26.45	26.45			
12/18/19	12/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	37,111.76	0.00	55.36	55.36			
12/20/19	12/20/19	VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	0.00	420.83	420.83			
12/27/19	12/27/19	AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	0.00	3,000.00	3,000.00			
12/31/19	12/31/19	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	0.00	12,000.00	12,000.00			
12/31/19	12/31/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	550,000.00	0.00	5,843.75	5,843.75			
12/31/19	12/31/19	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	0.00	12,750.00	12,750.00			

<b>Transaction Type Sub-Total</b>				<b>6,364,013.56</b>	<b>0.00</b>	<b>51,856.14</b>	<b>51,856.14</b>			
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### PAYDOWNS

12/01/19	12/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	3,669.27	3,669.27	0.00	3,669.27	(72.98)	0.00	
12/01/19	12/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	5,692.58	5,692.58	0.00	5,692.58	0.02	0.00	
12/01/19	12/25/19	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	157.18	157.18	0.00	157.18	0.00	0.00	



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
PAYDOWNS										
12/15/19	12/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	6,145.83	6,145.83	0.00	6,145.83	0.83	0.00	
12/15/19	12/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	3,733.33	3,733.33	0.00	3,733.33	0.33	0.00	
12/15/19	12/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	15,322.83	15,322.83	0.00	15,322.83	0.06	0.00	
12/15/19	12/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	6,011.84	6,011.84	0.00	6,011.84	0.71	0.00	
12/15/19	12/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	14,338.21	14,338.21	0.00	14,338.21	1.69	0.00	
12/15/19	12/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	5,905.34	5,905.34	0.00	5,905.34	0.07	0.00	
12/18/19	12/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	8,303.48	8,303.48	0.00	8,303.48	0.54	0.00	
12/18/19	12/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	3,449.94	3,449.94	0.00	3,449.94	0.37	0.00	
Transaction Type Sub-Total				72,729.83	72,729.83	0.00	72,729.83	(68.36)	0.00	
SELL										
12/02/19	12/05/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	450,000.00	456,750.00	4,105.64	460,855.64	17,894.53	15,311.38	FIFO
12/02/19	12/05/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	700,000.00	710,500.00	6,386.55	716,886.55	20,589.84	18,383.50	FIFO
12/02/19	12/05/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	100,000.00	101,500.00	912.36	102,412.36	3,085.94	2,756.38	FIFO
12/04/19	12/06/19	CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	250,005.00	2,484.03	252,489.03	105.00	8.24	FIFO
Transaction Type Sub-Total				1,500,000.00	1,518,755.00	13,888.58	1,532,643.58	41,675.31	36,459.50	
Managed Account Sub-Total					63,484.83	55,440.37	118,925.20	41,606.95	36,459.50	
Total Security Transactions					\$63,484.83	\$55,440.37	\$118,925.20	\$41,606.95	\$36,459.50	





## Managed Account Security Transactions & Interest

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

### 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										
11/01/19	11/06/19	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	(1,300,798.83)	(8,938.86)	(1,309,737.69)			
11/06/19	12/05/19	CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	(60,000.00)	0.00	(60,000.00)			
11/20/19	11/26/19	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	100,000.00	(99,997.60)	(145.28)	(100,142.88)			
Transaction Type Sub-Total				1,435,000.00	(1,460,796.43)	(9,084.14)	(1,469,880.57)			

<b>INTEREST</b>										
11/01/19	11/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	112,516.97	0.00	340.02	340.02			
11/01/19	11/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	81,519.92	0.00	217.59	217.59			
11/01/19	11/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
11/03/19	11/03/19	BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	0.00	2,562.50	2,562.50			
11/05/19	11/05/19	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	0.00	1,687.50	1,687.50			
11/09/19	11/09/19	INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	0.00	5,312.50	5,312.50			
11/11/19	11/11/19	APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	0.00	1,800.00	1,800.00			
11/13/19	11/13/19	PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	0.00	1,281.25	1,281.25			
11/15/19	11/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	113,969.49	0.00	169.06	169.06			
11/15/19	11/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	24,526.69	0.00	34.75	34.75			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
INTEREST										
11/15/19	11/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			
11/15/19	11/15/19	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	716.67	716.67			
11/15/19	11/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
11/15/19	11/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	105,820.64	0.00	147.27	147.27			
11/15/19	11/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	26,562.28	0.00	28.55	28.55			
11/15/19	11/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	34,288.65	0.00	49.43	49.43			
11/15/19	11/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
11/15/19	11/15/19	HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	0.00	1,550.00	1,550.00			
11/15/19	11/15/19	US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	0.00	459.38	459.38			
11/17/19	11/17/19	BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	0.00	874.75	874.75			
11/18/19	11/18/19	SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	0.00	5,864.17	5,864.17			
11/18/19	11/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	40,762.02	0.00	60.80	60.80			
11/18/19	11/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	35,101.63	0.00	35.39	35.39			
11/19/19	11/19/19	STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	0.00	682.50	682.50			
11/20/19	11/20/19	VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	0.00	645.28	645.28			
11/21/19	11/21/19	CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	0.00	2,600.00	2,600.00			
11/30/19	11/30/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	0.00	3,250.00	3,250.00			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
11/30/19	11/30/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	0.00	3,046.88	3,046.88			
11/30/19	11/30/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	0.00	4,671.87	4,671.87			
11/30/19	11/30/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	0.00	2,640.63	2,640.63			
11/30/19	11/30/19	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	0.00	4,468.75	4,468.75			
Transaction Type Sub-Total				6,470,068.29	0.00	46,924.32	46,924.32			
PAYDOWNS										
11/01/19	11/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	131.06	131.06	0.00	131.06	0.00	0.00	
11/01/19	11/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	2,446.90	2,446.90	0.00	2,446.90	(48.67)	0.00	
11/15/19	11/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	17,459.73	17,459.73	0.00	17,459.73	0.06	0.00	
11/15/19	11/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	4,202.64	4,202.64	0.00	4,202.64	0.37	0.00	
11/15/19	11/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	6,454.33	6,454.33	0.00	6,454.33	0.87	0.00	
11/15/19	11/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	6,561.97	6,561.97	0.00	6,561.97	0.77	0.00	
11/15/19	11/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	16,275.25	16,275.25	0.00	16,275.25	1.92	0.00	
11/18/19	11/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	8,872.59	8,872.59	0.00	8,872.59	0.58	0.00	
11/18/19	11/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	3,650.26	3,650.26	0.00	3,650.26	0.40	0.00	
Transaction Type Sub-Total				66,054.73	66,054.73	0.00	66,054.73	(43.70)	0.00	
SELL										



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
SELL										
11/01/19	11/06/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	225,000.00	229,130.86	1,676.04	230,806.90	10,898.44	9,049.14	FIFO
11/01/19	11/06/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	50,000.00	50,917.97	372.45	51,290.42	2,156.25	1,892.52	FIFO
11/01/19	11/06/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	850,000.00	865,605.47	6,331.69	871,937.16	44,591.80	37,914.59	FIFO
Transaction Type Sub-Total				1,125,000.00	1,145,654.30	8,380.18	1,154,034.48	57,646.49	48,856.25	
Managed Account Sub-Total					(249,087.40)	46,220.36	(202,867.04)	57,602.79	48,856.25	
Total Security Transactions					(\$249,087.40)	\$46,220.36	(\$202,867.04)	\$57,602.79	\$48,856.25	

Bolded items are forward settling trades.



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
BUY										
10/01/19	10/04/19	VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	(249,990.60)	0.00	(249,990.60)			
10/02/19	10/04/19	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	(452,583.98)	(3,119.74)	(455,703.72)			
Transaction Type Sub-Total				700,000.00	(702,574.58)	(3,119.74)	(705,694.32)			
INTEREST										
10/01/19	10/01/19	JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	0.00	4,209.19	4,209.19			
10/01/19	10/01/19	BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	0.00	2,037.00	2,037.00			
10/01/19	10/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	0.00	334.75	334.75			
10/01/19	10/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	105,980.38	0.00	282.88	282.88			
10/01/19	10/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	116,445.90	0.00	352.98	352.98			
10/15/19	10/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	0.00	592.50	592.50			
10/15/19	10/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	130,704.37	0.00	193.88	193.88			
10/15/19	10/15/19	PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	0.00	1,650.00	1,650.00			
10/15/19	10/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	29,049.85	0.00	41.15	41.15			
10/15/19	10/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	122,784.85	0.00	170.88	170.88			
10/15/19	10/15/19	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	0.00	955.56	955.56			
10/15/19	10/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	32,779.18	0.00	35.24	35.24			
10/15/19	10/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	0.00	603.75	603.75			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale
Trade	Settle							Cost	Amort Cost	Method
INTEREST										
10/15/19	10/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	40,691.16	0.00	58.66	58.66			
10/15/19	10/15/19	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	195.83	195.83			
10/16/19	10/16/19	SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	0.00	4,308.13	4,308.13			
10/17/19	10/17/19	TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	0.00	3,412.50	3,412.50			
10/18/19	10/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	44,117.21	0.00	44.48	44.48			
10/18/19	10/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	44,495.03	0.00	66.37	66.37			
10/19/19	10/19/19	INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	0.00	1,968.75	1,968.75			
10/19/19	10/19/19	BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	0.00	328.13	328.13			
10/29/19	10/29/19	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	250,000.00	0.00	4,843.75	4,843.75			
10/31/19	10/31/19	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	0.00	2,640.63	2,640.63			
10/31/19	10/31/19	US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	0.00	3,656.25	3,656.25			
10/31/19	10/31/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	0.00	5,624.99	5,624.99			
10/31/19	10/31/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	0.00	2,578.13	2,578.13			
10/31/19	10/31/19	US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	0.00	3,437.50	3,437.50			
10/31/19	10/31/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	0.00	4,921.88	4,921.88			
Transaction Type Sub-Total				6,187,047.93	0.00	49,545.74	49,545.74			



## Managed Account Security Transactions & Interest

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

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

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
PAYDOWNS										
10/01/19	10/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	3,928.93	3,928.93	0.00	3,928.93	(78.15)	0.00	
10/01/19	10/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	24,460.46	24,460.46	0.00	24,460.46	0.07	0.00	
10/15/19	10/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	4,523.16	4,523.16	0.00	4,523.16	0.40	0.00	
10/15/19	10/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	6,216.90	6,216.90	0.00	6,216.90	0.84	0.00	
10/15/19	10/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	16,964.21	16,964.21	0.00	16,964.21	0.06	0.00	
10/15/19	10/15/19	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	6,402.51	6,402.51	0.00	6,402.51	0.75	0.00	
10/15/19	10/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	16,734.87	16,734.87	0.00	16,734.87	1.97	0.00	
10/18/19	10/18/19	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	9,015.58	9,015.58	0.00	9,015.58	0.58	0.00	
10/18/19	10/18/19	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	3,733.01	3,733.01	0.00	3,733.01	0.40	0.00	
Transaction Type Sub-Total				91,979.63	91,979.63	0.00	91,979.63	(73.08)	0.00	
SELL										
10/01/19	10/04/19	US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	250,000.00	251,484.38	1,721.31	253,205.69	(7,500.00)	(1,710.87)	FIFO
10/02/19	10/04/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	265,000.00	267,204.88	495.06	267,699.94	1,418.16	1,878.19	FIFO
10/02/19	10/04/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	85,000.00	85,707.23	158.79	85,866.02	(2,483.59)	(555.95)	FIFO
Transaction Type Sub-Total				600,000.00	604,396.49	2,375.16	606,771.65	(8,565.43)	(388.63)	
Managed Account Sub-Total					(6,198.46)	48,801.16	42,602.70	(8,638.51)	(388.63)	
Total Security Transactions					(\$6,198.46)	\$48,801.16	\$42,602.70	(\$8,638.51)	(\$388.63)	

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## ~ STATEMENT OF NET POSITION ~

December 31, 2019

(Unaudited)

### ASSETS

#### CURRENT ASSETS

Cash in Bank	\$110,789	
Camp Liquidity Account	2,667,272	
Local Agency Investment Fund	3,068,277	
Market Valuation - LAIF	4,874	
Investments - Managed Portfolio	5,751,341	
Market Valuation - Investments	19,173	
Interest Receivable	139,160	
Prepaid Expense	208,178	
Prepaid Insurance	158,459	
<b>TOTAL CURRENT ASSETS</b>		12,127,524

#### NONCURRENT ASSETS

Investments - Managed Portfolio	19,270,082	
Market Valuation - Investments	210,617	
<b>TOTAL NONCURRENT ASSETS</b>		19,480,700
<b>TOTAL ASSETS</b>		<b>\$ 31,608,223</b>

### LIABILITIES AND NET POSITION

#### CURRENT LIABILITIES

Accounts Payable	\$98,992	
Unearned Revenue	3,889,118	
Reserve - Claims	3,612,836	
Reserve - IBNR & ULAE	111,294	
<b>TOTAL CURRENT LIABILITIES</b>		7,712,239

#### NONCURRENT LIABILITIES

Reserve - IBNR & ULAE	10,832,475	
<b>TOTAL NONCURRENT LIABILITIES</b>		10,832,475
<b>TOTAL LIABILITIES</b>		<b>18,544,714</b>

#### NET POSITION

Net Position - Undesignated	11,003,949	
Net Position - Capital Fund	789,763	
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>		11,793,712
Change in Net Position - Undesignated	1,257,254	
Change in Net Position - Capital Fund	12,544	
<b>TOTAL CHANGE IN NET POSITION - CURRENT YEAR</b>		1,269,798
<b>TOTAL NET POSITION - ENDING</b>		<b>\$ 13,063,509</b>

\$ -



**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**~ STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION ~**  
**For the Six Months Ended December 31, 2019**  
**(Unaudited)**

	<u>Actual</u>	<u>2019-20 Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
<b>REVENUES</b>				
Deposit Premium	\$3,733,348	\$7,466,697	50%	\$ (3,733,350)
Excess Insurance Premium	\$155,770	311,540	50%	(155,770)
Interest Income	\$416,728			416,728
<b>TOTAL REVENUES</b>	<u>4,305,846</u>	<u>\$7,778,237</u>	<u>55%</u>	<u>(3,472,391)</u>
<b>EXPENSES</b>				
<b>Claims Expense</b>				
Claims Paid	\$ 1,810,757 **	\$ 6,446,930 *	37%	(4,038,216)
Incr/(Decr) in Reserves	597,957 **			
Excess Insurance	<u>155,770</u>	<u>311,540</u>	<u>50%</u>	<u>(155,770)</u>
<b>Subtotal Claims Expense</b>	<u>2,564,484</u>	<u>6,758,470</u>	<u>38%</u>	<u>(4,193,986)</u>
<b>Loss Prevention &amp; Training</b>				
Employee Reporting	5,090	10,500	48%	(5,411)
Web-based Training / Training Bulletins	12,000	24,000	50%	(12,000)
Additional Web-based Training	6,000	12,000	50%	(6,000)
Hotline Services	0	6,500	0%	(6,500)
Miscellaneous Training Expenses	2,807	5,000	56% +	(2,193)
Attorney / Training Workshops	<u>43,175</u>	<u>90,300</u>	<u>48%</u>	<u>(47,125)</u>
<b>Subtotal Loss Prevention &amp; Training</b>	<u>69,072</u>	<u>148,300</u>	<u>47%</u>	<u>(79,228)</u>
<b>Capital Fund Expenditures</b>				
Development/ Delivery of Survey/ Results	<u>0</u>			<u>-</u>
<b>SubtotalCapital Fund Expenditures</b>	<u>0</u>			<u>-</u>
<b>General &amp; Administrative Expenses</b>				
Program Management	354,759	709,517	50%	(354,759)
Risk Assessments	0	10,000	0%	(10,000)
Board Meetings & Retreat	2,958	30,000	10%	(27,042)
Memberships & Conferences	1,000	7,500	13%	(6,500)
Actuarial Study	0	9,950	0%	(9,950)
Legal Services	13,254	50,000	27%	(36,746)
Financial Audit	9,950	10,200	98% +	(250)
Claims Audit	0	0		0
Accreditation	708	1,500	47%	(792)
Fidelity Bond	641	1,300	49%	(659)
SLIP Insurance	1,321	2,500	53% +	(1,179)
Investment Management Services	13,275	30,000	44%	(16,725)
Claims System	2,500	5,000	50%	(2,500)
Miscellaneous	<u>2,126</u>	<u>4,000</u>	<u>53%</u>	<u>(1,874)</u>
<b>Subtotal General &amp; Admin Expenses</b>	<u>402,492</u>	<u>871,467</u>	<u>46%</u>	<u>(468,975)</u>
<b>Dividend Expense - Return of Equity</b>	<u>0</u>	<u>0</u>		<u>0</u>
<b>TOTAL EXPENSES</b>	<u>3,036,048</u>	<u>7,778,237</u>	<u>39%</u>	<u>(4,742,189)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,269,798</u>	<u>(\$0)</u>		

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

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

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

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
~ STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION ADDENDUM ~  
**Report of Line Items Exceeded Budgeted Amount**  
**For the Six Months Ended December 31, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
<b>Loss Prevention &amp; Training</b>				
+ <u>Miscellaneous Training Expenses</u>	2,807	5,000	56%	(2,193)
<i>Small overage in expenses year to date due to accelerated training schedule.</i>				
<hr/>				
<b>General &amp; Administrative Expenses</b>				
+ <u>Financial Audit</u>	9,950	10,200	98%	(250)
<i>Work is performed early in the year and billed based on percentage of completion (i.e progress billing).</i>				
+ <u>SLIP Insurance</u>	1,321	2,500	53%	(1,179)
<i>Actual SLIP insurance coverage, including fees, exceeds the budget by a small amount.</i>				
<hr/>				

**Employment Risk Management Authority**  
**Program Net Position by Member**  
**At the Expected Confidence Level**  
**As of December 31, 2019**

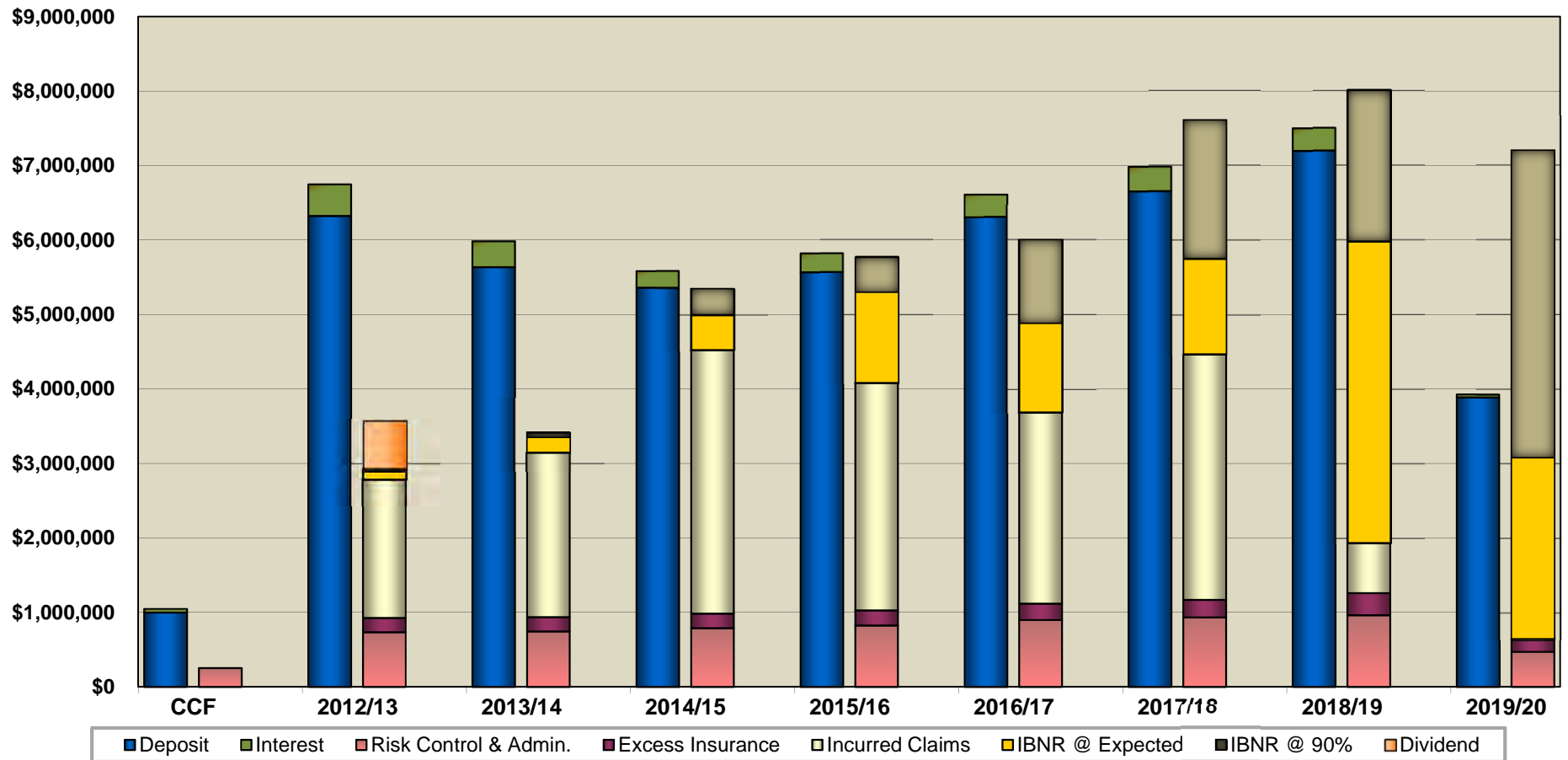
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Member	Program Year	Program Year	Program Year	Program Year	Program Year	Program Year	Program Year	Program Year	Total
BCJPIA	\$ 414,344	\$ 341,793	\$ 90,479	\$ 83,087	\$ 216,589	\$ 172,039	\$ 187,636	\$ 110,205	\$ 1,616,172
CalTIP						18,200	20,798	11,894	50,892
CSJVRMA	775,718	560,778	101,853	98,202	416,324	277,918	334,554	193,671	2,759,019
ERMAC					43,293	23,709	34,697	27,228	128,929
MBASIA	41,850	39,728	6,367	6,007	20,384	12,808	16,873	10,327	154,344
MPA	601,924	456,554	79,072	87,773	298,435	188,526	221,937	150,336	2,084,557
PARSAC	562,775	496,603	125,904	110,370	373,326	259,415	307,817	123,700	2,359,910
PERMA	523,096	499,533	133,578	93,459	217,494	180,376	274,179	142,232	2,063,945
SCORE	38,536	34,025	9,054	8,581	21,121	16,743	20,654	11,677	160,392
VCJPA	161,853	127,910	21,083	19,007	79,207	47,507	64,426	40,326	561,320
Oakland HA	80,865	59,966	10,081	8,255	31,661	26,987	28,909	17,734	264,457
Contra Costa County HA	19,517	15,375	2,261	1,601	6,359	4,312	4,976	2,863	57,265
Capital Fund									802,307
Total	\$ 3,220,479	\$ 2,632,266	\$ 579,733	\$ 516,341	\$ 1,724,193	\$ 1,228,541	\$ 1,517,457	\$ 842,194	\$ 13,063,509

<b>NOTES:</b>	<ul style="list-style-type: none"> <li>* ERMA's first three program years, 1999/2000 - 2001/2002 were closed as of June 30, 2008.</li> <li>* Program years 2002/2003 and 2003/2004 were closed as of April 1, 2013.</li> <li>* Program years 2004/2005 through 2007/2008 were retrospectively adjusted as of June 30, 2013.</li> <li>* Program years 2004/2005 and 2005/2006 were closed as of April 1, 2014.</li> <li>* Program years 2004/2005 through 2008/2009 were retrospectively adjusted as of June 30, 2014.</li> <li>* Program years 2006/2007 through 2009/2010 were retrospectively adjusted as of June 30, 2015.</li> <li>* Program years 2007/2008 through 2010/2011 were retrospectively adjusted as of June 30, 2016.</li> <li>* Program years 2006/2007 through 2008/2009 were closed as of April 1, 2016.</li> <li>* Program years 2009/2010 through 2010/2011 were closed as of May 1, 2018.</li> <li>* Program year 2011/2012 was closed as of June 11, 2019.</li> <li>*</li> </ul>
	<p>ERMA's Capital Fund was reactivated as of June 30, 2015 with \$300,000 allocated based on 2015/16 premiums. An additional \$400,000 was funded on June 30, 2016 allocated based on 2016/17 premiums. An additional \$150,000 was funded on June 30, 2017 allocated based on 2017/18 premiums. An additional \$150,000 was funded on June 30, 2018 allocated based on 2018/19 premiums.</p>

[illegible]

## Employment Risk Management Authority

### Review of Financial Condition As of December 31, 2019



# CITY OF MERCED

*"Gateway to Yosemite"*



December 4, 2019

Jennifer Job, Executive Director  
ERMA  
c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

Subject: City of Merced – Notice of Withdrawal from ERMA Self-Funded  
Employment Practice Liability Pool

Dear Jennifer:

Please accept this correspondence as formal notice of the City of Merced's withdrawal from ERMA effective program year 2020-2021.

We are exploring opportunities for employment practice liability coverage in various self-insured pools. We will keep you apprised should we need to rescind our formal notice of withdrawal.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Proctor', is written over the word 'Sincerely,'.

Deneen L. Proctor  
Director of Human Resources

cc: Jeanette Workman, Administrator  
Central San Joaquin Valley Risk Management Authority



David J. Shawver  
Mayor

Rigoberto A. Ramirez  
Mayor Pro Tem

Gary Taylor  
Council Member

Alyce Van  
Council Member

Carol Warren  
Council Member

Jarad L. Hildenbrand  
City Manager

December 17, 2019

Scott Ellerbrock  
General Manager  
PERMA  
36-951 Cook Street, Suite 101  
Palm Desert, CA 92211

**RE: City of Stanton Notice of Intent to Withdraw Membership**

Dear Mr. Ellerbrock:

The City of Stanton is giving its Notice of Intent to withdraw its membership from the Public Entity Risk Management Authority (PERMA) in accordance with Article 19(c) of the PERMA JPA Agreement (the "Agreement") which states:

*(c) Any member having completed three (3) years as a party to this Agreement may withdraw from its status as a participant in a program only at the end of a policy year for the program, and only if it gives the Authority at least six (6) months advance written notice of such action.*

The City is in the process of reviewing an alternative option for insurance coverage and risk management services. The City of Stanton will review renewal options, and understands from PERMA staff that should the City wish to rescind its Notice of Intent to withdraw its membership for FY2020-21, that the City would need to do so no later than April 30, 2020.

If you have any questions or comments, please contact me at (714) 890-4277 or [jhildenbrand@ci.stanton.ca.us](mailto:jhildenbrand@ci.stanton.ca.us).

Sincerely,

A handwritten signature in blue ink, appearing to be "JLH", written over a horizontal line.

Jarad L. Hildenbrand  
City Manager

7800 Katella Avenue  
Stanton, CA 90680  
Phone (714) 379-9222  
Fax (714) 890-1443  
[www.ci.stanton.ca.us](http://www.ci.stanton.ca.us)



Town Council

Chris Flynn, Mayor  
Michelle DeCausmaker  
Kate Tasem  
Mercedes Garcia  
Bill Beckwith



City Administrator  
Karl Drexel, SDA

City Clerk  
Paula Basteyns

January 3, 2020

Employment Risk Management Authority  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, California 95833

Attn: Jennifer Jobe, Executive Director  
RE: SCORE

Dear Ms Jobe,

It was brought to my attention this morning that in order to continue with ERMA, we must also be a member of SCORE. We recently submitted a Notice of Intent to Withdraw from SCORE in order to provide enough notice to them of our intention to search other options as is our fiduciary responsibility to the citizens of the Town of Fort Jones. Since we may be leaving SCORE, I am also submitting this Notice to ERMA.

Please accept this notification that the Town of Fort Jones will be sending out Requests for Proposals (RFPs) for comparative rates for all of our Insurance coverages for the upcoming fiscal year starting July 1, 2020. It is prudent for the Town to compare premium rates and available coverages to acquire the best possible coverage for our Town.

It is our understanding that the Town must inform ERMA prior to December 31, 2019 of the possibility of withdrawal and our final decision must be made by June 1, 2020. This notice serves to meet the December 31, 2019 notification of intent to withdraw deadline since our notice was received by SCORE prior to that date and you were officially notified by them. Subsequent notification will be made to inform SCORE and ERMA of our decision before the final deadline.

Please feel free to contact me with any questions or if you require any additional information.

Respectfully,

Karl Drexel  
City Administrator

Cc: Marcus Beverly, SCORE  
Margaret Long, Prentice Long

# Employment Risk Management Authority

## BENCHMARKING RATIO RESULTS

as of June 30, 2019

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
DATA:											
[1]	Net position (Equity) (b)	\$2,196,235	\$9,904,219	\$17,224,745	\$19,746,025	\$18,505,137	\$16,482,130	\$14,652,015	\$13,860,226	\$12,517,238	\$11,793,711
	Gross contributions*	7,451,583	7,495,626	6,906,219	6,333,611	5,612,129	5,331,445	5,542,878	6,275,797	6,768,216	7,197,032
	Less: Excess insurance expense	(25,000)	(195,995)	(190,084)	(192,611)	(193,340)	(195,459)	(204,358)	(219,700)	(235,697)	(298,737)
[2]	Net contributions (a)	7,426,583	7,299,631	6,716,135	6,141,000	5,418,789	5,135,986	5,338,520	6,056,097	6,532,519	6,898,295
[3a]	Net reserves and LAE (b)	3,305,382	2,681,308	1,472,584	1,360,156	2,316,273	1,264,701	2,737,154	2,761,620	2,739,752	3,968,554
[3b]	Net IBNR and LAE (b)	13,779,152	10,964,333	9,481,548	8,119,622	6,264,280	7,663,181	8,501,759	9,107,676	9,841,363	9,990,093
[3]	Total loss reserves and LAE	17,084,534	13,645,641	10,954,132	9,479,778	8,580,553	8,927,882	11,238,913	11,869,296	12,581,115	13,958,647
[4a]	Claims expense (a)	5,419,209	(801,987)	(1,029,631)	121,260	556,470	3,939,823	5,189,666	3,200,976	3,986,054	4,858,711
[4b]	Investment income (a)	291,384	274,502	276,918	71,350	372,131	242,093	444,812	116,818	133,173	1,198,267
[4c]	Operating Expenses (a)	621,656	668,136	702,158	733,423	744,782	789,819	823,781	913,730	1,172,626	961,379
[4d]	Return of Equity/Assessment (b)	-	-	-	2,836,388	5,730,555	2,671,443	1,600,000	2,850,000	2,850,000	2,999,999
[5a]	One-Year Reserve Development (c)	(1,129,999)	(4,962,765)	(4,858,430)	(2,917,515)	(2,446,449)	946,783	1,169,746	(336,018)	(273,582)	(69,000)
[5b]	Two-Year Reserve Development (c)	(2,118,937)	(4,975,764)	(8,380,195)	(7,022,945)	(4,816,964)	(991,666)	1,673,529	392,728	(403,600)	(484,582)
[6]	Group Self-Insured Retention (SIR)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	(a) From Statement of Revenues, Expenses, and Changes in Net Position										
	(b) From Statement of Net Position										
	(c) Calculated based on actuarial estimate of Ultimate Losses. Reserve Development measures the increase (decrease) in actuary's estimate for prior program years from one year and two years' prior.										
	* Program Years 2014/15 - 2017/18 are shown Net of Capital Fund Contribution										

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Benchmark	6/30/19 Result
BENCHMARK RATIOS:													
[6]	"Net Contribution" to "Equity"	3.38	0.74	0.39	0.31	0.29	0.31	0.36	0.44	0.52	0.58	≤ 2:1	Pass
[7]	"Loss Reserves" to "Equity"	7.78	1.38	0.64	0.48	0.46	0.54	0.77	0.86	1.01	1.18	≤ 3:1	Pass
	Net Leverage (Net Contributions + O/S Reserves)	11.16	2.11	1.03	0.79	0.76	0.85	1.13	1.29	1.53	1.77		
[8]	"Equity" to "Self Insured Retention"	2.2	9.9	17.2	19.7	18.5	16.5	14.7	13.9	12.5	11.8	≥ 5:1	Pass
	Operating Ratio:												
	+ Loss Ratio	73%	-11%	-15%	2%	10%	77%	97%	53%	61%	70%		
	+ Expense ratio	8%	9%	10%	12%	14%	15%	15%	15%	18%	14%		
	+ Dividends	0%	0%	0%	46%	106%	52%	30%	47%	44%	43%		
	- Investment income	4%	4%	4%	1%	7%	5%	8%	2%	2%	17%		
[9]	= Operating Ratio	77%	-6%	-9%	59%	123%	139%	134%	113%	121%	110%	≤ 100%	Fail
[10a]	One-Year Reserve Development	-3.03%	-11.91%	-11.68%	-7.23%	-6.03%	2.31%	2.60%	-0.68%	-0.51%	-0.12%	≤ 20%	Pass
[10b]	Two-Year Reserve Development	-6.50%	-13.36%	-20.10%	-16.88%	-11.94%	-2.45%	4.08%	0.87%	-0.81%	-0.91%	≤ 20%	Pass
[11]	Change in Equity	323%	351%	74%	15%	-6%	-11%	-11%	-5%	-10%	-6%	≥ -10%	Pass

Indicates a Result of "Pass"

Indicates a Result of "Fail"



**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**JPA PERFORMANCE REPORT**  
*(Open Program Years)*  
**as of December 31, 2019**

**Purpose:**

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

<b>A. Statement of Net Position</b>	(14) <b>June 30, 2013</b>	(15) <b>June 30, 2014</b>	(16) <b>June 30, 2015</b>	(17) <b>June 30, 2016</b>	(18) <b>June 30, 2017</b>	(19) <b>June 30, 2018</b>	(20) <b>June 30, 2019</b>	(21) <b>Dec 31, 2019</b>
<b>Assets:</b>								
Cash	\$ 109,990	\$ 640,812	\$ 1,004,475	\$ 859,624	\$ 684,894	\$ 1,018,439	\$ 4,086,847	\$ 5,851,212
Investments	28,880,072	26,222,903	24,266,440	24,779,394	24,795,799	23,793,656	24,602,984	25,251,215
Receivables	137,125	123,411	58,243	87,571	103,717	131,545	143,586	139,160
Prepays	140,609	149,649	154,137	175,990	179,660	192,553	198,970	366,637
<b>Total Assets</b>	<b>29,267,797</b>	<b>27,136,775</b>	<b>25,483,295</b>	<b>25,902,578</b>	<b>25,764,070</b>	<b>25,136,193</b>	<b>29,032,387</b>	<b>31,608,223</b>
<b>Liabilities:</b>								
* Payables	41,994	51,085	73,283	11,650	34,548	37,840	3,280,029	98,992
Unearned Revenue	0	0	0	0	0	0	0	3,889,118
Reserve for Known Claims	1,360,156	2,316,273	1,264,701	2,737,154	2,761,620	2,739,752	3,968,555	3,612,836
IBNR & ULAE	8,119,622	6,264,280	7,663,181	8,501,760	9,107,676	9,841,363	9,990,092	10,943,769
<b>Total Liabilities</b>	<b>9,521,772</b>	<b>8,631,638</b>	<b>9,001,165</b>	<b>11,250,564</b>	<b>11,903,844</b>	<b>12,618,955</b>	<b>17,238,676</b>	<b>18,544,714</b>
<b>Net Position</b>	<b>19,746,025</b>	<b>18,505,137</b>	<b>16,482,130</b>	<b>14,652,015</b>	<b>13,860,226</b>	<b>12,517,238</b>	<b>11,793,711</b>	<b>13,063,509</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 29,267,797</b>	<b>\$ 27,136,775</b>	<b>\$ 25,483,295</b>	<b>\$ 25,902,578</b>	<b>\$ 25,764,070</b>	<b>\$ 25,136,193</b>	<b>\$ 29,032,387</b>	<b>\$ 31,608,223</b>

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

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<b>B. Statement of Revenues, Expenses and Change in Net Position</b>	(14) <b>2012/2013</b>	(15) <b>2013/2014</b>	(16) <b>2014/2015</b>	(17) <b>2015/2016</b>	(18) <b>2016/2017</b>	(19) <b>2017/2018</b>	(20) <b>2018/2019</b>	(21) <b>2019/2020 YTD</b>
Member Contributions	\$ 6,333,611	\$ 5,612,129	\$ 5,331,445	\$ 5,542,878	\$ 6,275,797	\$ 6,768,216	\$ 7,197,032	\$ 3,889,118
* 2002-2003 Net Assessment/(Dividend)	(587,664)							
* 2003-2004 Net Assessment/(Dividend)	(381,156)							
* 2004-2005 Net Assessment/(Dividend)	1,236,664	(93,843)						
* 2005-2006 (Net Dividend)	(446,720)	4,276						
* 2006-2007 (Net Dividend)	235,903	121,486	176,264	(39,123)				
* 2007-2008 (Net Dividend)	(2,893,415)	(15,331)	412,798	(276,597)				
* 2008-2009 (Net Dividend)		(5,747,143)	(27,073)	7,887				
* 2009-2010 (Net Dividend)			(3,533,432)	(182,605)		(128,607)		
* 2010-2011 (Net Dividend)				(1,509,562)	(3,000,000)	(704,947)		
* 2011-2012 (Net Dividend)						(2,166,446)	(2,373,286)	
* 2012-2013 (Net Dividend)							(626,713)	
Capital Fund Contribution			300,000	400,000	150,000	150,000		
Investment Income	71,350	372,131	242,093	444,811	116,818	133,173	1,198,267	416,728
Claims - Payments	(1,595,614)	(1,455,695)	(3,592,494)	(2,878,635)	(2,570,593)	(3,274,235)	(3,481,179)	(1,810,757)
Claims - Changes in Reserves	1,474,354	899,225	(347,329)	(2,311,031)	(630,383)	(711,819)	(1,377,532)	(597,957)
Excess Insurance	(192,610)	(193,341)	(195,459)	(204,358)	(219,698)	(235,697)	(298,737)	(155,770)
General Management	(526,834)	(557,773)	(583,680)	(598,742)	(669,060)	(683,492)	(709,942)	(354,759)
Other Expenses	(206,589)	(187,009)	(206,139)	(225,038)	(244,670)	(489,134)	(251,437)	(116,805)
<b>Change in Net Position</b>	<b>\$ 2,521,280</b>	<b>\$ (1,240,888)</b>	<b>\$ (2,023,007)</b>	<b>\$ (1,830,115)</b>	<b>\$ (791,789)</b>	<b>\$ (1,342,988)</b>	<b>\$ (723,527)</b>	<b>\$ 1,269,798</b>

\* "Net Assessment/(Dividend)" refers to those program years in which assessments were levied and dividends granted; and  
\* "Net Dividend" refers to program years in which only net dividends were granted.

<b>C. Actual Expense v. Budget</b>	(14) <b>2012/2013</b>	(15) <b>2013/2014</b>	(16) <b>2014/2015</b>	(17) <b>2015/2016</b>	(18) <b>2016/2017</b>	(19) <b>2017/2018</b>	(20) <b>2018/2019</b>	(21) <b>2019/2020 YTD</b>
<b>General Management Expense:</b>								
Budget	\$ 526,834	\$ 557,773	\$ 583,680	\$ 597,835	\$ 669,060	\$ 678,949	\$ 698,706	\$ 709,517
Percentage of Budget Used	100%	100%	100%	100%	100%	101%	102%	50%
<b>Other Expenses:</b>								
Budget	\$ 235,190	\$ 217,690	\$ 212,840	\$ 220,640	\$ 239,650	\$ 241,900	\$ 267,500	\$ 310,250
Percentage of Budget Used	88%	86%	97%	102%	102%	202% *	94% *	38%

\* Includes unbudgeted Capital Fund expenditures.

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	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>D. Member Entities</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>	<b>Dec 31, 2019</b>
Number of Joint Powers Authorities	8	8	8	8	9	10	10	10
Number of Individual Cities/Special District	2	2	2	2	2	2	2	2
<b>Total Member Entities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Total Underlying Member Entities</b>	<b>175</b>	<b>184</b>	<b>183</b>	<b>189</b>	<b>195</b>	<b>203</b>	<b>206</b>	<b>206</b>

	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>E. Member Payroll</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Budgeted Payroll	1,131,237,538	1,133,046,575	1,166,717,404	1,217,536,705	1,394,559,861	1,460,260,455	1,520,381,818	1,614,537,173
Budgeted Payroll (Excess Insurance)	570,581,105	580,603,459	586,963,768	615,070,955	659,752,518	707,797,671	755,443,283	778,849,859

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

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

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H. Confidence Levels (funding):	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020
Per Budget	80%	80%	80%	80%	80%	80%	80%	80%

I. Claims Liabilities	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020 YTD
Paid-to-Date	\$ 1,868,656	\$ 2,208,703	\$ 3,382,117	\$ 3,037,405	1,730,492	1,216,325	222,641	0
Reserve for Known Claims (Discounted)	0	0	168,826	24,350	843,838	2,090,963	456,687	28,170
<b>Total Incurred</b>	<b>1,868,656</b>	<b>2,208,703</b>	<b>3,550,943</b>	<b>3,061,755</b>	<b>2,574,330</b>	<b>3,307,288</b>	<b>679,328</b>	<b>28,170</b>
<b>IBNR and ULAE</b>								
Discounted, expected confidence level	106,234	207,319	467,932	1,214,041	1,195,745	1,277,702	4,046,073	2,428,722
<b>Total Projected Claims Expense</b>	<b>\$ 1,974,890</b>	<b>\$ 2,416,022</b>	<b>\$ 4,018,875</b>	<b>\$ 4,275,796</b>	<b>\$ 3,770,075</b>	<b>\$ 4,584,990</b>	<b>\$ 4,725,401</b>	<b>\$ 2,456,892</b>

J. Adverse Experience Indicators	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020 YTD
Loss Ratio (Total Incurred/Contributions-A	0.26	0.35	0.58	0.48	0.36	0.42	0.08	0.01
Total Incurred & IBNR/Contributions	0.31	0.43	0.75	0.77	0.60	0.68	0.66	0.63
Total Incurred per \$100 of Payroll	0.17	0.19	0.30	0.25	0.18	0.23	0.04	0.00
Total Incurred & IBNR per \$100 of Payroll	0.17	0.21	0.34	0.35	0.27	0.31	0.31	0.15

K. Claims Activity	(14) 2012/2013	(15) 2013/2014	(16) 2014/2015	(17) 2015/2016	(18) 2016/2017	(19) 2017/2018	(20) 2018/2019	(21) 2019/2020 YTD
All Claims:								
Number of Open Claims	0	0	5	2	18	24	47	17
Number of Closed Claims	59	53	50	58	69	62	38	1
<b>Total Reported Claims</b>	<b>59</b>	<b>53</b>	<b>55</b>	<b>60</b>	<b>87</b>	<b>86</b>	<b>85</b>	<b>18</b>
Note: Number of Litigated Claims	15	17	15	19	23	18	16	0
Claims - Incurred over Member Retention:								
Number of Open Claims	0	0	2	1	14	15	11	3
Number of Closed Claims	13	13	13	17	11	4	1	0
<b>Total Reported Claims</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>18</b>	<b>25</b>	<b>19</b>	<b>12</b>	<b>3</b>

**GOALS AND OBJECTIVES**

**SUBJECT:   Review and Approval of ERMA Goals and Objectives Established at the  
              2020 Annual Workshop**

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**BACKGROUND AND STATUS:**

Time is reserved for the Board to review and approve the goals and objectives established at the February 6, 2020, Annual Workshop.

**RECOMMENDATION**

*Staff recommends the Board of Directors adopt the goals and objectives established at the February 6, 2020, Annual Workshop.*

**LITIGATION MANAGEMENT**

**SUBJECT:** Report from Kathy Maylin, Litigation Manager

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**BACKGROUND AND STATUS:**

Time is reserved for Kathy Maylin, Litigation Manager, to report to the Board regarding any general litigation management and member support activities.

**RECOMMENDATION:**

*None*

**LITIGATION MANAGEMENT**

**SUBJECT: Defense Panel Updates**

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**BACKGROUND AND STATUS:**

Kathy Maylin, Litigation Manager, will review with the Board proposed ERMA defense panel updates.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the proposed updates to the ERMA Defense Panel, effective February 7, 2020.*

**REFERENCE MATERIALS ATTACHED:**

- Defense Panel (Effective July 2019)
- Skane Wilcox, LLP Proposal for Litigation Services
- Casey Law Group - Firm and Team Biographies
- Bertrand, Fox, Elliot, Osman & Wenzel – Firm and Team Biographies

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(Effective July 2019)**

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August 16, 2019

*Via Email Only*

Kathy Maylin  
ERMA Litigation Manager  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, California 95833

**Re: Skane Wilcox LLP**

Dear Ms. Maylin:

Thank you for providing our firm the opportunity to submit a proposal for the panel with MBASIA and potentially ERMA.

**Background on Our Firm**

We are an "AV"® rated women-owned law firm with offices in Los Angeles, San Diego, San Francisco and Las Vegas. We are 100% women-owned and dedicated to diversity and inclusion. We are also designated by the national certifying agency WBENC (Women's Business Enterprise National Council) as a WBE (Women's Business Enterprise) and a WOSB (Women Owned Small Business). We are also members of NAMWOLF (National Association of Minority and Women Owned Law Firms).

We have a core lead group of attorneys who work on employment cases who are also experienced working for public entities. Below please find their bios. For Northern California and Southern California, we have myself, Felicia Starr, Joel Glaser and Heather Mills (all located in Los Angeles but any area outside of Los Angeles there is no charge for travel). For solely Northern California, we have Paul O'Keefe and Jonathan Belaga and for San Diego area we have Paul James. We also have other attorneys who are experienced in employment and public entity litigation to assist this lead group.

**References and Case Summaries**

With respect to your request for references, we provide the following who worked closely with Felicia Starr on matters:

**(1) Rebekah Vieira, Casitas Municipal Water District (805) 649-2251 ext. 113, [rvieira@casitaswater.com](mailto:rvieira@casitaswater.com)**

***Paula Suzanne Taylor v. Casitas Municipal Water District and Steve Wickstrum***

This was a federal court action alleging causes of action for: Violation of First Amendment and Fourteenth Amendment of United States Constitution (42 U.S.C. §§ 1983

and 1988); *Monell* Claim for Violation of the First and Fourteenth Amendment; and Whistleblower Retaliation in Violation of Labor Code Section 1102.5.

Plaintiff Paula Suzanne Taylor was employed by Casitas Municipal Water District (CMWD) as Park Services Officer IV from October 1989 to April 28, 2016.

She was terminated on April 28, 2016, following an investigation regarding an altercation on June 28, 2015, in which Plaintiff was accused of mistreating an employee.

Ms. Taylor alleged her termination was, among other things, based on a “result oriented investigation” that failed to investigate the facts of the incident. In other words, she alleged the investigation was improper, and the June 28, 2015, incident was not the real reason for her termination. Ms. Taylor claimed her termination was excessive as other employees whose misconduct was far worse received less harsh discipline and the real reason she was terminated was because of her numerous complaints and reports made to CMWD, its Board, and the District Attorney’s office in which she alleged illegal and improper activity by CMWD.

Ms. Taylor’s demand at mediation was \$5.8 million. We estimated a 40% chance of a defense verdict and recommended settlement in the range of \$400,000 to \$600,000. After a full-day mediation before a retired judge, her last offer was \$1.6 million and our last counter offer was \$375,000. A couple of months after mediation, we were able to settle the matter for \$600,000.

**(2) Danita Maxwell (Danita Maxwell, former Director of Human Resources of Pasadena Center Operating Company, now at the Texas Rangers). You may reach her on her cell at 626, 786-3544.**

***Nancy Kemp v. Pasadena Center Operating Company***

This was a state court case alleging causes of action for: Failure to Prevent Harassment/Retaliation; Discrimination; Retaliation; and Wrongful Termination in Violation of Public Policy.

Plaintiff Nancy Kemp was a 34 year employee of Pasadena Center Operating Company (PCOC), working for the ice skating rink. She claimed in early October 2012, she became aware of potential sexual harassment by the General Manager (GM) and reported the potential harassment to management. After reporting the perceived harassment by the GM, Human Resources conducted an investigation. During the investigation, PCOC concluded that Ms. Kemp’s alleged complaints of harassment were not substantiated and Ms. Kemp did not act professionally and/or truthfully during the investigation.

Ms. Kemp was terminated on November 2, 2012, and was told the investigation did not “back up” her story and PCOC lacked confidence in her ability to manage.

Our investigation revealed information wherein we thought the best result for PCOC would be settlement rather than trial. We recommended settlement and shortly thereafter the matter settled at mediation.

### **Bios of our Lead Employment Litigation Team**

**Wendy Wilcox:** Wendy earned her B.A. in Sociology, with honors, from the University of California, Los Angeles in 1993 and her J.D., with honors, from Southwestern University School of Law in 1997, and has received various awards, including Excellence for the Future Award – Employment Discrimination Law and Exceptional Achievement Award – Intellectual Property. Wendy has extensive experience in all of the firm’s practice areas, particularly public entity, employment, professional liability, products and premises liability, construction and transportation. She has had numerous jury trials in several of the practice areas over the past 10 years where she has obtained defense verdicts for the firm’s clients. Wendy has also been a lecturer and has hosted workshops with respect to several topics pertaining to the firm’s practice areas in numerous regional and national seminars and conferences throughout the country. In addition to her trial experience, she has represented defendants in published California Appellate and Supreme Court decisions. Wendy has also published articles in magazines and periodicals distributed throughout the nation. She is a member of the Association of Southern California Defense Lawyers (ASCDC), Claims and Litigation Management Alliance (CLM), Defense Research Institute (DRI) and Professional Liability Underwriters Society (PLUS). Wendy is also Co-Chair for the ASCDC’s Diversity Committee and Co-Chair of the CLM-Diversity in Construction Litigation Committee.

**Felicia Starr:** Felicia earned her B.S. in Political Science in 1990, wherein she was on the Dean’s List and National Honor Society at Eastern Michigan University. She earned her J.D. in 1994 from University of Detroit, with honors in Trial Advocacy and Moot Court. Felicia represents private and public employers in employment litigation and advises employers on human resource issues. She has litigated cases involving allegations of discrimination, harassment, wrongful discharge, retaliation and other employment-related claims in state and federal courts, as well as in arbitration, mediation and agency proceedings. Felicia is also very experienced in handling professional liability cases and has represented several lawyers with a successful track record. She also represents a number of defendant-clients on general liability cases including premises and products liability.

**Joel Glaser:** Joel’s practice focuses on employment, business litigation, professional liability and products liability. Prior to joining Skane Wilcox LLP, Joel successfully tried and arbitrated several cases to verdicts favorable to his clients. With respect to employment matters, Joel has extensive experience in the defense of whistleblower, wrongful termination, harassment, race, age, disability, and gender discrimination and retaliation cases. He has also defended wage and hour class actions and single plaintiff cases. Additionally, he counsels employers on employment-related matters such as applications and hiring, sexual harassment policies and training, employment handbooks, internal investigations, compliance issues, employee discipline issues, severance

agreements and termination issues. He has represented clients in both state and federal court, and before the California Labor Board, Department of Fair Employment and Housing, the Equal Employment Opportunity Commission and the Unemployment Appeals Board. With respect to business litigation, Joel has handled issues related to real estate, collections and compliance issues. He has prosecuted and defended numerous general business litigation actions, including actions for breach of contract, fraud, misrepresentation, breach of fiduciary duty, unfair competition, specific performance, quiet title, landlord-tenant discrimination, insurance bad faith, professional liability, and collections claims. With respect to products liability cases, Joel has defended manufacturers, importers, distributors, suppliers, and retailers against claims of design defects, manufacturing defects, failure to warn, breach of warranty and negligence. He is admitted in all courts in California and member of the Los Angeles County, San Diego County and Orange County Bar Associations.

**Heather L. Mills:** Heather earned her B.A. in English Literature from the University of California, Los Angeles in 1993, and her J.D. from Pepperdine School of Law, Dean's List, in 1997. Heather focuses her practice on products liability, public entity, employment, transportation and professional liability matters. She has extensive experience in other areas of practice as well, including class action litigation, commercial litigation, catastrophic tort and complex litigation. She has achieved successful results, in both state and federal courts, for a wide range of clients, including manufacturers and distributors, public entities, transportation providers, insurance brokers and professionals, real estate brokers and other professionals, and directors and officers of partnerships and corporations. Heather has had articles published in legal publications distributed throughout the country, and is a frequent speaker on issues relating to products liability, current legal developments and issues, and trial strategy. She is "AV" rated "preeminent" by Martindale-Hubbell, and has been recognized as a "Southern California Super Lawyer." Heather is a member of the Association of Southern California Defense Counsel, (ASCDC) where she is the co-chair of the Products Liability Committee, a member of the Association of Defense Trial Attorneys (ADTA), where she serves as the California Membership Chair, is a member of Trial Attorneys of America (TAA), Defense Research Institute (DRI) and has served as Vice-President for Women Lawyers of Long Beach. She is also on the Board of Directors, and serves as Secretary, for "Gals Starting Over," a non-profit dedicated to offering women job-skills training and helping them get back into the workforce. She is admitted to practice before all California State Courts and the United States District Court for the Central and Southern Districts of California.

**Jonathan Belaga:** Jonathan earned a B.A. in History and Political Science from Emory University in Atlanta, Georgia in 1997, and a M.S. in Biomedical Science from Barry University in Miami Shores, Florida, in 1998. After graduate school, Jonathan worked for several years in the technology industry, including seven years in international customer relations. He returned to school and earned a J.D. from Tulane University in New Orleans, Louisiana in 2010, with a certificate in Civil Law. Since 2010, Jonathan has focused his law practice on litigation from both plaintiff and defense perspectives. He has experience

with personal injury, labor and employment, professional liability, public entity, business litigation and lemon law.

**Paul O'Keefe:** Paul earned his B.S. in Political Science from the University of Oregon in 2002. He earned his J.D. from the University of San Francisco in 2007. While at USF, Paul served as a judicial extern for the Honorable Robert Dondero of the San Francisco County Superior Court (currently Justice Dondero of the California Court of Appeal, First Appellate District). Paul is admitted to practice in all California State Courts and the Northern and Central District Courts. Paul represents individuals, businesses and public entities in a variety of civil matters including but not limited to personal injury, employment, transportation, malpractice and lemon law. Prior to joining Skane Wilcox, Paul was a partner in a prominent San Francisco insurance defense firm and obtained broad experience in all aspects of litigation including depositions, discovery, law and motion and trial.


**Paul H. James:** Paul earned his B.A. in History from UC Santa Cruz in 1994 and earned his J.D. from University of San Francisco School of Law in 2002. Paul's focuses his practice on all aspects of employment law from advising businesses on the development of employee handbooks, practices and procedures to litigation of individual, representative and class action disputes. He has successfully represented individuals and business clients in employment-related claims involving discrimination, whistleblower claims, retaliation, harassment, wrongful termination, and wage and hour claims before state and federal courts and administrative agencies. Paul has successfully represented individuals, businesses and nonprofit organizations as both plaintiffs and defendants in numerous general liability, employment, construction, business and real estate matters. He is licensed to practice in California and the US District Court of the Southern and Central District of California. He is a member of the San Diego County Bar Association.

#### **Sampling of Public Entity Clients**

We represent and have represented several public entities in California. A sampling of some of the public entities are as follows: Casitas Municipal Water District, City of Huntington Beach, City of Riverside, City of Sacramento, City of San Diego, City of Santa Clara, City of Torrance, City of Santa Monica, City of Burbank, King City, County of Alameda, County of San Bernardino, County of San Joaquin, County of San Luis Obispo, Modesto City School District, Bay Area Quality Management District, California Special Districts Association and Ontario International Airport Authority.

Please let me know if you have any questions or would like additional information.

Very truly yours,

  
Wendy L. Wilcox  
SKANE WILCOX LLP

cc: Ken Maiolini

## **Philosophy**

Casey Law Group is a Silicon Valley law firm with two offices located in Los Gatos and Scotts Valley, California. We have over thirty-four years of experience handling complex litigation in both state and federal courts.

We are dedicated to providing the highest quality service and consider our clients to be members of our team. CLG attorneys represent the highest standards in the legal profession. The firm is AV peer review rated by Martindale Hubbell Law Directory, and our partners have reached the height of professional excellence, skill, and integrity in their fields.

## **Commitments**

- **Understanding** our clients' unique needs
- **Serving** the legal community and the public
- **Working** hard for the success of our clients and the firm
- **Being** accessible, efficient, responsive
- **Handling** complex and sophisticated matters locally and nationally
- **Achieving** creative, practical, and effective litigation solutions
- **Attracting**, developing, and retaining exceptional and diverse professionals
- **Building** the Casey Law Group community with respect, trust, and support

## **Areas of Law**

- Local Government Risk Management and Police Practices
- Premises Liability
- Products Liability Defense
- Property Insurance Litigation
- Public Entity Litigation
- Transportation Liability Defense
- Business and Commercial Litigation
- Civil Litigation
- Commercial Litigation
- Corporate and Construction Law
- Employment Law
- Governmental Entity Defense
- Insurance Coverage Litigation
- Insurance Fraud Investigation and Litigation

## **Team Bios**

### **Arthur J. Casey**

Arthur J. Casey began his legal career at Robinson & Wood, Inc. in San Jose, California and was a shareholder in the firm for twenty-five years before opening his own practice in 2017. Art is excited to merge his practice with defense attorney, Vince Hurley. Together they have a litigation practice that offers years of experience defending governmental entities, product liability defendants, national retailers and individual insureds through several of the top national insurance companies. Since many of CLG's clients are self-insured, Art not only understands the importance of trying cases but also the importance of settling and keeping to a budget for cases whether they settle or go to trial.

Art specializes in commercial litigation, with an emphasis on product liability, premises liability and employment litigation. He manages multi-office litigation matters, oversees and evaluates associate work-products, and coordinates discovery. Art receives feedback from clients indicating clients retain him for his "hands on" management of matters from beginning to end, timely and substantive reporting, full preparation for trial, and his consideration of cost-saving measures during litigation and constant exploration of possible early or favorable settlements.

Art was born in Boston, Massachusetts and raised in Santa Clara, California. He received his B.A. in 1981 from the University of San Diego and his J.D. in 1985 from the University of Santa Clara. Art was an author and lecturer for California continuing Education of the Bar (CEB) for several years, including Chapter Author for CEB Publications, California Civil Discovery Practice, 4<sup>th</sup> Ed. (2006). Art is a member of DRI, and the Northern California Association of Defense Counsel. Art has been a panelist for product liability issues at annual client conferences for the USLAW Network and other professional groups. Since 2002, Art has taught business and employment law in the College of Business, School of Management at San Jose State University.

Education: J.D. – University of Santa Clara, B.A. – University of San Diego, Bar Admission:

Art is a member of the California State Bar and admitted to practice in Federal District Court in California.

### **Vincent P. Hurley**

Vincent P. Hurley specializes in all facets of civil litigation and appeals, local government risk management, and police practices. Vince brings extensive law enforcement experience from over fourteen years working in the San Francisco Police Department and Santa Cruz County Sheriff's Office and twenty-six years in trial practice. He earned his law degree from Santa Clara University School of Law, and has concentrated in civil trial and appellate practice in both state and federal courts. He has tried over 60 cases and has resolved hundreds more through summary judgment, arbitration and alternative dispute resolution.

Vince represents law enforcement agencies and officers dealing with civil rights and unreasonable force claims, and he represents management and individual officers in personnel investigations and discipline. He also provides training, consultation, presentations, and critical incident debriefing.

Vince has successfully defended clients in numerous catastrophic injury and recreational accident cases. He served as lead defense counsel in the consolidated suits arising out of the disastrous 1982 landslides in Santa Cruz County, and has since successfully represented Central California cities in a number of inverse condemnation suits that arose from severe flooding in Santa Cruz and Monterey Counties in the 1980s

and 1990s. Additionally, he represented cities in inverse condemnation claims arising from emergency demolition orders after the 1989 Loma Prieta earthquake.

Vince is a member of the American Board of Trial Advocates, the American and California Bar Association, Federal Bar Association and the Monterey and Santa Cruz County Bar Associations.

Education: J.D. – University of Santa Clara, Bar Admission:

Vince is a member of the American Board of Trial Advocates, the American and California Bar Associations, and the Federal Bar Association. He is admitted to practice in California, the Ninth Circuit, and the Federal Courts of the Northern and Central Districts.

### **Colin G. McCarthy**

Colin G. McCarthy is a partner at Casey Law Group, practicing commercial litigation, products liability, insurance defense, and insurance coverage. He represents emerging and established businesses in insurance, injury, commercial, and products disputes.

Colin has distinguished himself as an experienced litigator with years of trial experience. Colin has litigated transportation cases, commercial disputes, products liability disputes, intellectual property disputes, franchise disputes, construction defect cases, and insurance coverage disputes. Colin has tried cases to verdict as first chair in jury trials and resolved cases favorably on motion practice on multiple occasions. He seeks the most cost-effective resolution and puts the client's needs first.

Prior to joining Casey Law Group, Colin was a shareholder at Robinson & Wood, Inc. He also spent two years at Bergeson, LLP as an associate practicing business and insurance litigation. At Robinson & Wood, Colin began his career assisting insurance carriers with SIU investigations and coverage disputes as well as litigating and trying transportation cases. Colin began his career in an expansive transportation and insurance fraud practice before graduating to more complex products liability and insurance coverage actions. These practices provided Colin with extensive deposition, dispute resolution, and jury trial experience. At Bergeson LLP, Colin assisted the firm in a wide variety of high-tech litigation including employment, trade secret, commercial, and securities disputes. Colin returned to Robinson & Wood, Inc. as a partner in 2010.

Colin graduated from Santa Clara University School of Law in 1997, where he was a member of the law school's traveling trial team, made the dean's list, and a sports law seminar participant. During law school, Colin clerked at the United States Attorneys' Office and was an intern in Santa Clara County's Office of the Public Defender. Colin graduated from Boston College in 1994 with a degree in History. He was a Naval ROTC scholarship recipient and was commissioned as an officer in the United States Navy upon graduation, serving in the inactive reserves while attending law school.

Colin is licensed to practice in California and the U.S. District and Northern District Courts. He has conducted MCLE seminars on various insurance issues as well as on Medicare Liens. He was chair of the county's insurance law practice group section.

When not practicing law, Colin is playing or coaching soccer and serving on many soccer-related boards. He was a founder and first president of Soccer Silicon Valley, the organization that kept the Earthquakes in San Jose and subsequently was president of Soccer Silicon Valley's Community Foundation, its charitable arm. Colin was president of Almaden Valley Youth Soccer and currently advises the board on special projects.

Education: J.D. – University of Santa Clara, B.A. – Boston College, Bar Admission:



Colin is a member of the California State Bar and admitted to practice in the Federal District Court in California.

### **Donald P. Gagliardi**

Donald P. Gagliardi's practice focuses on litigation in state and federal courts. Don has been in practice for over twenty-five years and has a wide range of experience in several practice areas, including commercial disputes, products liability, premise liability and transportation liability. He has handled numerous trials and arbitrations.

Don has won numerous jury verdicts, upheld on appeal, such as: defending a construction defect trial involving a security system installed at Oakland Airport and obtained the award of attorneys' fees. In addition, Don succeeded in winning a jury verdict on a real estate investment dispute in Sacramento Superior Court. Don also won dismissal, upheld on appeal, of a fraud suit in favor of a franchisor in Los Angeles Superior Court and won dismissal of a copyright infringement suit in Federal District Court in Spokane, Washington. He has arbitrated several business disputes with JAMS and AAA and settled a sizable product defect suit on behalf of a computer chip assembly firm. Don also successfully represented a technology executive in avoiding SEC prosecution for alleged stock option backdating.

Before joining Casey Law Group, Don was a shareholder at Robinson & Wood, Inc., and a partner at Bergeson, LLP, as well as counsel to Sellar Hazard & Lucia, and an associate at Steefel Levitt & Weiss. Don has served as a law clerk for U.S. District Judge John T. Elfvin and for U.S. Magistrate Edward A. Infante.

Don graduated with a B.A from Washington University and obtained his J.D. from Stanford Law School. Don is active in his community. He's a member of the Rotary Club of San Jose and a former board member of the San Jose Downtown Association and History San Jose. He has received "Good Neighbor" and "Outstanding Achievement in Neighborhood Leadership" awards from the City of San Jose. Don is an avid soccer fan. He was named the San Jose Earthquakes MLSWorks "Community MVP."

Education: J.D. – Stanford University, B.A. – Washington University, Bar Admission:

Don is a member of the California State Bar and admitted to practice in the Federal District Court in California.

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## Governmental Entity Defense

For more than thirty years, Bertrand, Fox, Elliot, Osman & Wenzel has devoted its practice to the representation of public entities. The firm represents its public entity clients throughout all state and federal courts in California. Its clients include counties, cities, school districts and community colleges, police departments, water districts, flood control districts, special districts and public entity Joint Power Authorities (JPAs). The firm also represents a wide range of business clients in commercial litigation. The firm is routinely retained to represent clients in high exposure and high profile matters, including police shootings, use of force and in-custody deaths, negligence and dangerous condition of public property claims involving serious injuries and fatalities, negligent supervision/abuse claims, employment discrimination, harassment and retaliation claims, catastrophic fires, floods and landslides under inverse condemnation and related theories, ADA claims and business disputes.

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## About Bertrand, Fox, Elliot, Osman & Wenzel



The firm was formed in 1986 when experienced Bay Area trial attorney Tom Bertrand teamed with Greg Fox, then a lead trial attorney in the San Francisco City Attorney's office. One year later, in 1987, Gene Elliot left his position as a senior trial team leader with the San Francisco City Attorney's office to join the firm. Michael Wenzel and Rich Osman joined the firm as partners in 2002 and 2003 respectively.

From the beginning, the practice was devoted to civil litigation, with an emphasis on representing public entities. For more than 28 years, Bertrand, Fox, Elliot, Osman & Wenzel has continued to set a standard of excellence in this area. The firm has a unique understanding of the complex issues facing public entities today.

While many firms claim to be experts in litigation, the attorneys at Bertrand, Fox, Elliot, Osman & Wenzel are proven trial attorneys

with demonstrated courtroom expertise and success. The members of the firm have collectively tried more than one hundred jury trials to verdict. Their experience extends beyond public entity defense, and includes practice areas such as complex commercial litigation and employment litigation. The firm's recognized proficiency in trial work adds to its effectiveness, as well, in negotiation of settlements short of trial, when in the clients' interest.

Bertrand, Fox, Elliot, Osman and Wenzel is located at Aquatic Park near Fisherman's Wharf in San Francisco, a location from which it conveniently serves clients throughout the Bay Area Region. In recent years, the firm's practice has grown to include matters arising in other regions of California and in neighboring states. The firm also has an office in Oakland, California to service its East Bay clients. Its members regularly appear in state and federal courts throughout California. Bertrand, Fox, Elliot, Osman & Wenzel is AV-rated (highest rating) by the national law directory, Martindale-Hubbell.

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## Attorney Profiles



While many firms claim to be experts in litigation, the attorneys at Bertrand, Fox, Elliot, Osman & Wenzel are proven trial attorneys with demonstrated courtroom expertise and success. The members of the firm have collectively tried more than one hundred jury trials to verdict. Their experience extends beyond public entity defense, and includes practice areas such as complex commercial litigation and employment litigation. The firm's recognized proficiency in trial work adds to its effectiveness, as well, in negotiation of settlements short of trial, when in the clients' interest.

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### SENIOR COUNSEL

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### OF COUNSEL

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- ▶ [Dana Soong](#)



## Tom Bertrand

*Thomas F. Bertrand* is a founding senior partner of the firm. Mr. Bertrand is an experienced and skilled police attorney who has practiced within the Bay Area for over forty-six years. He represents numerous law enforcement agencies, and is the co-author of the widely-used "Administrative Investigation Handbook." He specializes in police management personnel issues, law enforcement matters and administrative law.

Mr. Bertrand graduated Phi Beta Kappa from the University of California at Berkeley in 1970, and received his Juris Doctor degree from UC Berkely School of Law in 1973. He is a trained Early Neutral Evaluator for the U.S. District Court for the Northern District of California, and is an experienced mediator and administrative hearing officer.

Mr. Bertrand is admitted before the U.S. Supreme Court, Ninth Circuit, Northern, Eastern and Central Districts of California, and all California state courts. He is AV-rated (highest rating) by Martindale-Hubbell Law Directory.

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- [Dana Soong](#)

## Greg Fox

*Gregory M. Fox* is a founding senior partner of the firm. Mr. Fox has over forty years experience trying cases before juries in state and federal courts. His expertise includes constitutional and civil rights issues as well as public entity torts, contracts, business and environmental law. His appellate practice includes handling appeals in both the Ninth Circuit U.S. Court of Appeals and the California State Courts of Appeal. He has been lead trial attorney in more than fifty civil jury cases tried to verdict, and numerous federal and state civil trial judges have recognized his expertise and oral advocacy.

Mr. Fox also provides formal training to public and private clients about new developments in the law, risk management techniques and practical advice on conflict resolution before litigation. Recent training has included e-mail liability issues, police handling of the mentally ill, dangerous conditions of public property and crowd control and crowd management by law enforcement agencies.

Mr. Fox began his legal career in 1977 as Senior Energy Advisor in the California Governor's Office of Planning and Research coordinating California energy policy regarding offshore and onshore petroleum development. He was employed from 1980 to 1984 as an anti-trust attorney with the Federal Trade Commission in Washington D.C. where he served as a litigation team leader reviewing mergers and acquisitions in the petroleum industry. In 1984, he joined the San Francisco City Attorney's Office where he worked in a special trial team representing the City and County of San Francisco in both federal and state courts. He resigned his position as deputy city attorney in 1986 to form Bertrand & Fox, later changed to Bertrand, Fox & Elliot, now Bertrand, Fox, Elliot, Osman & Wenzel.

Mr. Fox graduated from Santa Clara University in 1973 with a degree in political science that included honors course work at U.C. San Diego and Dartmouth College. He received his Juris Doctor degree from the University of California Hastings College of Law in 1976. In 1977, he was the recipient of a grant from the American Bar Foundation resulting in a published study on density bonus zoning practices in the United States.

He has been an active member of the California State Bar since 1976, and is also a member of the San Francisco Bar Association. He is admitted to practice in all Superior and Appellate courts of the State of California as well as the Northern and Eastern federal District Courts. He is also admitted to practice in the California Supreme Court and Ninth Circuit U.S. Court of Appeals.

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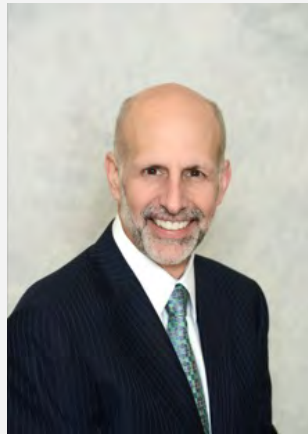
## Gene Elliot

*Eugene B. Elliot* is a senior partner of the firm. Mr. Elliot is well recognized by his peers as an expert trial lawyer, and regularly is called upon to teach advanced trial techniques to other attorneys. He has over thirty years of experience litigating a wide variety of complex cases, specializing in public entity defense, employment law, personal injury and the Americans with Disabilities Act.

Mr. Elliot graduated from Tulane University in 1978. He obtained a Masters Degree and a Juris Doctor degree at the University of Denver in 1983, where he was editor of the Denver Law Journal. He was a senior trial team leader in the San Francisco City Attorney's office until 1987, at which time he joined the partnership with Mr. Bertrand and Mr. Fox.

Mr. Elliot has served as a Faculty Member of both the Hastings College of Law Trial Advocacy Practice Program and the Federal Trial Advocacy Practice Program in the Northern District of California. He has served as Judge Pro-Tern in the Marin County Superior Court and has been an active member of both the State and Federal Bars in California since 1983.

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## Richard Osman

*Richard Osman* is a partner of the firm. Mr. Osman's practice is focused on the representation of commercial clients in litigation and corporate formation matters and on the representation of numerous public entities, including police departments and municipalities in both state and federal courts. Mr. Osman also advises insurance companies on complex coverage matters and litigates coverage disputes.

Prior to joining the firm, Mr. Osman primarily practiced in the area of general civil litigation for ten years and was managing partner of Osman & Gohel, where he represented numerous businesses from sole proprietorships to publicly-held companies.

Mr. Osman graduated with a B.A. in Economics from the University of California, Berkeley in 1987 and obtained his Juris Doctor degree in 1993 from the University of San Francisco School of Law. During law school, he clerked for the Honorable Peggy Hora of the Alameda County Superior Court. Additionally, Mr. Osman was a professor at New College of Law in San Francisco from 1998 through 2002, teaching corporations.

Mr. Osman is admitted to practice in California and is admitted to the Northern, Eastern and Southern Districts of California.

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## Michael Wenzel

*Michael C. Wenzel* is a partner of the firm, and joined the firm in 2002. His practice is focused on the defense of public entities, including cities, counties, school and community college districts, in the areas of employment and civil rights defense. He regularly represents public entities and their employees in cases alleging employment discrimination, sexual harassment and retaliation, and police departments in cases alleging excessive force, false arrest and related civil rights claims. Mr. Wenzel further represents public entities in the defense of personal injury claims, including dangerous condition of public property and negligent supervision claims, as well as inverse condemnation claims, administrative hearings, writs and appeals. In his twenty years of practice, Mr. Wenzel has defended virtually every type of claim confronted by public entities.


 CONTACT ME

Mr. Wenzel earned his B.A. degree in History and Economics from Syracuse University in 1992 and his Juris Doctor degree from Rutgers University – Camden School of Law in 1995, where he was awarded with Dean's List honors. Following law school, Mr. Wenzel completed a clerkship for the Honorable Edward R. Schwartz of the Superior Court of New Jersey and an externship for the Honorable Joseph E. Irenas of the United States District Court for the District of New Jersey.

Mr. Wenzel practiced civil litigation in Pennsylvania and New Jersey for five years before his admission to the California Bar. His practice extends to all state and federal Courts in California, and he is admitted to practice in California, New Jersey and Pennsylvania, as well as the Northern, Central and Eastern Districts of California, the District of New Jersey, the Ninth Circuit Court of Appeal and the Supreme Court of the United States.

Mr. Wenzel has briefed and argued numerous cases in the California Court of Appeal and the United States Court of Appeal for the Ninth Circuit. He argued the matter of *Gordon v. City of Oakland* before the Ninth Circuit Court of Appeal, in which the Ninth Circuit ruled that a public entity's training reimbursement program for safety employees did not violate the minimum wage standards of the Fair Labor Standards Act. The decision ratified the right of public entities throughout California to utilize training reimbursement programs for public safety employees.

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## Sheila Crawford

Sheila D. Crawford joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2013. Ms. Crawford's practice emphasizes public entity defense and civil rights. Prior to joining the firm, Ms. Crawford worked for a Sacramento law firm specializing in public entity defense litigation.

Ms. Crawford graduated summa cum laude from the California State University, Chico in 2008, earning her B.A. in Political Science and Multi-cultural and Gender Studies. Ms. Crawford then obtained her Juris Doctor degree from the Santa Clara University School of the Law in 2011. While at Santa Clara, Ms. Crawford was a Comments Editor of the Santa Clara Law Review. She also clerked for the United States Attorney's Office of the Northern District of California and the California Attorney General's Office.

Ms. Crawford is admitted to practice in all California state courts, as well as the United States District Court, Eastern District of California.

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## Ethan Lowry

*Ethan M. Lowry* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2014. Prior to joining the firm he worked at a Bay Area civil litigation defense firm.

Mr. Lowry graduated from Rutgers University with a double major in Psychology and Criminal Justice. He earned his juris doctor from the University of San Francisco School of Law graduating cum laude in 2011. While in law school Mr. Lowry served as a Law Review staff member and earned a Public Interest Law Certificate.

Mr. Lowry has been an active member of the State Bar of California since 2011 and is admitted to the Federal District Court for the Northern District of California as well as the United States Ninth Circuit Court of Appeals.

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## Amy Leifur Halby

Amy Leifur Halby joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2013. Prior to joining Bertrand, Fox, Elliot, Osman & Wenzel, Ms. Halby began her legal career at a Bay Area litigation firm.

Ms. Halby graduated *cum laude* from San Francisco State University in 2008, earning her B.A. in Communications Studies and a certificate in Conflict Resolution with an emphasis on Legal and Political issues in the United States. Ms. Halby then obtained her Juris Doctor degree and a Public Interest Law Certificate with Honors from the University of San Francisco School of Law in 2012. While attending the University of San Francisco, Ms. Halby served as the Co-Chair for the Public Interest Law Foundation, as Case Counsel for USF Law's Moot Court program, and as a certified law student for the Criminal and Juvenile Justice Clinic. During law school, Ms. Halby participated in several moot court and appellate advocacy competitions. She received an Outstanding Individual Achievement in Oral Argument Award from the Roger J. Traynor California Appellate Moot Court Competition and the Director's Award from the USF Law Intensive Advocacy Program.

Ms. Halby has been an active member of the State Bar of California since 2012.

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## Joanne Tran

*Joanne Tran* joined Bertrand, Fox, Elliot, Osman & Wenzel in 2014 as an associate. Her practice emphasizes public entity defense and civil rights issues.

Ms. Tran earned her B.A. in International Studies and minor in Political Science from the University of California, Irvine in 2010 and obtained her J.D. in 2013 from the Seattle University School of Law. During law school, Ms. Tran served on the board for the Asian Pacific Islander Law Students Association. Prior to joining the firm, Ms. Tran completed a post-bar fellowship with the San Francisco County District Attorney's Office and clerked for the Alameda County District Attorney's Office as a certified law student.

She is currently an active member of the Earl Warren Inn of Court, Asian Pacific Islander American Public Affairs Association, Asian American Prosecutors Association, and Alameda County Bar Association.

Ms. Tran has been an active member of the State Bar of California since 2013.

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## Rockford Hearn

*Rockford (Rocky) Hearn* joined Bertrand, Fox, Elliot, Osman & Wenzel as a senior associate in 2019. Mr. Hearn's practice is focused on the representation of public entities and commercial clients in both state and federal courts.

Prior to joining the firm, Mr. Hearn practiced commercial and civil litigation, representing companies and financial institutions of all sizes in complex litigation matters. Mr. Hearn is a certified mediator and has extensive experience representing clients in all phases of alternative dispute resolution, achieving favorable settlements for his clients without need of litigation.

Mr. Hearn earned his B.A. in Political Science from the University of California, San Diego and obtained his J.D. from Santa Clara University School of Law. During law school Mr. Hearn earned a certificate in international law and worked with the Documentation Center of Cambodia in the prosecution of war crimes. He developed an Advisory Report on Ethics and Rules of Professional Conduct to be adopted by the United Nations-established Extraordinary Chambers in the Courts of Cambodia in the prosecution of former members of the Khmer Rouge for war crimes in Phnom Penh, Cambodia.

Mr. Hearn is admitted to practice in all California state courts, the Ninth Circuit Court of Appeals and the United States District Court for the Northern, Central and Eastern Districts of California.

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## Samantha Wu

*Samantha Wu* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2019. Prior to joining the firm, Ms. Wu practiced at a general civil litigation firm in San Francisco.

Ms. Wu graduated from the University of Washington in 2012 with a B.A. in English and a minor in Comparative Religion. She earned her Juris Doctor degree from the University of California, Davis School of Law in 2015. While in law school, Ms. Wu served as a Senior Notes and Comments Editor for the University of California, Davis Law Review and a Section Writer for the Journal of Juvenile Law and Policy.

Ms. Wu has been an active member of the State Bar of California since 2015.

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## Heather G. Hensley

*Heather G. Hensley* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2018. Prior to joining the firm, she practiced at a San Francisco civil litigation firm, focusing on landlord-tenant disputes.

Ms. Hensley earned her B.A. in Political Science from the University of Georgia. She attended the John Marshall Law School in Chicago, earning her Juris Doctor with an Intellectual Property Law Certificate. While in law school, she competed in the Saul Lefkowitz Trademark Moot Court Competition, where she won the Midwest Regional Tournament and placed second nationally.

In April 2018, Ms. Hensley completed the Te Araroa Trail, where she hiked the entire length of New Zealand, approximately 1900 miles.

Ms. Hensley is admitted to practice in both the State of New York and California, and has been an active member of both bars since 2016.

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## Henry B. Bernstein

*Henry B. Bernstein* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2018. Prior to joining the firm, Mr. Bernstein worked as an associate at a civil litigation defense firm in San Francisco, focusing on product liability and exposure to toxic substances.

Mr. Bernstein earned a B.A. in Political Science from University of California, Santa Cruz, in 2012. He earned his Juris Doctor from the Santa Clara University School of Law, graduating in 2016. While in law school, Mr. Bernstein served as the Senior Articles Editor for the Santa Clara Law Review. Mr. Bernstein has been an active member of the State Bar of California since 2016.

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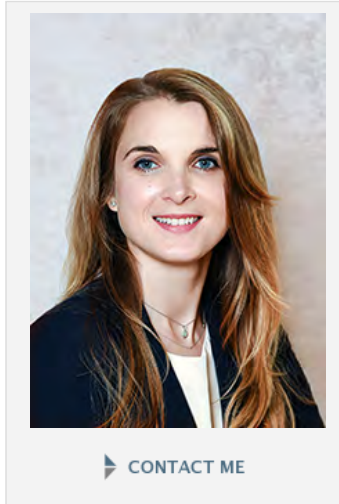
## Marina I. Garcia

*Marina Garcia* joined Bertrand, Fox, Elliot, Osman & Wenzel in 2018 as an associate.

Ms. Garcia earned a Bachelor's of Arts degree at the University of Alaska, Anchorage, majoring in Global Logistics Management. Ms. Garcia earned her Juris Doctor degree from the University of San Francisco School of Law. While in law school, she focused her studies on public interest law and obtained Public Interest Law Certificate upon graduating. While attending law school, she served as a law student for the Employment Law Clinic. Additionally, Ms. Garcia completed legal internships with the Labor Team at the San Francisco City Attorney's Office; and clerked for Justice James A. Richman while in law school and post Bar.

Ms. Garcia has been an active member of the State Bar of California since 2018.

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## Charles D. King

*Charles King* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2019. Prior to joining the firm, Mr. King worked as an associate at a defense firm specializing in Workers' Compensation.

Mr. King earned a Bachelor's of Science in Economics and a Bachelor's of Arts in Political Science from Santa Clara University. Mr. King earned his Juris Doctor degree from the University of Washington, School of Law. While in law school, Mr. King was a member of Moot Court Honor Board, the Pro-Bono Honors Society, and the Students for Labor and Employment Justice. Additionally, Mr. King completed externships with the Unemployment Law Project, the National Labor Relations Board, and the Department of Labor and Industries at the Seattle City Attorney's office. Mr. King also served as a clerk for the Honorable Judge Weiner at the Superior Court of California, County of San Mateo.

Mr. King has been an active member of the State Bar of California since 2018.

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## Molly M. Cherala

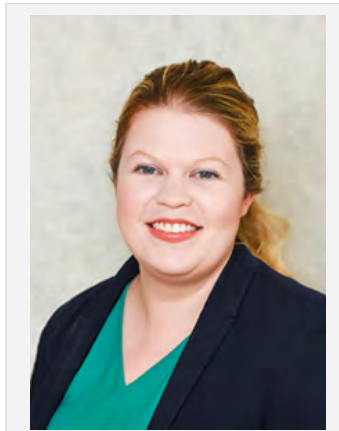
*Molly Munson Cherala* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2019.

Mrs. Cherala earned a B.A in International Studies from the University of Chicago. Mrs. Cherala received her Juris Doctor degree from the University of Georgia School of Law. While in law school, Mrs. Cherala was a member of Moot Court, the W. Homer Drake Jr.

Georgia Bankruptcy Inn of Court, the Orr Inn of Court, and the Georgia Law Democrats. Mrs. Cherala also completed internships for the East Bay Community Law Center and the Department of Justice U.S Trustee Program. Mrs. Cherala clerked for Judge John Goger while in law school. Mrs. Cherala served as a research assistant for Professor Usha Rodrigues of the University of Georgia School of Law post-graduation.

Mrs. Cherala has been an active member of the State Bar of California since 2019.

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## Kevin M. Carroll

*Kevin M. Carroll* joined Bertrand, Fox Elliot, Osman and Wenzel as an associate in 2019. Prior to joining the firm, Mr. Carroll practiced transactional business law in Fremont.

Mr. Carroll graduated from Miami University of Ohio with a B.A. in Political Science and thematic sequences in business administration and computer programming. He earned his Juris Doctor from Santa Clara University, School of Law in 2019. While in law school, Mr. Carroll served as the senior business editor for the High Tech Law Journal. Mr. Carroll also worked for Chief Judge Patricia Anne Gaughan at the United States District Court for the Northern District of Ohio.

In his spare time, Mr. Carroll likes to hike, play basketball and explore the Bay Area. Mr. Carroll is an avid Cleveland sports fan.

Mr. Carroll has been an active member of the State Bar of California since 2019.

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## Benjamin I. Oreper

*Benjamin I. Oreper* joined Bertrand, Fox, Elliot, Osman & Wenzel as an associate in 2020. Prior to joining the firm, he worked as a law clerk at a national Plaintiffs' firm specializing in complex product liability and toxic tort practice.

Mr. Oreper earned a B.A. in Political Science with a Minor in the Russian Language at the University of California, Los Angeles. He then attended the University of Southern California, Gould School of Law, where he earned his Juris Doctor degree. While at USC, Mr. Oreper spent two years working with the law school's mediation clinic, serving as a neutral and facilitating settlement in dozens of employment-related disputes through the EEOC and DFEH, as well as limited civil, small claims and unlawful detainer cases at courthouses across Los Angeles County. Mr. Oreper was also a member of USC's VIS international arbitration team, which competed in the 2018 VIS Moot Competition in Hong Kong.

Mr. Oreper has been an active member of the State Bar of California since 2019.

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## Ilana Kohn

*Ilana Kohn* is Senior Counsel to the firm. Ms. Kohn specializes in the areas of public entity defense and civil rights issues in state and federal courts. Prior to working with the firm, Ms. Kohn practiced in the areas of employment law and securities litigation.

Ms. Kohn graduated from Mills College in 1994, and obtained Juris Doctor degree in 1999 from the University of San Francisco School of Law. She has been an active member of the State Bar of California since 1999, and is admitted to practice in the Northern and Central Districts of California, as well as the Ninth Circuit Court of Appeals.

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## Arlene Helfrich

*Arlene Helfrich* is Of Counsel to the firm. Ms. Helfrich's practice emphasizes public entity defense and civil rights issues.

Ms. Helfrich graduated from the University of Santa Cruz in 1976, and she obtained her Juris Doctor degree in 1980 from Golden Gate Law School. She has been an a member of the State and Federal Bars in California since 1980.

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## Dana Soong

*Dana Soong* is Of Counsel to the firm. Ms. Soong's practice emphasizes public entity defense and civil rights issues. Her practice is focused on the representation of public entities, including many police departments and municipalities, in both state and federal courts. In addition, her practice includes appellate work in California State Courts as well as in the Ninth Circuit U.S. Court of Appeals.

Ms. Soong graduated from the University of Washington in 1990 and obtained her Juris Doctor degree from the University of San Francisco School of Law in 1993. Ms. Soong served as a judicial extern to the Honorable Patrick K.S.L. Yim of the Circuit Court of the First Circuit of Hawaii and as a law clerk for the U.S. Attorney's Office, Criminal Division, of the Northern District of California. Ms. Soong also served as a volunteer for the Volunteer Legal Services Program Family Law Clinic representing clients in dissolution and paternity matters, and as a volunteer for the AIDS Legal Referral Panel representing clients in estate planning matters.

Ms. Soong has been an active member of both the State and Federal Bars of California since 1993 and a member of the State Bar of Hawaii since 1994. She is also a member of the Bar Association of San Francisco.

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- [Heather G. Hensley](#)
- [Henry B. Bernstein](#)
- [Marina I. Garcia](#)
- [Charles D. King](#)
- [Molly M. Cherala](#)
- [Kevin M. Carroll](#)
- [Benjamin I. Oreper](#)

### SENIOR COUNSEL

- [Ilana Kohn](#)

### OF COUNSEL

- [Arlene Helfrich](#)
- [Dana Soong](#)

## Practice Areas

Administrative Law	Employment Law (discrimination, harassment, wrongful termination)
Americans with Disabilities Act	
Business Law	Government Entity Defense
Civil Litigation	Insurance Law
Civil Rights	Inverse Condemnation
Commercial Law	Labor Law
Constitutional Law	Police Liability
Construction Law	Unfair Competition
Contract Law	Writs and Appeals
Corporate Law	

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### PARTNERS

- Tom Bertrand
- Greg Fox
- Gene Elliot
- Richard Osman
- Michael Wenzel
- Sheila Crawford
- Ethan Lowry

### SENIOR ASSOCIATES

- Amy Leifur Halby
- Joanne Tran
- Rockford Hearn

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- Marina I. Garcia
- Charles D. King
- Molly M. Cherala

### SENIOR COUNSEL

- Ilana Kohn

### OF COUNSEL

- Arlene Helfrich
- Dana Soong

## Representative Clients

Alamo-Lafayette Cemetery District

Cabrillo Community College District

Central Marin Police Authority

Chabot Las Positas Community College District

City of Alameda

City of Albany

City of Antioch

City of Belmont

City of Brentwood

City of Concord

City of Fairfax

City of Fairfield

City of Fremont

City of Hercules

City of King City

City of Livermore

City of Lodi

City of Mill Valley

City of Napa

City of Novato

City of Oakland

City of Orinda

City of Pittsburg

City of Petaluma

City of Pleasant Hill

City of Pleasanton

City of Redwood City

City of Richmond

City of San Leandro

City of San Rafael

City of Santa Cruz

City of Sausalito

City of Sunnyvale

City of Tracy

City of Vacaville

City of Vallejo

Corte Madera/Larkspur Fire Consolidation

Cotati-Rohnert Park Unified School District

County of Alameda

County of Lake

County of Sonoma

East Bay Municipal Utility District

East Bay Regional Park District

Fort Ross School Elementary School District

Gavilan Joint Community College District

Horicon Elementary School District

Lodi Unified School District

Marin Community College District

Marin Municipal Water District

Mendocino-Lake Community College District

Middletown Unified School District

Napa Valley Community College District

Napa Valley Unified School District

Novato Unified School District

Pleasanton Unified School District

Precision Risk Management

Redwood Empire School Insurance Group

Ross Valley Fire Department

Ross Valley Paramedic Authority

Ross Valley School District

San Francisco Community College District

San Francisco Unified School District

San Leandro Unified School District

San Jose Evergreen Community College District

San Rafael City School District

Santa Rosa City Schools

Solano Community College District

Solano County Office of Education

Sonoma County Junior College District

South Monterey County Joint Union High School District

Tiburon Fire District

Waugh Unified School District



## Contact Us

### SAN FRANCISCO, CA OFFICE

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Clare L. Davis

Executive Director

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Oakland, CA 94612

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Fax: 510-466-6381

[Get directions](#)



**ADMINISTRATIVE MATTERS**

**SUBJECT: Consideration of Proposed Actuarial Services Agreement from Bickmore Actuarial**

---

**BACKGROUND AND STATUS:**

Bickmore has provided actuarial services to ERMA since inception of the program, with the most recent three-year engagement expiring following the April 30, 2019, presentation of the 2018/19 study. Effective April 1, 2019, Bickmore's actuarial practice became an independent entity, re-branding as Bickmore Actuarial.

Preliminary analysis of ERMA's loss data for development of the study and proposed rates typically begins mid to late February of each year in order to present a draft to the Board at the April meeting. Given this year's time constraint, staff solicited a pricing proposal from Bickmore Actuarial structured as a one, two or three-year agreement. This pricing structure allows the Board the flexibility to engage Bickmore Actuarial for a term of three years ending June 30, 2022, or one year, ending June 30, 2020, thus allowing staff time to issue a Request for Proposal from additional providers.

The proposed pricing represents a 2.5% increase over expiring; 2.5% increase in year two and a 2.4% increase in year three.

**Bickmore Actuarial Pricing**

<b>Study</b>	<b>Cost</b>
Expiring: 2018/19	\$9,950
Year 1: 2019/20	\$10,200
Year 2: 2020/21	\$10,450
Year 3: 2021/22	\$10,700

**RECOMMENDATION:**

*Provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- Actuarial Services Engagement Letter – 2019/20, 2020/21 & 2021/22 Analyses

Wednesday, January 8, 2020

Ms. Jennifer Jobe  
Executive Director  
Employment Risk Management Authority  
c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

RE: Actuarial Services Engagement Letter – 2019-20, 20-21 & 21-22 Analyses

Dear Ms. Jobe:

Thank you for the opportunity to provide actuarial services to Employment Risk Management Authority (ERMA). ERMA is seeking professional actuarial advice with regard to its self-insured Employment Practices Liability program. The following is a brief outline of our understanding of the scope of work to be performed and our fees for the 2019-20, 2020-21 and 2021-22 studies.

The objective of the studies is to provide an estimate of outstanding liabilities as well as projections of loss costs, cash flow and investment income. The 2019-20 report, for example, will provide the following:

- Calculate program funding levels for the 2020-21 program year at the expected level as well as at various confidence levels.
- Determine appropriate rates for claims incurred during the 2020-21 program year at the expected level as well as at various confidence levels.
- Estimate required funding for the programs' outstanding losses and loss adjustment expenses for all preceding fiscal years as of June 30, 2020. The outstanding losses and loss adjustment expenses are to be stated at the expected level as well as at various confidence levels.
- Provide each of the estimates specified above on both discounted and full value bases.
- Provide a statement of compliance with GASB 10 and 30.
- Estimate the program's cash flow requirements for a given number of fiscal years, separately identified for each accident year.

ERMA may select a one-, two- or three-year agreement for the scope of work discussed above for the fees listed below for each applicable year:

<u>Project Component</u>	<u>Cost</u>
2019-20 Employment Practices Liability Study	\$10,200
2020-21 Employment Practices Liability Study	\$10,450
2021-22 Employment Practices Liability Study	\$10,700

Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

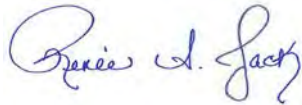
<u>Consultant</u>	<u>Hourly Rate</u>
Principal	\$300
Manager	250
Actuarial Staff	150
Administrative Staff	75

Upon delivery of a draft report, consultant shall be entitled to the entire fee. If this agreement is terminated prior to delivery of a draft report, client agrees to pay contractor for all hours incurred through the date notice of termination is given. Such amount shall be limited to the maximum fees stated in this agreement.

Our delivery date for the draft report is typically April 15 unless otherwise requested. At a minimum, however, we will need approximately 4 to 5 weeks after receiving all requested data to complete the draft report.

Please call me at (916) 244-1132 or Derek Burkhalter at (916) 244-1167 with any questions you may have with regard to our proposal.

Respectfully Submitted,



---

Renee Jack  
Project Coordinator, Bickmore Actuarial

Accepted By:  
**Bickmore Actuarial**



---

Mike Harrington, FCAS, MAAA  
President and Principal, Bickmore Actuarial



---

Derek Burkhalter, ACAS, MAAA  
Senior Manager, Bickmore Actuarial

Accepted By:  
**ERMA**

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**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law**

---

**BACKGROUND AND STATUS:**

As a result of additional legislative changes amending Section 12950.1 of the Government Code, the attached Draft Resolution reflects clarifications to ERMA's training requirements as they relate to the expansion of sexual harassment training to include harassment based upon gender identity, gender expression and sexual orientation.

As a reminder, SB 778 approved by Governor Gavin Newsome on August 30, 2019, requires employers with five or more employees to provide harassment prevention training and education to all employees by January 1, 2021, and thereafter once every two years. The statute requires non-supervisory employees to be provided training within six months of hire and new supervisory employees to be provided training within six months of assumption of a supervisory position. The statute also specifies that an employer who has provided training and education in 2019 is not required to provide it again until two years thereafter.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Draft Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2020-1, Requiring Members to Provide Proof of Compliance with Training Mandated by State Law

***DRAFT RESOLUTION NO. 2020-1***

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

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

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

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

WHEREAS, the Board previously adopted Resolution No. 2019-3 to ensure that all ERMA members complied with sexual harassment training mandated by state law (Government Code §12950.1) and to establish a compliance program in which underlying members would be required to establish proof of compliance with such training to avoid penalties for noncompliance; and

WHEREAS, the Legislature has addressed conduct other than sexual harassment in Government Code § 12950.1, and this Resolution reflecting such scope is therefore appropriate.

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

This Resolution 2020-1 supersedes Resolution 2019-3.

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

Such training is required to address sexual harassment as well as harassment based on gender identity, gender expression, and sexual orientation; “abusive conduct” as defined; and more generally address unlawful discrimination, harassment and retaliation.

In an effort to ensure mandated training requirements are met, ERMA staff will monitor participation of live and online training for ERMA members via an established self-certification process, beginning January 1, 2021.

For any *Claim*, as such term is defined in ERMA's Memorandum of Coverage, that is submitted to ERMA by an underlying member which relates to the subject matter of California Government Code §12950.1, each underlying member is required to provide ERMA with documentation evidencing they have substantially complied with as the training requirements mandated by said code section. Substantial compliance is defined as having 90% of all employees and elected officials trained in compliance with §12950.1 as of the date of occurrence of the *Claim*.

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

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

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

This Resolution was adopted by the Board of Directors at a regular meeting held on February 7, 2020, in Santa Cruz, California, by the following vote:

AYES	_____
NOES	_____
ABSTAIN	_____
ABSENT	_____

ATTEST:

\_\_\_\_\_  
PRESIDENT

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

**ADMINISTRATIVE MATTERS**

**SUBJECT:** Consideration of Statement Regarding Further Assurances by ERMA to Pooled Liability Assurance Network

---

**BACKGROUND AND STATUS:**

The Pooled Liability Assurance Network (PLAN) is a joint powers insurance authority providing pooled liability and property coverage to 28 member cities in the San Francisco Bay Area.

PLAN JPA has expressed interest in applying for participation in ERMA, effective July 1, 2020. In preliminary discussions and on behalf of the PLAN Board of Directors, Greg Rubens, Board Counsel, relayed PLAN's concern regarding the potential for joint and several liability for pension obligations under AB 1912. As such, PLAN has requested assurances that ERMA has never had and has no foreseeable plans to hire employees or enter into an agreement for participation in a defined benefit retirement program.

With the Board of Director's approval of the attached Statement of Assurance, PLAN intends to submit formal applications for participation in ERMA, effective July 1, 2020.

Jon Paulsen, PLAN General Manager, will be in attendance to answer any questions from the Board.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the Statement Regarding Further Assurances by Employment Risk Management Authority to Pooled Liability Assurance Network, as presented.*

**REFERENCE MATERIALS ATTACHED:**

- Statement Regarding Further Assurances by ERMA to Pooled Liability Assurance Network

FURTHER ASSURANCES BY EMPLOYMENT RISK MANAGEMENT AUTHORITY TO  
POOLED LIABILITY ASSURANCE NETWORK

Pooled Liability Assurance Network, (PLAN) intends to become a member of Employment Risk Management Authority (ERMA). ERMA has the power under its Joint Powers Agreement to hire employees and enter into contracts. PLAN and its member agencies are concerned that should ERMA hire employees and enter into contracts for a defined benefit pension benefits plan for such employees, that PLAN and its member agencies may become jointly and severally liable for any pension liabilities of ERMA, should ERMA decide to terminate as a JPA with liabilities to such a retirement plan under AB 1912.

ERMA requires a three (3) year initial term for participation in ERMA as a member. Thereafter PLAN may withdraw on six (6) month written notice. PLAN has requested assurances from ERMA that it has never had and has no foreseeable plans to hire employees or contract for participation in a defined benefit retirement program.

ERMA hereby provides assurances to PLAN that it has no plans or need to hire employees or to contract for participation in a defined benefit retirement program in the foreseeable future.

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
By: \_\_\_\_\_

**FINANCIAL MATTERS**

**SUBJECT: Investment Performance Review Presented by PFM Asset Management, LLC**

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**BACKGROUND AND STATUS:**

On an annual basis, an update on the investment activities related to the ERMA investment portfolio is provided to the Board of Directors.

Lesley Murphy, Senior Managing Consultant with PFM Asset Management, LLC, will be in attendance to provide the Board with a review of the ERMA portfolio, as well as a brief update on current market conditions.

**RECOMMENDATION**

*None*

**REFERENCE MATERIALS ATTACHED:**

- ERMA Investment Performance Review for the Quarter Ended December 31, 2019



# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## **Investment Performance Review For the Quarter Ended December 31, 2019**

Client Management Team

Lesley Murphy, Senior Managing Consultant

PFM Asset Management LLC

50 California St, Suite 2300  
San Francisco, CA 94111  
415-982-5544

213 Market Street  
Harrisburg, PA 17101-2041  
717-232-2723

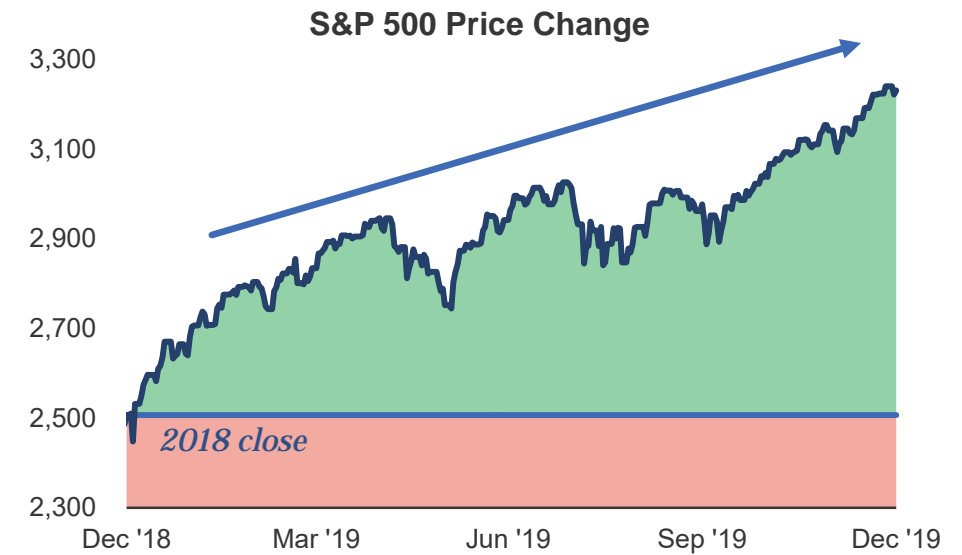
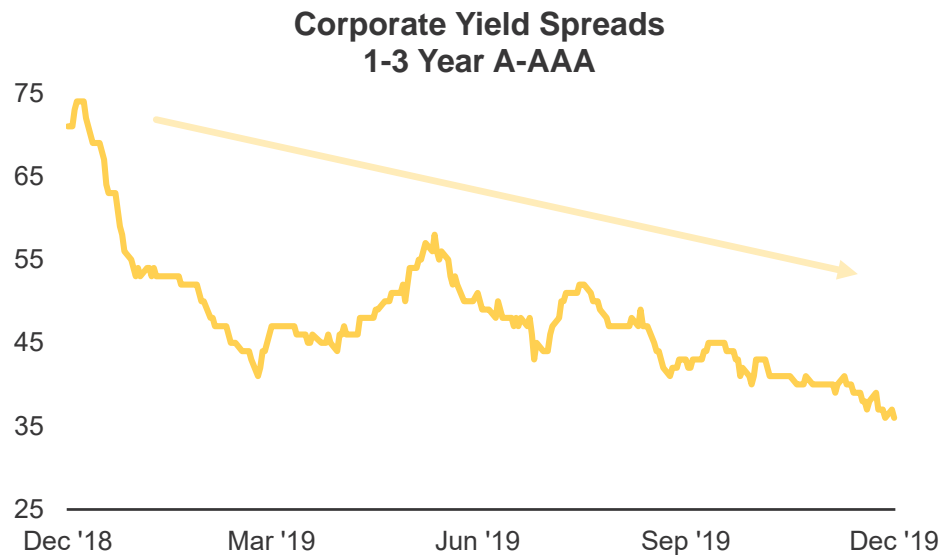
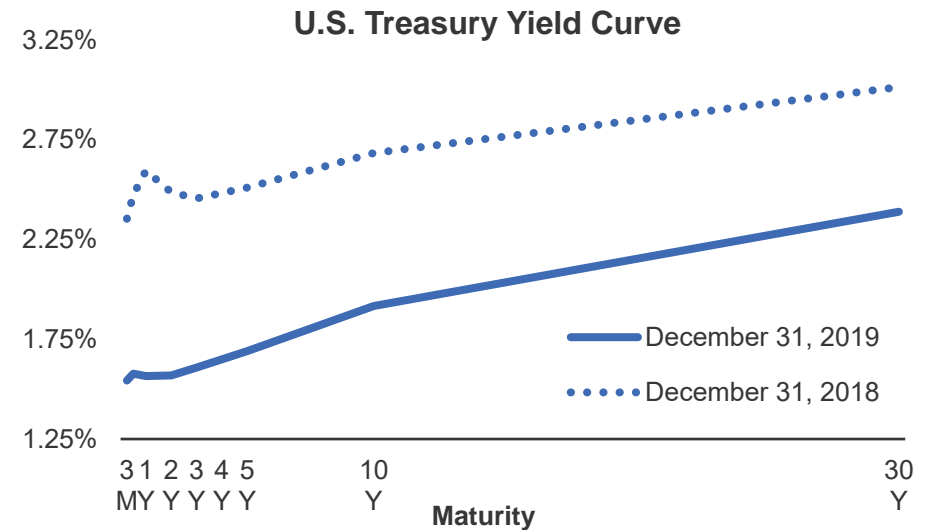
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## *Market Update*



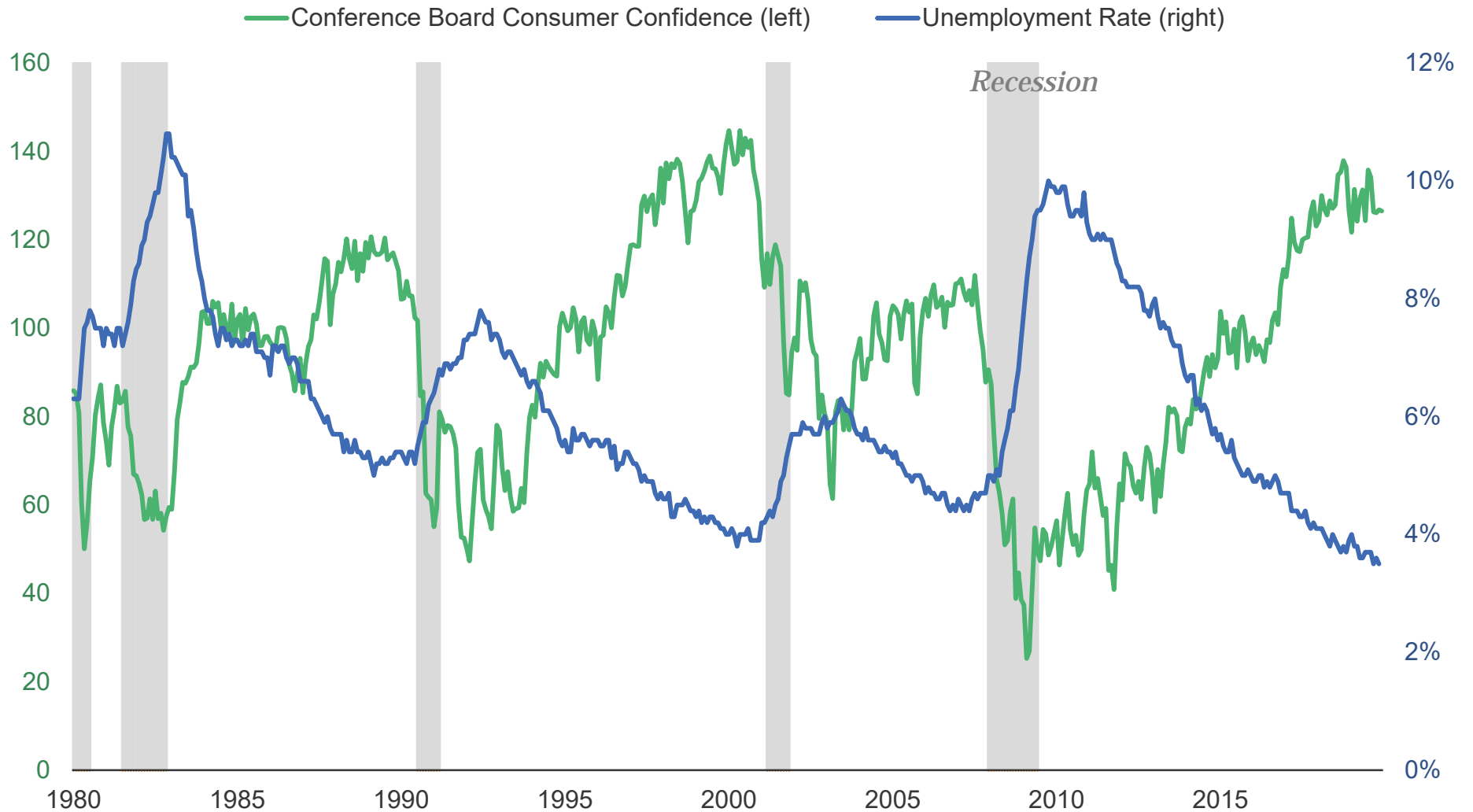
## Major Moves in 2019

Federal Funds Target Range			
Year	Starting Range	Ending Range	# of Hikes/Cuts
2015	0.00%-0.25%	0.25%-0.50%	1 hike
2016	0.25%-0.50%	0.50%-0.75%	1 hike
2017	0.50%-0.75%	1.25%-1.50%	3 hikes
2018	1.25%-1.50%	2.25%-2.50%	4 hikes
<b>2019</b>	<b>2.25%-2.50%</b>	<b>1.50%-1.75%</b>	<b>3 cuts</b>



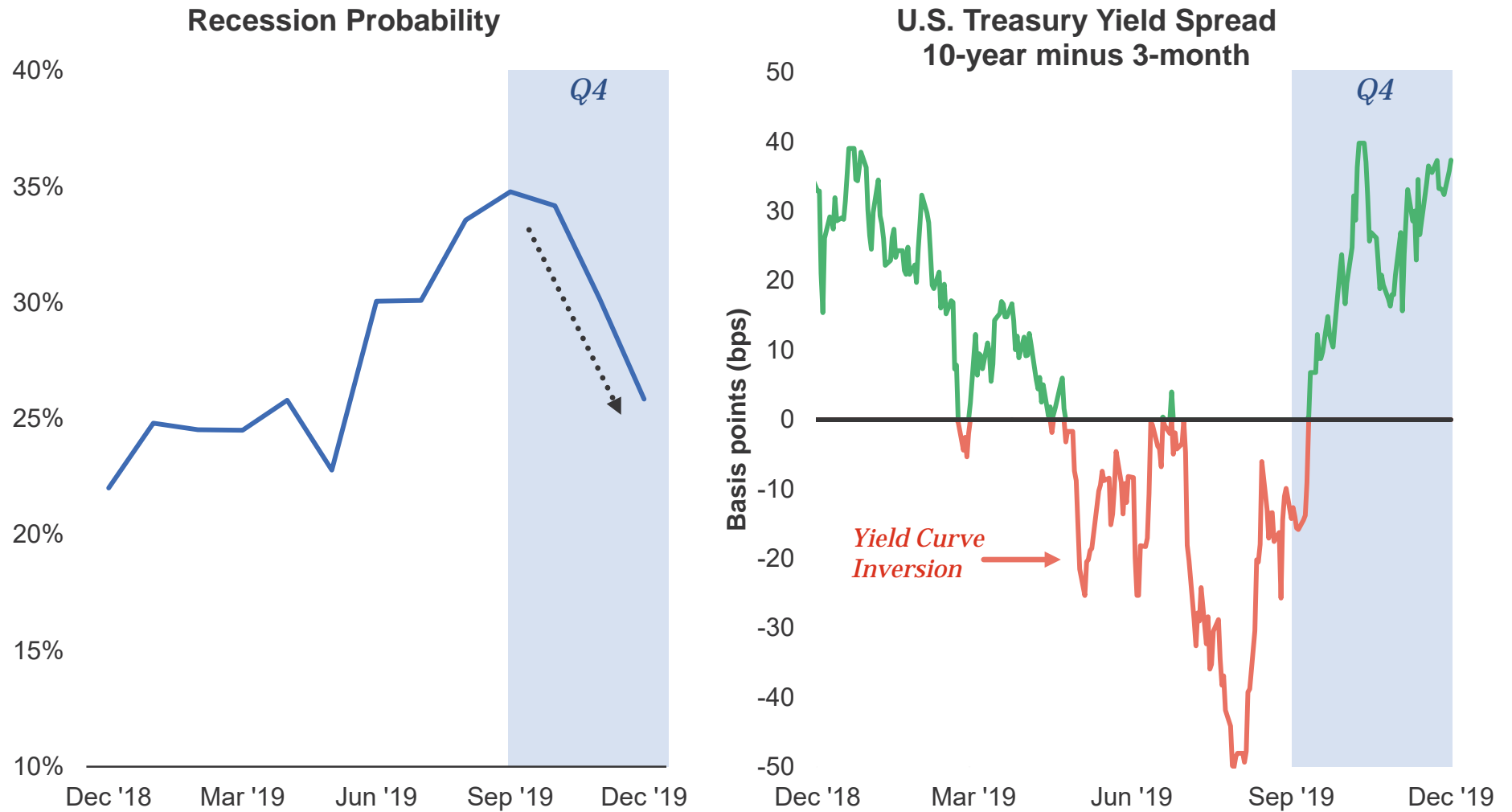
Source: Bloomberg, as of December 31, 2019.

## Falling Unemployment Supports Improved Consumer Confidence



Source: Bloomberg, as of December 31, 2019.

## Recession Fears Subsided and Yield Curve Un-Inverted in Fourth Quarter



Source: Data as of December 31, 2019. Wall Street Journal Economic Forecasting Survey (left); Bloomberg (right).

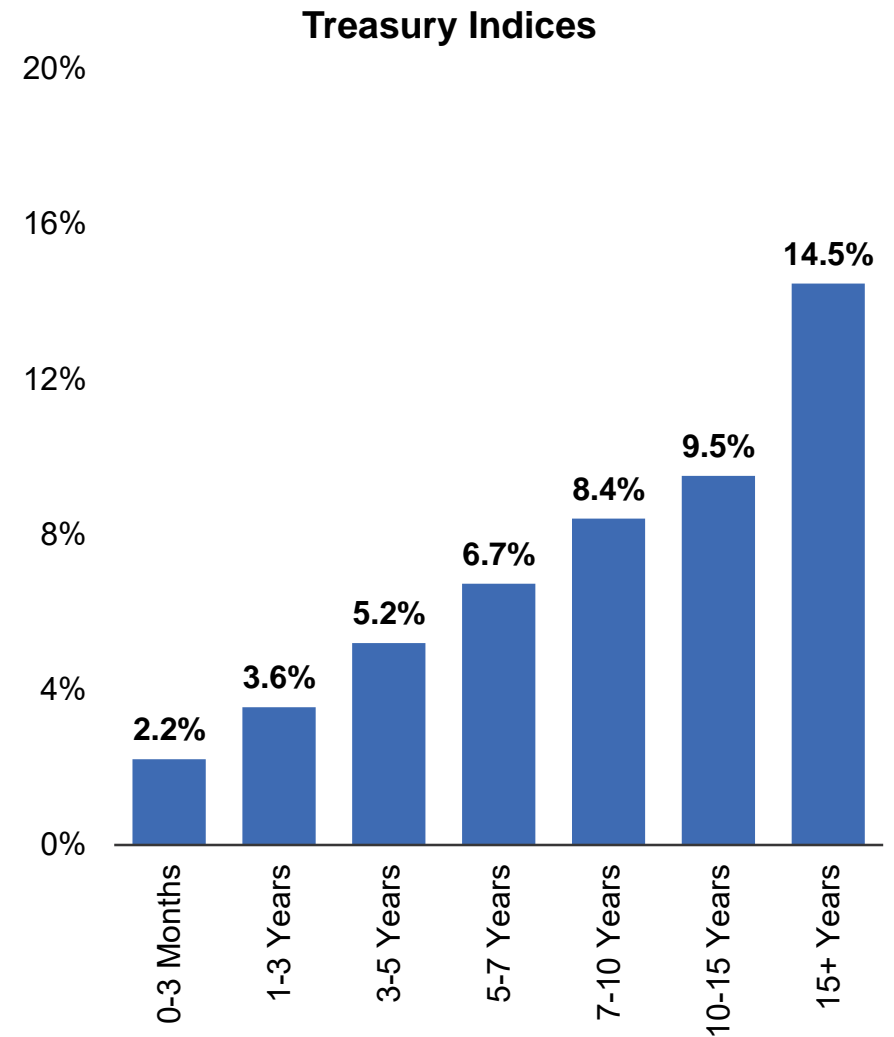
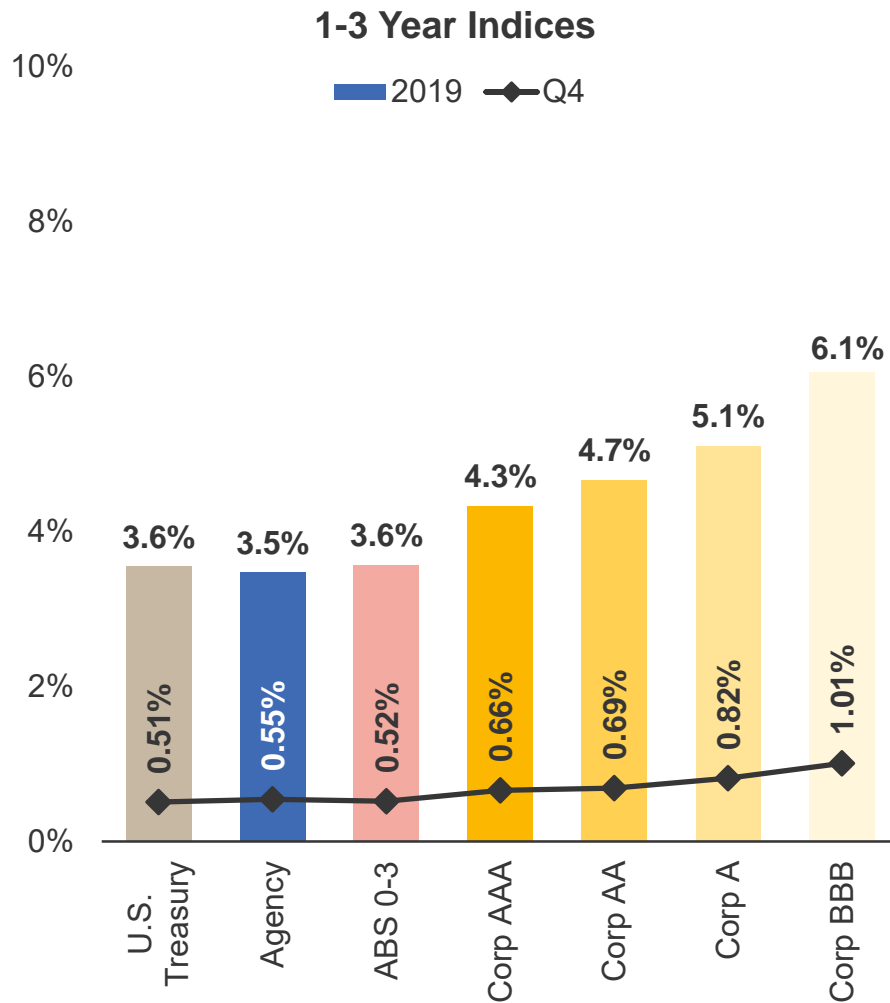
## Treasury Yields Have Settled into a New, Lower Range

### 3-Year Treasury



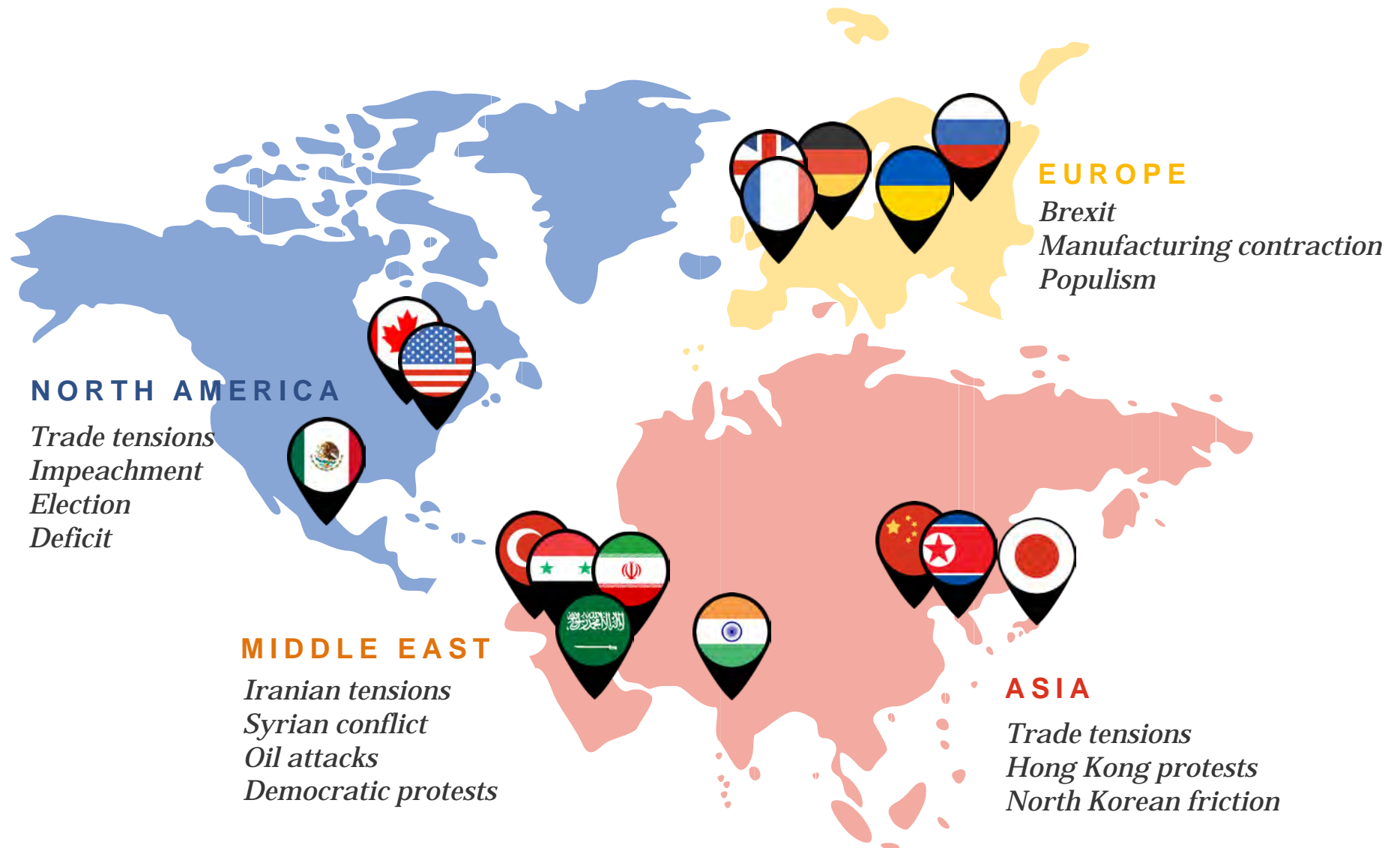
Source: Bloomberg, as of December 31, 2019.

## Fixed Income Performance Strong for the Year



Source: Bloomberg, as of December 31, 2019.

## Trade Is Foremost among Many Global Concerns



---

## *Portfolio Overview*

## Portfolio Recap

- After declining significantly during the early part of the year, interest rates were mostly range-bound during the fourth quarter as the Fed signaled a hold on any further monetary policy changes. Throughout most of the year, we have maintained a **neutral duration** positioning relative to the portfolio's benchmark. This allowed the portfolio to benefit from the positive market value appreciation that occurs when interest rates fall.
- Despite elevated geopolitical risks and concerns over slowing growth, robust investor demand enabled most investment-grade sectors to deliver strong returns relative to U.S. Treasuries during the fourth quarter and for the prior 12 months. Broad diversifications across permitted sectors, along with active trading, enabled the Authority's portfolio to outperform its benchmark.
  - In the government space, we continued to prefer **U.S. Treasuries** over federal agencies and supranationals, as limited supply, coupled with insatiable investor demand, continued to drive up prices for both federal agencies and supranationals.
  - **Corporate notes** once again delivered strong outperformance relative to U.S. Treasuries during the fourth quarter, bolstering the performance of the Authority's portfolio relative to its benchmark. At quarter-end, the Authority's portfolio maintained a 19% allocation to the corporate note sector.
  - The spreads on **negotiable bank certificates of deposit** (CDs) widened slightly during the fourth quarter. We sought to take advantage of this relatively attractive pricing as we purchased \$250,000 of a high-quality negotiable CD with 3 years to maturity at a yield pick-up of approximately 45 basis points (0.45%) over comparable-maturity U.S. Treasury notes.
  - Value returned to the municipal markets late in 2019 as taxable municipal issuance surged. In early November, we purchased a 5-year **California municipal obligation** with an AA- rating at a yield of 2.10%. This represents an attractive yield pick-up of approximately 40 basis points (0.40%) over comparable-maturity U.S. Treasury notes.
- As always, while we continue to seek opportunities to enhance portfolio earnings, our priority remains to maintain the safety and the liquidity of the Authority's investments.

*Note: For details on these and all other transactions, please see the "Managed Account Security Transactions & Interest" section of your month-end statement.*



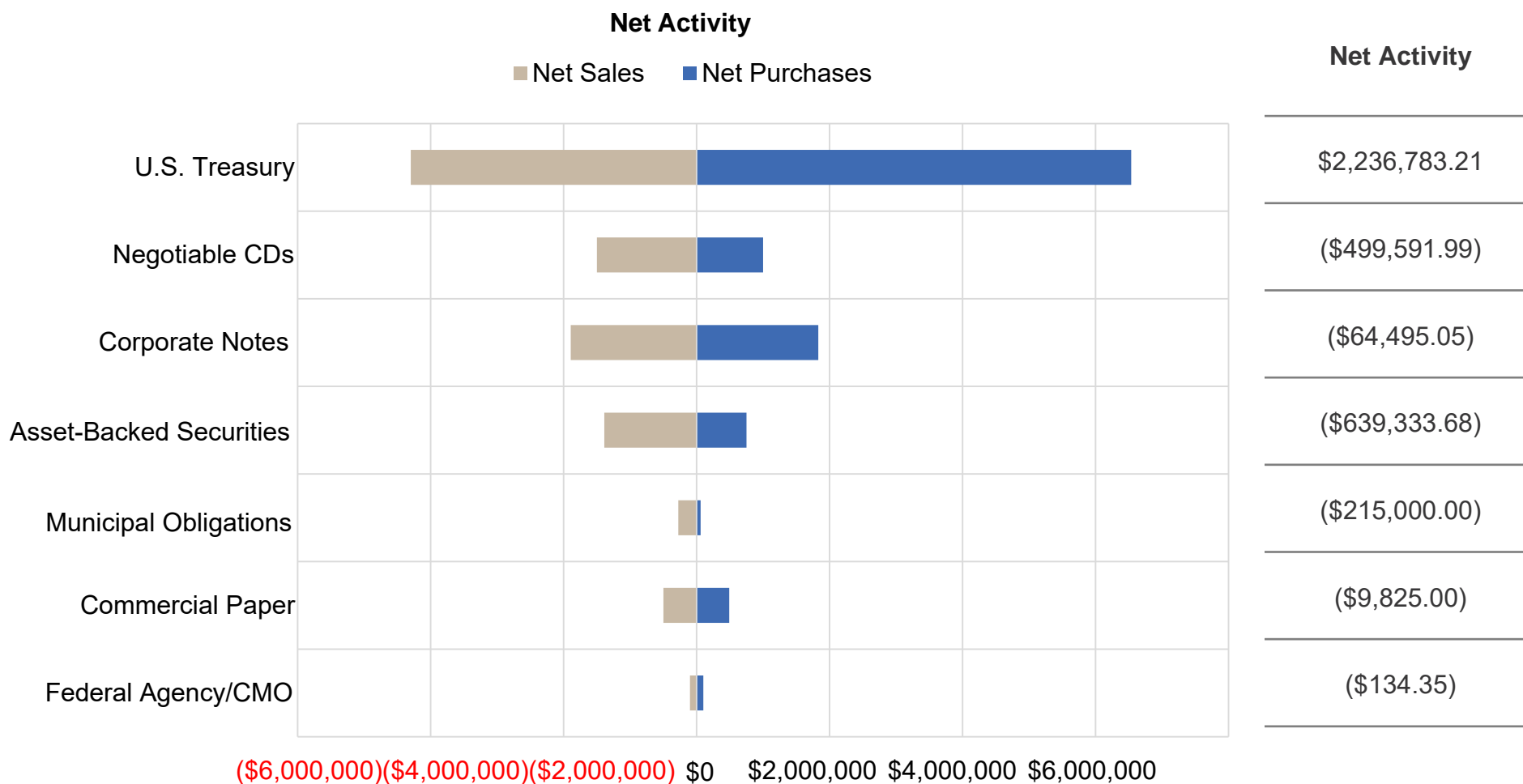
## Sector Allocation and Compliance

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

Security Type	Market Value	% of Portfolio	% Change vs. 9/30/19	Permitted by Policy	In Compliance
U.S. Treasury	\$11,032,484	39.5%	+1%	100%	✓
Federal Agency	\$770,302	2.8%	-	100%	✓
Federal Agency CMOs	\$417,012	1.5%	-	20%	✓
Municipal Obligations	\$59,897	0.2%	-	100%	✓
Supranationals	\$1,786,921	6.4%	-	30%	✓
Negotiable CDs	\$3,827,661	13.7%	+1%	30%	✓
Corporate Notes	\$5,157,461	18.5%	-	30%	✓
Commercial Paper	\$499,674	1.8%	-	25%	✓
Asset-Backed Securities	\$1,560,182	5.6%	-	20%	✓
<b>Securities Sub-Total</b>	<b>\$25,111,593</b>	<b>89.9%</b>			
Accrued Interest	\$121,160				
<b>Securities Total</b>	<b>\$25,232,753</b>				
CAMP Pool - Portfolio	\$139,621	0.5%	-	100%	✓
CAMP Pool - Liquidity	\$2,667,272	9.6%	-3%		
<b>Total Investments</b>	<b>\$28,039,646</b>	<b>100.0%</b>			

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

## Summary of Investment Activity December 31, 2018 – December 31, 2019<sup>1,2,3</sup>



1. Net activity reported on a trade date basis for the period December 31, 2018 - December 31, 2019.

2. Transaction amounts include principal and accrued interest.

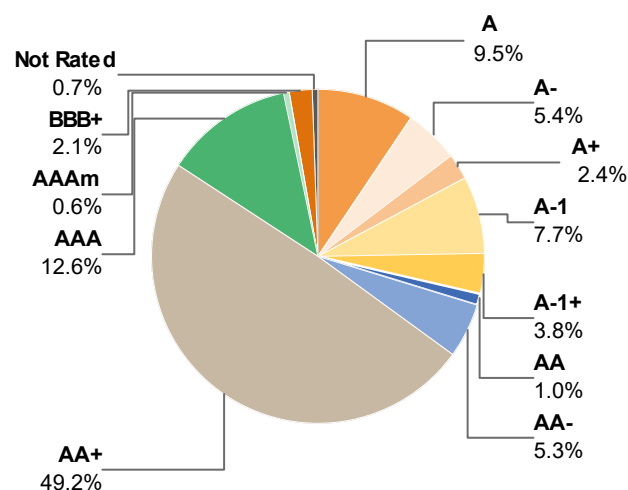
3. Sales/maturities include principal paydowns on CMO/ABS and realized gains/losses.

## Portfolio Statistics

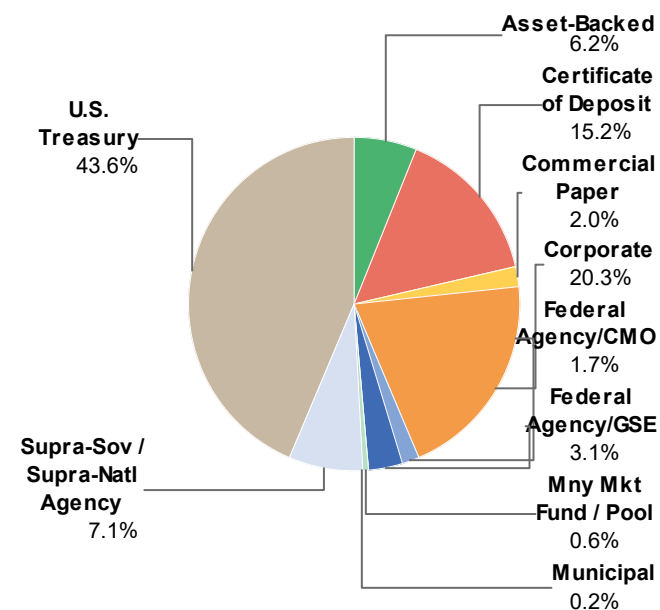
As of December 31, 2019

Par Value:	\$25,070,905
Total Market Value:	\$25,372,375
Security Market Value:	\$25,111,593
Accrued Interest:	\$121,160
Cash:	-
CAMP	\$139,621
Amortized Cost:	\$25,061,803
Yield at Market:	1.76%
Yield at Cost:	2.21%
Effective Duration:	2.09 Years
Duration to Worst:	2.08 Years
Average Maturity:	2.31 Years
Average Credit: *	AA

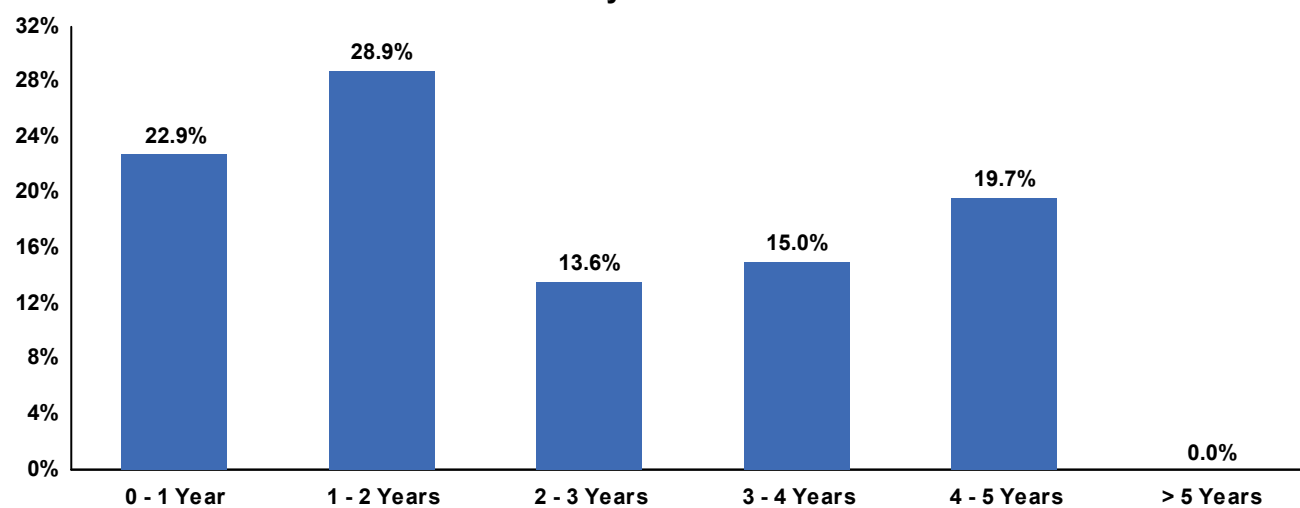
## Credit Quality (S&amp;P Ratings)\*\*



## Sector Allocation



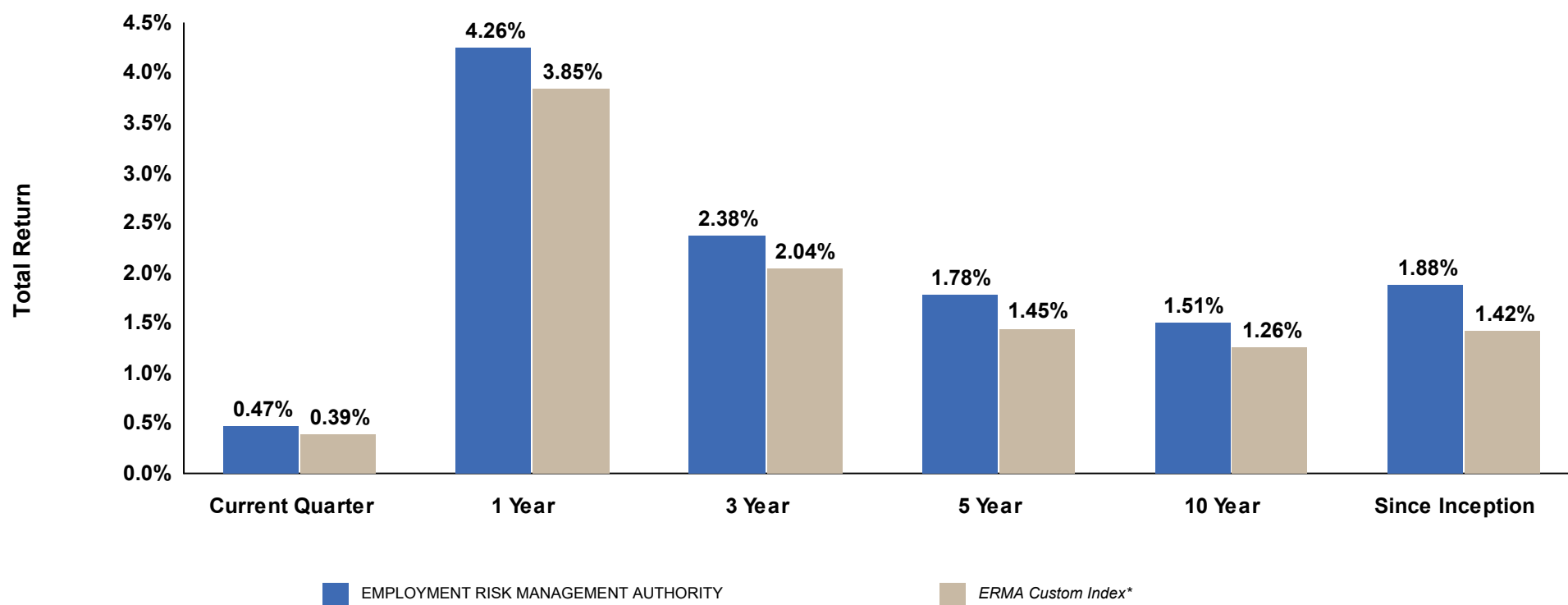
## Maturity Distribution



\* 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 2019.

## 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	2.09	0.47%	4.26%	2.38%	1.78%	1.51%	1.88%
ERMA Custom Index*	2.09	0.39%	3.85%	2.04%	1.45%	1.26%	1.42%
Difference		0.08%	0.41%	0.34%	0.33%	0.25%	0.46%



Portfolio performance is gross of fees unless otherwise indicated.

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

## Earnings Analysis

### Portfolio Earnings Analysis

As of December 31, 2019

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Past Year
Interest Earned	129,270	130,034	132,107	132,402	523,813
+ Change in Value	192,755	265,253	70,596	(14,475)	514,129
= Portfolio Earnings	322,026	395,288	202,703	117,928	1,037,942
<b>Total Return %</b>	<b>1.32%</b>	<b>1.60%</b>	<b>0.81%</b>	<b>0.47%</b>	<b>4.26%</b>
<b>Quarter-over-Quarter Change in 2-Year U.S. Treasury Yield</b>	<b>-0.23%</b>	<b>-0.51%</b>	<b>-0.13%</b>	<b>-0.05%</b>	<b>+0.92%</b>

*Notes:*

- Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Quarterly returns are presented on an unannualized basis.
- May not sum to total due to rounding.

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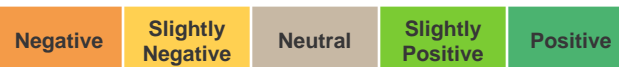
## *Outlook*

## Fixed Income Sector Outlook – January 2020

Sector	Our Investment Preferences	Comments
<b>COMMERCIAL PAPER / CD</b>		<ul style="list-style-type: none"> <li>Money market credit spreads remain attractive. New issue supply may increase in the new year.</li> </ul>
<b>TREASURIES</b>		
<b>T-Bill</b>		<ul style="list-style-type: none"> <li>T-Bills have rallied further on Fed purchases and low repo rates. Other short-term instruments remain relatively more attractive.</li> </ul>
<b>T-Note</b>		<ul style="list-style-type: none"> <li>T-Notes offer attractive yield pickup vs. T-Bills in certain maturities.</li> </ul>
<b>FEDERAL AGENCIES</b>		
<b>Bullets</b>		<ul style="list-style-type: none"> <li>Bullet valuations remain near historical tightness across the curve and continue to trade in a relatively narrow range. New issues should be evaluated for opportunities to add relative value; otherwise, Treasuries should be preferred.</li> <li>Redemptions remained elevated during Q4 but have started to slow as rates have begun to stabilize. As a result, new issue supply has slowed as well. Spread pickup vs. bullets remains well below YTD averages, with little chance for outperformance. Accounts should favor bullet structures vs. callable.</li> </ul>
<b>Callables</b>		
<b>SUPRANATIONALS</b>		<ul style="list-style-type: none"> <li>Spreads remain anchored across the curve. Expect modestly wider spreads in Q1 on account of higher issuer funding targets and favorable USD basis. New issues should be evaluated for opportunities to add relative value.</li> </ul>
<b>CORPORATES</b>		
<b>Financials</b>		<ul style="list-style-type: none"> <li>Solid economic data, an accommodative Fed, and positive technicals continue to support the corporate sector. Tight valuations limit the potential for outperformance in 2020. A growing list of uncertainties and pending supply could result in wider spreads and better buying opportunities.</li> </ul>
<b>Industrials</b>		
<b>SECURITIZED</b>		
<b>Asset-Backed</b>		<ul style="list-style-type: none"> <li>AAA-rated ABS yield spreads widened during December and are currently near their 3-year historic average. Broad measures of auto ABS spreads are comparable to spreads on high-quality corporate securities.</li> <li>Q4 saw strong excess returns from MBS as spreads narrowed significantly. Buyers were enticed by higher spreads, lower volatility, and the expectation that the Fed is on hold.</li> <li>Agency CMBS spreads widened in December. The sector has good relative value compared to less structured MBS and other government sectors.</li> </ul>
<b>Agency Mortgage-Backed</b>		
<b>Agency CMBS</b>		
<b>MUNICIPALS</b>		<ul style="list-style-type: none"> <li>Value remains in new issue taxable deals which continue to be driven by the surge in taxable issuance, an alternative to tax-exempt advance refundings.</li> </ul>

● Current outlook

○ Outlook one month ago



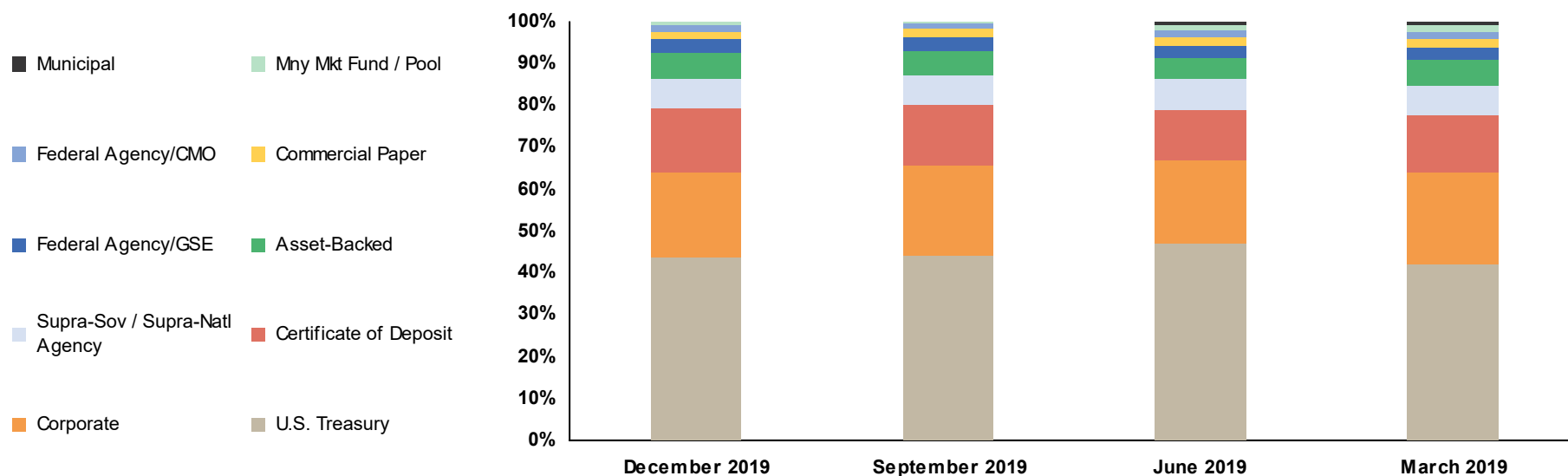
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## *Portfolio Details*



## Sector Allocation

Sector	December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	11.0	43.6%	11.1	44.1%	11.7	47.0%	10.3	41.9%
Corporate	5.2	20.3%	5.4	21.5%	4.9	19.6%	5.4	22.1%
Certificate of Deposit	3.8	15.2%	3.6	14.3%	3.1	12.3%	3.3	13.5%
Supra-Sov / Supra-Natl Agency	1.8	7.1%	1.8	7.1%	1.8	7.2%	1.8	7.2%
Asset-Backed	1.6	6.2%	1.5	6.0%	1.2	4.9%	1.5	6.1%
Federal Agency/GSE	0.8	3.1%	0.8	3.1%	0.8	3.1%	0.8	3.1%
Commercial Paper	0.5	2.0%	0.5	2.0%	0.5	2.0%	0.5	2.0%
Federal Agency/CMO	0.4	1.7%	0.4	1.4%	0.4	1.5%	0.4	1.6%
Mny Mkt Fund / Pool	0.1	0.6%	0.1	0.5%	0.3	1.3%	0.3	1.4%
Municipal	0.1	0.2%	0.0	0.0%	0.3	1.1%	0.3	1.1%
<b>Total</b>	<b>\$25.3</b>	<b>100.0%</b>	<b>\$25.1</b>	<b>100.0%</b>	<b>\$24.9</b>	<b>100.0%</b>	<b>\$24.5</b>	<b>100.0%</b>

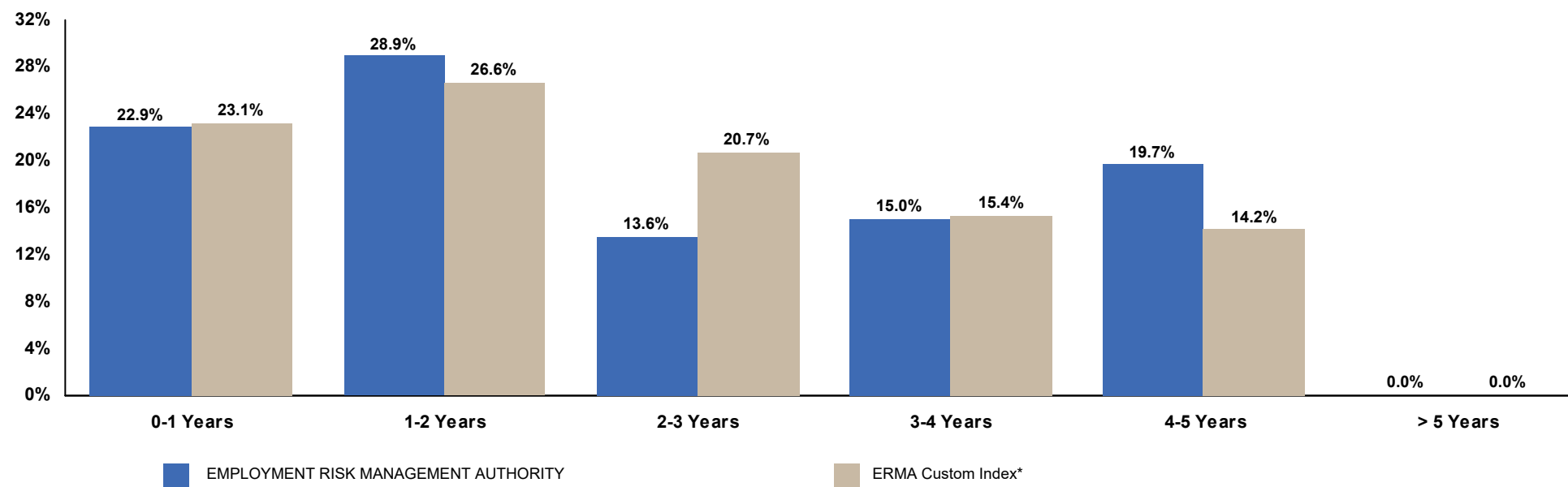


Detail may not add to total due to rounding.

## Maturity Distribution

As of December 31, 2019

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
EMPLOYMENT RISK MANAGEMENT AUTHORITY	1.76%	2.31 yrs	22.9%	28.9%	13.6%	15.0%	19.7%	0.0%
ERMA Custom Index*	1.63%	2.24 yrs	23.1%	26.6%	20.7%	15.4%	14.2%	0.0%



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.

**Issuer Distribution**  
**As of December 31, 2019**

Issuer	Market Value (\$)	% of Portfolio	Top 5 = 56.2%	Top 10 = 65.5%
UNITED STATES TREASURY	11,032,484	43.7%		
INTL BANK OF RECONSTRUCTION AND DEV	1,133,444	4.5%		
MITSUBISHI UFJ FINANCIAL GROUP INC	756,269	3.0%		
INTER-AMERICAN DEVELOPMENT BANK	653,478	2.6%		
FEDERAL HOME LOAN BANKS	620,331	2.5%		
SWEDBANK AB	501,366	2.0%		
CAPITAL ONE FINANCIAL CORP	498,465	2.0%		
TOYOTA MOTOR CORP	466,038	1.9%		
WESTPAC BANKING CORP	451,056	1.8%		
ROYAL BANK OF CANADA	434,420	1.7%		
BANK OF MONTREAL	427,890	1.7%		
AMERICAN EXPRESS CO	330,721	1.3%		
FREDDIE MAC	309,551	1.2%		
HONDA AUTO RECEIVABLES	280,254	1.1%		
MORGAN STANLEY	265,770	1.1%		
GOLDMAN SACHS GROUP INC	264,424	1.1%		
PNC FINANCIAL SERVICES GROUP	263,300	1.0%		
FANNIE MAE	257,432	1.0%		

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Details

Issuer	Market Value (\$)	% of Portfolio
JP MORGAN CHASE & CO	255,962	1.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	253,427	1.0%
BB&T CORPORATION	253,292	1.0%
NATIONAL RURAL UTILITIES CO FINANCE CORP	252,814	1.0%
AMERICAN HONDA FINANCE	252,798	1.0%
IBM CORP	252,288	1.0%
BANK OF AMERICA CO	251,732	1.0%
BANK OF NOVA SCOTIA	251,535	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	250,795	1.0%
UBS AG	250,507	1.0%
SKANDINAVISKA ENSKILDA BANKEN AB	250,473	1.0%
NORDEA BANK AB	250,407	1.0%
WAL-MART STORES INC	250,341	1.0%
CREDIT SUISSE GROUP	250,254	1.0%
DNB ASA	249,732	1.0%
VOLKSWAGEN AUTO LEASE TURST	249,288	1.0%
THE WALT DISNEY CORPORATION	248,103	1.0%
NISSAN AUTO RECEIVABLES	229,291	0.9%
DEERE & COMPANY	228,773	0.9%
APPLE INC	199,821	0.8%
CATERPILLAR INC	184,917	0.7%

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

## Portfolio Details

Issuer	Market Value (\$)	% of Portfolio
PACCAR FINANCIAL CORP	176,256	0.7%
PEPSICO INC	165,471	0.7%
CHARLES SCHWAB	163,121	0.7%
CAMP POOL	139,621	0.6%
HOME DEPOT INC	124,933	0.5%
HERSHEY COMPANY	101,693	0.4%
ALLY AUTO RECEIVABLES TRUST	99,896	0.4%
FORD CREDIT AUTO OWNER TRUST	72,989	0.3%
STATE STREET CORPORATION	70,145	0.3%
CHAFFEY CA JT UNION HS DIST	59,897	0.2%
HYUNDAI AUTO RECEIVABLES	13,953	0.1%
<b>Grand Total:</b>	<b>25,251,215</b>	<b>100.0%</b>

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## *Portfolio Transactions and Holdings*

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
10/1/19	10/4/19	250,000	92867XAE6	VWALT 2019-A A4	2.02%	8/20/24	249,990.60	2.02%	
10/2/19	10/4/19	450,000	912828T91	US TREASURY NOTES	1.62%	10/31/23	455,703.72	1.48%	
11/1/19	11/6/19	1,275,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	1,309,737.69	1.55%	
11/6/19	12/5/19	60,000	157411TK5	CHAFFEY UHSD, CA TXBL GO BONDS	2.10%	8/1/24	60,000.00	2.10%	
11/20/19	11/26/19	100,000	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	100,142.88	2.03%	
12/2/19	12/5/19	1,200,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	1,228,304.35	1.66%	
12/4/19	12/6/19	250,000	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/22	250,000.00	2.04%	
<b>Total BUY</b>		<b>3,585,000</b>					<b>3,653,879.24</b>		
<b>INTEREST</b>									
10/1/19	10/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
10/1/19	10/25/19	116,446	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	352.98		
10/1/19	10/25/19	105,980	3137FKK39	FHMS KP05 A	3.20%	7/1/23	282.88		
10/1/19	10/1/19	175,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	2,037.00		
10/1/19	10/1/19	250,000	46647PBB1	JPMORGAN CHASE & CO BONDS	3.20%	4/1/23	4,209.19		
10/15/19	10/15/19	29,050	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	41.15		
10/15/19	10/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
10/15/19	10/15/19	122,785	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	170.88		
10/15/19	10/15/19	40,691	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	58.66		
10/15/19	10/15/19	130,704	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	193.88		
10/15/19	10/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
10/15/19	10/15/19	32,779	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	35.24		
10/15/19	10/15/19	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	955.56		
10/15/19	10/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		

## 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)
10/15/19	10/15/19	165,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	1,650.00		
10/16/19	10/16/19	250,000	86565BPC9	SUMITOMO MITSUI BANK NY CERT DEPOS	3.39%	10/16/20	4,308.13		
10/17/19	10/17/19	350,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	3,412.50		
10/18/19	10/18/19	44,495	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	66.37		
10/18/19	10/18/19	44,117	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	44.48		
10/19/19	10/19/19	150,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	1,968.75		
10/19/19	10/19/19	25,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	328.13		
10/29/19	10/29/19	250,000	61746BDQ6	MORGAN STANLEY CORP NOTES	3.87%	4/29/24	4,843.75		
10/31/19	10/31/19	525,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	4,921.88		
10/31/19	10/31/19	600,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	5,624.99		
10/31/19	10/31/19	450,000	912828T91	US TREASURY NOTES	1.62%	10/31/23	3,656.25		
10/31/19	10/31/19	325,000	912828T91	US TREASURY NOTES	1.62%	10/31/23	2,640.63		
10/31/19	10/31/19	275,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	2,578.13		
10/31/19	10/31/19	550,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	3,437.50		
11/1/19	11/25/19	81,520	3137FKK39	FHMS KP05 A	3.20%	7/1/23	217.59		
11/1/19	11/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
11/1/19	11/25/19	112,517	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	340.02		
11/3/19	11/3/19	250,000	06406FAB9	BANK OF NEW YORK MELLON (CALLABLE) NOTES	2.05%	5/3/21	2,562.50		
11/5/19	11/5/19	150,000	0258M0EB1	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.25%	5/5/21	1,687.50		
11/9/19	11/9/19	500,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	5,312.50		
11/11/19	11/11/19	200,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	1,800.00		
11/13/19	11/13/19	125,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,281.25		
11/15/19	11/15/19	26,562	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	28.55		
11/15/19	11/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
11/15/19	11/15/19	105,821	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	147.27		
11/15/19	11/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
11/15/19	11/15/19	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	716.67		
11/15/19	11/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
11/15/19	11/15/19	113,969	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	169.06		
11/15/19	11/15/19	35,000	912828PC8	US TREASURY NOTES	2.62%	11/15/20	459.38		



## 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)
11/15/19	11/15/19	34,289	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	49.43		
11/15/19	11/15/19	100,000	427866BA5	HERSHEY COMPANY CORP NOTES	3.10%	5/15/21	1,550.00		
11/15/19	11/15/19	24,527	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	34.75		
11/17/19	11/17/19	50,000	06051GHH5	BANK OF AMERICA CORP NOTES	3.49%	5/17/22	874.75		
11/18/19	11/18/19	500,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	5,864.17		
11/18/19	11/18/19	40,762	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	60.80		
11/18/19	11/18/19	35,102	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	35.39		
11/19/19	11/19/19	70,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	682.50		
11/20/19	11/20/19	250,000	92867XAE6	VWALT 2019-A A4	2.02%	8/20/24	645.28		
11/21/19	11/21/19	160,000	808513AW5	CHARLES SCHWAB CORP NOTES	3.25%	5/21/21	2,600.00		
11/30/19	11/30/19	400,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	3,250.00		
11/30/19	11/30/19	325,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	2,640.63		
11/30/19	11/30/19	650,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	4,468.75		
11/30/19	11/30/19	375,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	3,046.88		
11/30/19	11/30/19	575,000	912828R69	US TREASURY N/B NOTES	1.62%	5/31/23	4,671.87		
12/1/19	12/25/19	130,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	334.75		
12/1/19	12/25/19	110,070	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	331.42		
12/1/19	12/25/19	100,000	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	174.33		
12/1/19	12/25/19	81,389	3137FKK39	FHMS KP05 A	3.20%	7/1/23	217.24		
12/5/19	12/5/19	125,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	1,125.00		
12/5/19	12/5/19	250,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	3,850.00		
12/7/19	12/7/19	425,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	6,885.00		
12/15/19	12/15/19	88,361	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	122.97		
12/15/19	12/15/19	225,000	65478NAD7	NAROT 2018-C A3	3.22%	6/15/23	603.75		
12/15/19	12/15/19	250,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	2,375.00		
12/15/19	12/15/19	20,324	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	28.79		
12/15/19	12/15/19	27,727	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	39.97		
12/15/19	12/15/19	500,000	14041NFU0	COMET 2019-A2 A2	1.72%	8/15/24	716.67		
12/15/19	12/15/19	97,694	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	144.91		
12/15/19	12/15/19	20,108	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	21.62		

## 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)
12/15/19	12/15/19	100,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	195.83		
12/15/19	12/15/19	225,000	43815AAC6	HAROT 2018-4 A3	3.16%	1/15/23	592.50		
12/18/19	12/18/19	26,229	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	26.45		
12/18/19	12/18/19	37,112	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	55.36		
12/20/19	12/20/19	250,000	92867XAE6	VWALT 2019-A A4	2.02%	8/20/24	420.83		
12/27/19	12/27/19	250,000	02665WCZ2	AMERICAN HONDA FINANCE CORP NOTE	2.40%	6/27/24	3,000.00		
12/31/19	12/31/19	550,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	5,843.75		
12/31/19	12/31/19	1,200,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	12,000.00		
12/31/19	12/31/19	1,275,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	12,750.00		
<b>Total INTEREST</b>		<b>19,021,130</b>					<b>148,326.20</b>		

## PAYDOWNS

10/1/19	10/25/19	24,460	3137FKK39	FHMS KP05 A	3.20%	7/1/23	24,460.46		0.00
10/1/19	10/25/19	3,929	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	3,928.93		0.00
10/15/19	10/15/19	6,403	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	6,402.51		0.00
10/15/19	10/15/19	4,523	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	4,523.16		0.00
10/15/19	10/15/19	16,964	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	16,964.21		0.00
10/15/19	10/15/19	16,735	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	16,734.87		0.00
10/15/19	10/15/19	6,217	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	6,216.90		0.00
10/18/19	10/18/19	3,733	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	3,733.01		0.00
10/18/19	10/18/19	9,016	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	9,015.58		0.00
11/1/19	11/25/19	131	3137FKK39	FHMS KP05 A	3.20%	7/1/23	131.06		0.00
11/1/19	11/25/19	2,447	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	2,446.90		0.00
11/15/19	11/15/19	16,275	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	16,275.25		0.00
11/15/19	11/15/19	17,460	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	17,459.73		0.00
11/15/19	11/15/19	4,203	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	4,202.64		0.00
11/15/19	11/15/19	6,562	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	6,561.97		0.00
11/15/19	11/15/19	6,454	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	6,454.33		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)
11/18/19	11/18/19	8,873	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	8,872.59		0.00
11/18/19	11/18/19	3,650	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	3,650.26		0.00
12/1/19	12/25/19	157	3137FQ3V3	FHMS KJ27 A1	2.09%	7/25/24	157.18		0.00
12/1/19	12/25/19	5,693	3137FKK39	FHMS KP05 A	3.20%	7/1/23	5,692.58		0.00
12/1/19	12/25/19	3,669	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	3,669.27		0.00
12/15/19	12/15/19	5,905	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	5,905.34		0.00
12/15/19	12/15/19	14,338	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	14,338.21		0.00
12/15/19	12/15/19	6,012	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	6,011.84		0.00
12/15/19	12/15/19	6,146	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	6,145.83		0.00
12/15/19	12/15/19	15,323	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	15,322.83		0.00
12/15/19	12/15/19	3,733	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	3,733.33		0.00
12/18/19	12/18/19	3,450	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	3,449.94		0.00
12/18/19	12/18/19	8,303	43814RAC0	HONDA ABS 2016-4 A3	1.21%	12/18/20	8,303.48		0.00
<b>Total PAYDOWNS</b>		<b>230,764</b>					<b>230,764.19</b>		<b>0.00</b>

## SELL

10/1/19	10/4/19	250,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	253,205.69	1.63%	(1,710.87)
10/2/19	10/4/19	85,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	85,866.02	1.56%	(555.95)
10/2/19	10/4/19	265,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	267,699.94	1.56%	1,878.19
11/1/19	11/6/19	850,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	871,937.16	1.53%	37,914.59
11/1/19	11/6/19	225,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	230,806.90	1.53%	9,049.14
11/1/19	11/6/19	50,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	51,290.42	1.53%	1,892.52
12/2/19	12/5/19	700,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	716,886.55	1.62%	18,383.50
12/2/19	12/5/19	450,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	460,855.64	1.62%	15,311.38
12/2/19	12/5/19	100,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	102,412.36	1.62%	2,756.38
12/4/19	12/6/19	250,000	172967LF6	CITIGROUP INC (CALLABLE) CORP NOTE	2.45%	1/10/20	252,489.03	2.40%	8.24

## 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)
Total SELL		3,225,000					3,293,449.71		84,927.12

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	5/3/2016	5/6/2016	37,171.09	1.21	118.63	35,427.02	35,293.93
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	3/15/2017	3/17/2017	633,115.24	2.02	781.42	644,172.67	648,019.45
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	7/6/2017	7/11/2017	905,449.22	1.85	6,082.42	902,241.13	905,941.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	6/27/2017	6/29/2017	1,111,988.28	1.73	7,434.07	1,104,883.26	1,107,262.20
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	410,000.00	AA+	Aaa	12/1/2016	12/5/2016	411,217.19	1.93	2,770.88	410,441.60	412,706.82
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	8/30/2017	8/31/2017	541,320.31	1.64	1,171.02	546,117.13	546,691.20
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	525,000.00	AA+	Aaa	7/3/2018	7/6/2018	509,496.09	2.69	1,676.68	515,359.79	528,404.10
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	275,000.00	AA+	Aaa	1/3/2018	1/4/2018	271,508.79	2.18	878.26	273,079.08	276,783.10
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	600,000.00	AA+	Aaa	5/3/2018	5/7/2018	580,828.13	2.73	1,916.21	588,534.96	603,890.40
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	450,000.00	AA+	Aaa	9/5/2018	9/7/2018	431,121.09	2.76	2,762.06	437,206.96	450,422.10
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	550,000.00	AA+	Aaa	1/30/2019	1/31/2019	541,277.35	2.55	32.11	543,248.12	558,378.70
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	325,000.00	AA+	Aaa	4/1/2019	4/5/2019	316,151.37	2.32	461.75	317,672.60	325,012.68
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	375,000.00	AA+	Aaa	3/4/2019	3/6/2019	361,391.60	2.53	532.79	363,930.50	375,014.63
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	5/1/2019	5/3/2019	390,375.00	2.25	568.31	391,887.21	400,015.60
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	6/3/2019	6/7/2019	570,485.35	1.83	816.94	571,111.03	575,022.43

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	325,000.00	AA+	Aaa	7/1/2019	7/3/2019	322,854.49	1.78	899.55	323,095.00	324,708.15
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	450,000.00	AA+	Aaa	10/2/2019	10/4/2019	452,583.98	1.48	1,245.54	452,435.05	449,595.90
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,275,000.00	AA+	Aaa	11/1/2019	11/6/2019	1,300,798.83	1.55	70.05	1,299,993.14	1,292,680.43
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,200,000.00	AA+	Aaa	12/2/2019	12/5/2019	1,218,000.00	1.66	65.93	1,217,727.43	1,216,640.40
<b>Security Type Sub-Total</b>		<b>10,970,000.00</b>					<b>10,907,133.40</b>	<b>1.98</b>	<b>30,284.62</b>	<b>10,938,563.68</b>	<b>11,032,484.02</b>
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	9/12/2017	9/19/2017	623,500.00	1.64	2,953.98	624,642.60	625,131.25
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/2/2017	10/10/2017	504,634.55	1.81	1,534.72	501,313.32	501,668.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	150,000.00	AAA	Aaa	4/12/2018	4/19/2018	149,670.00	2.70	787.50	149,853.82	151,809.60
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	500,000.00	AAA	Aaa	7/18/2018	7/25/2018	498,830.00	2.83	6,034.72	499,377.62	508,312.50
<b>Security Type Sub-Total</b>		<b>1,775,000.00</b>					<b>1,776,634.55</b>	<b>2.12</b>	<b>11,310.92</b>	<b>1,775,187.36</b>	<b>1,786,921.35</b>
<b>Municipal Bond / Note</b>											
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	60,000.00	AA-	Aa1	11/6/2019	12/5/2019	60,000.00	2.10	91.04	60,000.00	59,896.80
<b>Security Type Sub-Total</b>		<b>60,000.00</b>					<b>60,000.00</b>	<b>2.10</b>	<b>91.04</b>	<b>60,000.00</b>	<b>59,896.80</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	106,400.81	AA+	Aaa	4/11/2018	4/30/2018	108,517.22	2.27	315.66	107,435.72	107,461.21
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	130,000.00	AA+	Aaa	4/4/2018	4/9/2018	131,107.03	2.61	334.75	130,592.09	132,739.96
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	75,696.28	AA+	Aaa	12/7/2018	12/17/2018	75,696.05	3.11	202.05	75,696.05	77,397.77
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	99,842.82	AA+	Aaa	11/20/2019	11/26/2019	99,840.42	2.03	174.06	99,840.42	99,413.40
<b>Security Type Sub-Total</b>		<b>411,939.91</b>					<b>415,160.72</b>	<b>2.48</b>	<b>1,026.52</b>	<b>413,564.28</b>	<b>417,012.34</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	2/24/2017	2/28/2017	149,904.00	1.52	768.75	149,994.84	149,971.05
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	625,000.00	AA+	Aaa	7/14/2016	7/15/2016	621,199.38	1.25	3,261.72	623,806.51	620,330.63
<b>Security Type Sub-Total</b>		<b>775,000.00</b>					<b>771,103.38</b>	<b>1.30</b>	<b>4,030.47</b>	<b>773,801.35</b>	<b>770,301.68</b>
<b>Corporate Note</b>											
AMER EXP CREDIT NT (CALLED OMD 03/03/20) DTD 03/03/2017 2.200% 02/03/2020	0258M0EE5	180,000.00	A-	A2	2/28/2017	3/3/2017	179,812.80	2.24	1,298.00	179,988.95	179,997.66
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	4/11/2017	4/17/2017	349,839.00	1.97	1,402.92	349,983.81	349,992.65
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	5/4/2017	5/11/2017	199,796.00	1.84	500.00	199,974.88	199,820.60
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	125,000.00	A	A2	5/24/2017	6/5/2017	124,927.50	1.82	162.50	124,989.43	124,933.00

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	A	A3	9/5/2017	9/7/2017	184,844.60	1.88	1,112.31	184,964.17	184,916.75
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/6/2017	11/13/2017	124,988.75	2.05	341.67	124,996.68	125,208.00
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/2017	10/20/2017	249,637.50	1.95	211.11	249,887.05	250,341.25
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A	A2	2/1/2018	2/6/2018	249,877.50	2.67	2,686.81	249,954.11	252,288.00
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	4/12/2018	4/19/2018	149,365.50	3.05	1,280.83	149,731.22	151,688.25
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	2/21/2018	2/26/2018	99,889.00	2.94	853.89	99,954.61	101,125.50
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/5/2017	10/10/2017	164,967.00	2.01	696.67	164,987.55	165,470.75
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	25,000.00	A-	A2	11/1/2017	11/3/2017	25,194.00	2.39	131.25	25,074.76	25,229.05
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	5/17/2016	5/20/2016	250,532.50	2.00	825.69	250,143.82	250,795.25
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	5/25/2016	5/31/2016	149,721.00	2.29	525.00	149,921.12	150,722.85
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	100,000.00	A	A1	5/3/2018	5/10/2018	99,931.00	3.12	396.11	99,967.65	101,692.90
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	5/19/2016	5/24/2016	69,735.40	2.03	159.25	69,923.95	70,145.11
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	160,000.00	A	A2	5/17/2018	5/22/2018	159,995.20	3.25	577.78	159,997.67	163,121.28
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A2	9/13/2017	9/18/2017	175,000.00	2.33	1,018.50	175,000.00	175,498.58



## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	3/10/2017	3/15/2017	224,007.75	2.75	2,898.44	224,570.62	228,773.03
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	50,000.00	A+	A1	2/22/2019	3/1/2019	49,956.00	2.88	475.00	49,967.86	51,047.50
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	50,000.00	A-	A2	5/14/2018	5/17/2018	50,000.00	3.50	213.83	50,000.00	51,004.55
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	250,000.00	A-	A2	3/15/2019	3/22/2019	250,000.00	3.21	2,004.38	250,000.00	255,961.75
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	250,000.00	A-	A3	2/12/2019	2/15/2019	251,780.00	3.34	3,840.28	251,487.64	263,300.00
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	250,000.00	BBB+	A3	7/19/2019	7/23/2019	264,322.50	2.59	1,668.40	263,080.94	265,769.50
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	250,000.00	A	A2	7/11/2019	7/15/2019	248,760.00	2.51	66.67	248,870.71	252,798.00
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	250,000.00	BBB+	A3	7/8/2019	7/11/2019	261,645.00	2.84	4,625.35	260,612.47	264,424.25
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	250,000.00	A-	A3	8/1/2019	8/5/2019	250,415.00	2.46	2,638.89	250,383.72	253,292.00
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	250,000.00	A	A2	9/3/2019	9/6/2019	248,980.00	1.84	1,397.57	249,042.54	248,103.00
<b>Security Type Sub-Total</b>		<b>5,085,000.00</b>					<b>5,107,920.50</b>	<b>2.45</b>	<b>34,009.10</b>	<b>5,107,457.93</b>	<b>5,157,461.01</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	500,000.00	A-1	P-1	4/18/2019	4/18/2019	490,175.00	2.67	0.00	499,563.34	499,674.00
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>490,175.00</b>	<b>2.67</b>	<b>0.00</b>	<b>499,563.34</b>	<b>499,674.00</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A-1	P-1	2/7/2018	2/8/2018	250,000.00	2.67	12,663.96	250,000.00	250,253.75
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A-1	P-1	3/2/2018	3/6/2018	250,000.00	2.93	2,416.67	250,000.00	250,507.25
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	250,000.00	A-1	P-1	6/5/2018	6/7/2018	249,905.00	3.10	556.11	249,979.08	251,534.75
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	425,000.00	A-1	P-1	8/1/2018	8/3/2018	425,000.00	3.23	5,611.30	425,000.00	427,890.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	A-1+	P-1	8/3/2017	8/7/2017	450,000.00	2.05	3,690.00	450,000.00	451,055.70
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	250,000.00	A-1	P-1	10/16/2018	10/18/2018	249,660.00	3.46	1,812.71	249,912.56	253,427.00
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	A-1+	P-1	11/16/2017	11/17/2017	500,000.00	2.30	1,387.22	500,000.00	501,365.50
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	425,000.00	AA-	Aa2	6/7/2018	6/8/2018	425,000.00	3.24	918.00	425,000.00	434,420.13
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	250,000.00	A	A1	2/27/2019	2/28/2019	250,000.00	3.01	6,353.19	250,000.00	256,595.00
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	250,000.00	A+	Aa2	8/29/2019	9/3/2019	250,000.00	1.88	1,550.00	250,000.00	250,472.75
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	250,000.00	AA-	Aa3	8/27/2019	8/29/2019	250,000.00	1.87	1,605.90	250,000.00	250,407.25
DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	250,000.00	AA-	Aa2	12/4/2019	12/6/2019	250,000.00	2.04	382.50	250,000.00	249,731.50
<b>Security Type Sub-Total</b>		<b>3,800,000.00</b>					<b>3,799,565.00</b>	<b>2.65</b>	<b>38,947.56</b>	<b>3,799,891.64</b>	<b>3,827,660.58</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security</b>											
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	17,925.56	AAA	NR	10/18/2016	10/25/2016	17,924.40	1.04	7.83	17,925.34	17,911.54
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	21,714.84	AAA	Aaa	3/7/2017	3/15/2017	21,712.29	1.74	16.70	21,714.06	21,704.51
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	13,962.12	AAA	Aaa	9/14/2016	9/21/2016	13,960.25	1.30	8.00	13,961.69	13,952.64
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	73,038.09	NR	Aaa	1/18/2017	1/25/2017	73,037.82	1.67	54.21	73,038.02	72,989.42
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	16,590.72	NR	Aaa	1/24/2017	1/31/2017	16,589.28	1.70	12.54	16,590.29	16,579.80
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	83,356.04	NR	Aaa	3/21/2017	3/29/2017	83,346.21	1.79	65.94	83,352.74	83,315.82
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	33,661.82	AAA	NR	9/25/2017	9/29/2017	33,658.17	1.94	21.76	33,660.18	33,646.37
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	94,094.66	AAA	Aaa	1/23/2018	1/31/2018	94,093.58	2.35	98.28	94,094.08	94,340.65
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	225,000.00	AAA	Aaa	11/20/2018	11/28/2018	224,966.36	3.17	316.00	224,974.87	228,696.19
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	225,000.00	AAA	Aaa	12/4/2018	12/12/2018	224,956.89	3.53	322.00	224,966.69	229,291.45
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	500,000.00	AAA	NR	8/28/2019	9/5/2019	499,874.10	1.73	382.22	499,882.79	498,465.30
VWALT 2019-A A4 DTD 10/04/2019 2.020% 08/20/2024	92867XAE6	250,000.00	AAA	NR	10/1/2019	10/4/2019	249,990.60	2.02	154.31	249,991.21	249,287.93
<b>Security Type Sub-Total</b>		<b>1,554,343.85</b>					<b>1,554,109.95</b>	<b>2.28</b>	<b>1,459.79</b>	<b>1,554,151.96</b>	<b>1,560,181.62</b>
<b>Managed Account Sub Total</b>		<b>24,931,283.76</b>					<b>24,881,802.50</b>	<b>2.21</b>	<b>121,160.02</b>	<b>24,922,181.54</b>	<b>25,111,593.40</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		139,621.29	AAAm	NR			139,621.29		0.00	139,621.29	139,621.29

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Money Market Sub Total		139,621.29					139,621.29		0.00	139,621.29	139,621.29
Securities Sub-Total		\$25,070,905.05					\$25,021,423.79	2.21%	\$121,160.02	\$25,061,802.83	\$25,251,214.69
Accrued Interest											\$121,160.02
Total Investments											\$25,372,374.71

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

## GLOSSARY

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

## GLOSSARY

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



**FINANCIAL MATTERS**

**SUBJECT: Annual Review and Approval of Investment Policy**

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**BACKGROUND AND STATUS:**

ERMA's Investment Policy is reviewed on an annual basis and changes were most recently approved in February 2019.

The Policy has been reviewed by ERMA's investment manager, Lesley Murphy, Senior Managing Consultant with PFM Asset Management LLC (PFM). Ms. Murphy recommends one change to the Policy, as detailed in her memorandum to Alana Theiss, Finance Manager. Both the memorandum and the proposed amended Investment Policy are attached for the Board's review.

It should be noted the Investment Policy contains a provision stating the Treasurer is authorized by ERMA to manage the investment needs and the delegation of authority shall be made annually. This is accomplished through the annual approval of the Investment Policy.

Staff and ERMA's Treasurer, Stuart Schillinger, have reviewed the proposed amendments to the Policy and are in agreement as to the recommended changes.

Ms. Murphy will be in attendance to review the recommended changes with the Board and answer any questions.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the Investment Policy, as presented.*

**REFERENCE MATERIALS ATTACHED:**

- Memorandum from Lesley Murphy, PFM, dated January 15, 2020
- Proposed amendments to Investment Policy (redline/strikeout)



January 15, 2020

## Memorandum

To: Alana Theiss, CPA, Finance Manager, Sedgwick  
*Employment Risk Management Authority*

From: Lesley Murphy, Senior Managing Consultant  
*PFM Asset Management LLC ("PFM")*

Re: Annual Investment Policy Review

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We have completed our annual review of the Investment Policy (the "Policy") for the Employment Risk Management Authority (the "Authority"). The Policy remains in compliance with the sections of the California Government Code (the "Code") that govern the investment of public funds, and there have been no recent changes to the relevant Code statutes that would require the Authority to update its Policy. This year, we are recommending only one minor change to reflect an update regarding the State of California Local Agency Investment Fund ("LAIF").

### **Eligible Securities and Criteria: Subsection J – State of California Local Agency Investment Fund ("LAIF")**

We recommend that the Authority remove the reference to LAIF's statutory deposit limit of \$65 million as this limit was recently increased to \$75 million and may change again in the future.

### *Informational Item: Assembly Bill 857*

We also wanted to make the Authority aware of Assembly Bill 857 (AB 857), which passed the State Senate and Assembly on September 13 and September 9, respectively, and was signed by the Governor on October 2, 2019. This legislation allows local agencies to create their own public banks. The expected change to the Code section 53601 will be to add, as a permitted investment for local agencies, "(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600," which will provide a means to fund these banks. We do not recommend that the Authority make any changes to the Policy in light of this legislation at this time. We will continue to monitor any ongoing developments in this area, and if, at a later date, we feel it would be prudent for the Authority to add obligations of these public banks to its listing of permitted investment instruments, we will make a formal recommendation at that time.

Please contact us should you have any questions.

## 6.2. INVESTMENT POLICY

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### EMPLOYMENT RISK MANAGEMENT AUTHORITY INVESTMENT POLICY Revised February ~~2019~~2020

#### SCOPE

This investment policy applies to activities of the Employment Risk Management Authority (Authority) with regard to investing the Authority's financial assets.

#### OBJECTIVES

It is the objective of this policy to provide a system which will accurately monitor and forecast revenues and expenditures so that the Authority can invest funds to the fullest extent possible. Funds of the Authority will be invested in accordance with all applicable California Government Code sections and with sound treasury management principles. The primary objectives, in order of priority, of the Authority's investment program shall be:

1. Safety. Safety of principal is the foremost objective of the investment program. The Authority's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
2. Liquidity. The Authority's investments will remain sufficiently liquid to enable the Authority to meet its reasonably anticipated cash flow requirements.
3. Yield. The Authority seeks to attain market rates of return on its investments, consistent with constraints imposed by law, its safety objectives, and its cash flow consideration.

#### DELEGATION OF AUTHORITY

The Treasurer is authorized by the Authority's Board of Directors to manage the investment needs of the Authority. This delegation of authority will be made annually. The Treasurer may delegate his/her investment decision-making and execution authority to an investment advisor. The advisor shall follow the investment policy, herein stated, and such other written instructions as are provided.

The Treasurer and the delegated staff acting in accordance with this Investment Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## PRUDENCE

The Treasurer is a fiduciary and shall manage the investment portfolio of the Authority under the Prudent Investor Standard which states, in essence, that “a trustee shall act with care, skill, prudence, and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.” The application of this rule leaves open a broad spectrum of investment opportunities as long as the investment is deemed prudent and is permissible under currently effective legislation of the State of California and this policy.

## ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## INTERNAL CONTROLS

The Treasurer shall establish a system of internal controls to regulate the activities of internal staff and any external investment advisors, if any. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer.

## REPORTING

The Treasurer shall submit a monthly report of investment transactions, if any, that is in accordance with California Government Code §53607. In addition, on a regular basis, the Treasurer shall provide the governing body with a report that shall disclose, at a minimum, the following information about the risk characteristics of Authority’s portfolio: A listing of Authority assets showing par value, cost, and market value of each security, type of investment, issuer name, credit quality, coupon rate, and yield to maturity at cost. This report shall also include a statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution, and a statement that the Authority has adequate funds to meet its cash flow requirements for the next six months.

These reports shall also contain any additional information as is requested by the governing body.

## DELIVERY AND SAFEKEEPING

All trades, where applicable, will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institutions prior to the release of funds. All securities in the Authority’s portfolio shall be held in third party custody in the Authority’s name and control by a third party bank trust department, acting as agent for Authority under the terms of a custody agreement executed by the bank and the Authority. The only exception to the

foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Written evidence of each of these investments will be held by the Treasurer.

#### AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, when practical. It shall be the Authority's policy to purchase securities only from those authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws

The Treasurer shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. At a minimum, the firm must be financially sound and have been in business a minimum of three years. In addition, the firms must provide: proof of Financial Industry Regulatory Authority ("FINRA") registration, trading resolutions, proof of state registration or exemption, and certificate of having read the Authority's investment policy. If an external investment advisor is authorized to conduct investment transactions on the Authority's behalf, the investment advisor may use their own list of approved broker/dealers and financial institutions for investment purposes.

#### ELIGIBLE SECURITIES AND CRITERIA

Security purchases and holdings must be maintained within statutory limits imposed by the California Government Code subject to any additional limitations imposed by this Investment Policy. In the event an apparent discrepancy is found between this Investment Policy and the Government Code, the more restrictive parameters will take precedence.

The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

Percentage holding limits and minimum credit rating requirements listed in this section apply at the time the security is purchased. In the event a security held by the Authority is subject to a rating change that brings it below the minimum credit ratings specified in this Policy, the Authority shall require investment advisors engaged in the investment of Authority funds to notify Authority staff of the downgrade, and provide a plan of action to address the downgrade. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security.

Except as provided below, no more than five percent (5%) of the Authority's portfolio may be invested in any one institution, regardless of sector. The types of investments which are excluded from this limitation are:

- United States Treasury and federal agency obligations,
- Obligations of the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and the Inter-American Development Bank (IADB), and

- Money market funds and local government investment pools, including LAIF and CAMP.
- A. **U.S. Treasury Issues.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
- B. **Federal Agency Securities.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 percent of the portfolio.
- C. **Municipal Debt Issues.** Registered treasury notes or bonds of this or any of the other 49 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of “A”, or its equivalent or better, by a Nationally Recognized Statistical Rating Organization (“NRSRO”).

- D. **Repurchase Agreements.** Repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The Authority may enter into repurchase agreements with primary government securities dealers rated in a rating category of “AA” or its equivalent or better by an NRSRO. Counterparties should also have (i) a short-term credit rating of at least A-1/P-1; (ii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in A and B above, will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the authority’s custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the Authority for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The Authority shall have properly executed a Master Repurchase Agreement with each counter party with which it enters into repurchase agreements.

A maximum of 25 percent of the portfolio may be invested in this category.

- E. **Commercial Paper.** Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars (\$500,000,000). (C) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher, by an NRSRO.

(2) (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond. (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

- F. **Banker’s Acceptances.** Banker's acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of banker’s acceptances may not exceed 180 days maturity. Eligible banker’s acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by an NRSRO. Investments in banker’s acceptances are further limited to 40% of the portfolio.

- G. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Eligible investment shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

- H. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable certificates of deposit shall be rated in a rating category of “A” for long-term, “A-1” for short-term, their equivalent or better by an NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

- I. **Time Certificates of Deposit.** Time Certificates of Deposit (TCDs) placed with

commercial banks and savings and loans with offices in California. The amount on deposit shall not exceed the shareholder's equity in the financial institution. To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. TCDs are required to be collateralized as specified under Government Code Section 53630 et. seq. The Treasurer, at his discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. The Authority shall have a signed agreement with the depository per Government Code Section 53649. TCDs may not exceed 1 year in maturity. A maximum of 20 percent of the portfolio may be invested in this category.

- J. **State of California Local Agency Investment Fund ("LAIF").** The Authority may invest a portion of its portfolio in LAIF, subject to the statutory deposit limit imposed by LAIF, ~~which is currently \$65 million~~. Whenever the Authority has any funds invested in LAIF, a copy of LAIF's Answer Book shall be maintained on file for due diligence. In addition, the Treasurer should review the LAIF's summary portfolio holdings on a quarterly basis.
- K. **Money Market Mutual Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) that invests solely in U.S. Treasuries and Federal Agency obligations and repurchase agreements relating to such obligations.

The Authority may invest in shares of beneficial interest issued by company shall have met either of the following criteria: (1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (2) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. A maximum of 20 percent of the portfolio may be invested in this category. Further, no more than 10 percent of the portfolio may be invested in the shares of any one money market fund.

- L. **Local Government Investment Pools.** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) through (q), inclusive, of Government Code Section 53601. For due diligence, the Treasurer shall maintain on file a copy of the pool's current Information Statement. Investments are limited to pools that seek to maintain a stable Net Asset Value. There is no limitation as to the percentage of the portfolio that may be invested in this category.
- M. **United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction**



**and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB)** (also referred to as “U.S. Instrumentalities”), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO. Purchases of these obligations shall not exceed 30 percent of the portfolio.

- N. **A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.** Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision may not exceed 20 percent of the portfolio.

### PROHIBITED INVESTMENTS

Any investment in a security not specifically listed in the Eligible Securities and Criteria section above, but otherwise permitted by the Government Code, is prohibited without the prior approval of the Board. As provided in California Government Code Section 53601.6, the Authority shall not invest any funds in inverse floaters, range notes, mortgage derived, or interest-only strips or in any security that could result in zero interest accrual if held to maturity.

### MAXIMUM MATURITIES

It is the objective of the Authority to accurately monitor and forecast revenues and expenditures so that the Authority can invest funds to the fullest extent possible. Funds of the Authority will be invested in accordance with sound treasury management principles.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

### PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

### POLICY REVISION

This policy can be revised whenever necessary and will be reviewed by the Board annually at a public meeting.

## Appendix A

### Glossary

Asset-backed securities (ABS): As referenced in item N under the “Eligible Securities and Criteria” section of this policy, ABS are securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptances: A bankers' acceptance is a time draft drawn on and accepted by a bank for payment of the shipment or storage of merchandise. The initial obligation of payment rests with the drawer, but the bank substitutes its credit standing for that of the borrower and assumes the obligation to pay face value at maturity.

Broker-Dealer: A broker-dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificate of Deposit (CDs): CDs are receipts for funds deposited in a Bank or Savings and Loan Association for a specified period of time at a specific rate of interest. The first \$250,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC) if with a bank. Nonnegotiable CDs with a face value in excess of \$250,000 can be collateralized by Treasury Department Securities, which must be at least 110% of the face value of the CDs in excess of the first \$250,000, or by the first mortgage loans which must be at least 150% of the face value of the CD balance in excess of the first \$250,000. Negotiable CDs are marketable securities; they are not collateralized.

Collateral: Collateral is securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper: Commercial paper is a short-term unsecured obligation issued by both financial companies and nonfinancial companies to help satisfy their short-term funding needs.

Issuer: Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity: The ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF): LAIF is a voluntary program offering local agencies the opportunity to participate in a multi-billion dollar portfolio. LAIF is part of the State of California's Pooled Money Investment Account (PMIA). Oversight of the PMIA is provided by a board whose members include the State Treasurer, Director of Finance, and the State Controller. All securities are purchased under the authority of the California Government Code.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Notes (MTNs): MTNs are unsecured promissory notes issued by corporations and financial institutions. MTNs are typically issued through a shelf registration process filed with the SEC, with original maturities of one to five years. MTNs offer higher yields than Treasury or agency securities because of the additional risk of purchasing unsecured corporate debt for a period of years. Credit quality varies with the issuer, and MTNs are typically rated by an NRSRO.

Money Market Funds: Pooled investment funds, which legally are shares of beneficial interest issued by diversified management companies registered with the Securities and Exchange Commission. Money market funds operate under strict guidelines regarding maximum maturities and diversification requirements.

Principal: The original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Repurchase Agreement: Repurchase Agreements are a contractual arrangement between a financial institution or dealer and an investor. This agreement normally can run for one or more days. The investor puts up his funds for a certain number of days at a stated yield. In return, he takes a given block of securities as collateral. At maturity, the securities are repurchased and the funds repaid plus interest.

U.S. Government Agency Issues: U. S. Government Agency issues include securities which fall into these categories: 1) Issues which are unconditionally backed by the full faith and credit of the United States, 2) Issues which are conditionally backed by the full faith and credit of the United States, and 3) Issues which are not backed by the full faith and credit of the United States.

Issues which are unconditionally backed by the full faith and credit of the United States include the Small Business Administration (SBA) and the General Services Administration (GSA).

Issues which are not backed by the full faith and credit of the United States include the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Farm Credit System, Banks for Cooperation (Co-ops), Federal Lands Banks (FLB), Federal Immediate Credit Banks (FICB), and the Federal Home Loan Mortgage Corporation (FHLMC).

While all of the above issues are not unconditionally backed by the full faith and credit of the United States, they do in fact have de facto backing from the federal government, and it would be most unlikely that the government would let any of these agencies default on its obligations.

U.S. Instrumentalities: U.S. Instrumentalities are formed by two or more central governments (one of which must be the United States) with the purpose of promoting economic development for the member countries. U.S. Instrumentalities finance their activities by issuing debt. Examples of U.S. Instrumentalities include the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the Inter-American Development Bank (IADB). Similarly to government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating.

U.S. Treasuries:

U.S. Treasury Bills: U.S. Treasury bills, commonly referred to as T-Bills, are short-term marketable securities sold as obligations of the U.S. Government. They are offered in three-month, six-month, and one-year maturities. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity.

U.S. Treasury Notes: U.S. Treasury Notes are marketable, interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years. Interest is paid semi-annually.

U.S. Treasury Bonds: U.S. Treasury Bonds are the same as U.S. Treasury Notes, except they have original maturities of ten years or longer.

Yield to Maturity: Yield to Maturity (YTM) is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

**COVERAGE MATTERS**

**SUBJECT: Proposed Revisions to the Memorandum of Coverage for the 2020/21 Program Year, Effective July 1, 2020**

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**BACKGROUND AND STATUS:**

As part of the annual review of ERMA’s governing documents, staff and Doug Alliston, Board Counsel, reviewed the Memorandum of Coverage. Following is a summary of the recommended amendments for discussion by the Board:

<b>MEMORANDUM OF COVERAGE</b>	<b>PROPOSED CHANGE/DISCUSSION ITEM</b>
Page 3	Clarification regarding “Ultimate Net Loss” as defined, to include Damages and Defense Costs
Page 3	Amendments to definition of “ <i>Claim</i> ” under Section II – Definitions
Page 14	Amendments regarding Litigation Manager Claim discretion.

The Coverage Committee, comprised of President John Gillison, Vice President Truc Dever, Treasurer Stuart Schillinger and Board member Scott Ellerbrock, met on January 8, 2020, to review the recommended revisions.

Mr. Alliston will review with the Board the recommended amendments to ERMA’s 2020/21 Memorandum of Coverage.

**RECOMMENDATION:**

*Provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- Memorandum of Coverage for the 2020/21 Program Year (redline/strikeout)

**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
(ERMA)**

**MEMORANDUM OF COVERAGE**

FOR THE 20~~19~~/20/21 PROGRAM YEAR

EFFECTIVE JULY 1, 20~~19~~20

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## 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* ~~these sums~~ on behalf of the *Covered Party* ~~for the Ultimate Net Loss, less the Retained Limit, that the Covered Party becomes legally obligated to pay as Damages because of due to a Claim against the Covered Party because of a Wrongful Employment Practice, as that term is herein defined and to which this Memorandum applies, caused by an Occurrence during the Coverage Period, except as otherwise excluded.~~

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 that an *Employee* of the *Covered Party* alleges injury, harm, or invasion of rights due to a *Wrongful Employment Practice* (*Wrongful Termination, Discrimination, Harassment, Retaliation, or Workplace Tort*) or a series of *Wrongful Employment Practices*. "Claim" means: (a) a written demand or notice which is made or brought by an *Employee*, or an oral demand or notice by an *Employee* which is memorialized by the *Covered Party* in writing within fifteen (15) days of the oral demand or notice, and (b) seeks or alleges *Damages* or alleges other injury, harm, or invasion of rights, and (c) which contains an allegation that a *Wrongful Employment Practice* or a series of *Wrongful Employment Practices* has been committed during the *Coverage Period*. *Claim* includes a civil action, an administrative proceeding or charge commenced before the Equal Employment Opportunity Commission or similar state or other agency having jurisdiction over the *Covered Party*, or an alternative dispute resolution proceeding, or action brought by a person or entity acting on

**Commented [DA1]:** Ultimate Net Loss is defined to include Damages and Defense Costs. It makes no sense to say that ERMA will pay Ultimate Net Loss the Covered Party is legally obligated to pay as Damages. The Covered Party does not become legally obligated to pay Defense Costs as Damages.

**Commented [DA2]:** The definition of Occurrence includes the Coverage Period requirement so there's no reason to refer here to an Occurrence during the Coverage Period.



behalf of an *Employee of the Covered Party*.

|

*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 written demand or 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.

(D) 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 ~~d~~*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 ~~D~~*damages* owing under an express contract of employment or an express obligation to make severance payments in the event of termination of employment.

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*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 an act, policy, or course of conduct by a *Covered Party* during the *Coverage Period* which results in a *Claim* for *Wrongful Employment Practice* during the *Coverage Period* if the first act, policy or course of conduct occurred during the *Coverage Period*.

All allegations by the same *Employee* in the same *Claim* shall be considered one *Occurrence* for the purpose of the *Limit of Coverage*, and such *Occurrence* shall be deemed to exist on the date of the alleged first act, policy, or conduct, in the event of an allegation of multiple acts, policies, or course of conduct.

Regardless of the number of *Covered Parties*, all *Claims* by all *Employees* arising from the same act, policy, or course of conduct shall be considered as one *Occurrence* for the purpose of the *Limit of Coverage*.

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.

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

9 *“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.

11.

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

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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.

## **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.

(4)

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)

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~~strongly disfavored, since the Covered Party is responsible for understanding the definition of a Claim and adhering to the reporting requirements set forth herein.~~

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- (4)(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.

- (4)(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.

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

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

#### PENALTY STRUCTURE

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

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 *Covered Party's Retained Limit* shall be doubled for such claim. Proof of substantial compliance shall be provided at the request of the *Authority* and in the form set forth in Resolution No. 2010-2, 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 \_

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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.

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The Board will take action on any appeal within sixty (60) c a l e n d a r 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) c a l e n d a r 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. 7/1/2019~~20~~, forms a part of ERMA 2019~~20~~-1EPL. 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
South County Area Transit	\$50,000
Tahoe Transportation District	\$50,000
Western Contra Costa Transit Authority	\$50,000
Yolo County Transportation District	\$50,000

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 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
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

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Exclusive Risk Management Authority of California (ERMAC)

COVERED PARTY	RETENTION
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 Agency Risk Sharing Authority of California (PARSAC)

COVERED PARTY	RETENTION
City of Amador	\$25,000
City of Avalon	\$25,000
City of Belvedere	\$25,000
City of Blue Lake	\$25,000
City of California City	\$100,000
City of Calimesa	\$25,000
City of Calistoga	\$25,000
City of Citrus Heights	\$100,000
City of Clearlake	\$25,000
City of Coalinga	\$25,000
City of Ferndale	\$25,000
City of Grass Valley	\$25,000
City of Highland	\$25,000
City of Menifee	\$25,000
City of Nevada City	\$25,000
City of Pacific Grove	\$50,000
City of Placentia	\$100,000
City of Placerville	\$50,000
City of Plymouth	\$25,000
City of Point Arena	\$25,000
City of Rancho Cucamonga	\$250,000
Rancho Cucamonga Fire Protection District	\$75,000
City of Rancho Santa Margarita	\$25,000
City of San Juan Bautista	\$25,000
City of South Lake Tahoe	\$100,000
City of Tehama	\$25,000
City of Trinidad	\$25,000
City of Truckee	\$25,000
City of Twentynine Palms	\$25,000
City of Watsonville	\$250,000
City of Wheatland	\$25,000
City of Wildomar	\$25,000
Town of Yountville	\$25,000
City of Yucaipa	\$50,000
Town of Yucca Valley	\$100,000

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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
Palm Springs Aerial Tramway	\$25,000
City of Perris	\$25,000
<a href="#">City of Rancho Mirage</a>	<a href="#">\$50,000</a>
San Diego Regional Training Center	\$25,000
City of San Jacinto	\$25,000
City of Stanton	\$25,000
SunLine Transit Agency	\$50,000
Victor Valley Transit Authority	\$25,000
City of Victorville	\$25,000



Small Cities Organized Risk Effort (SCORE)

**COVERED PARTY**

**RETENTION**

City of Biggs	\$25,000
City of Colfax	\$25,000
<a href="#"><u>City of Dunsmuir</u></a>	<a href="#"><u>\$25,000</u></a>
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 Fort Jones	\$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
Delta 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
Oroville Mosquito Abatement 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 1, 2019

Endorsement No.: 1

AUTHORIZED REPRESENTATIVE

**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MEMORANDUM OF COVERAGE  
ENDORSEMENT #2**

This endorsement, effective 12:01 a.m. 7/1/20~~19~~20, forms a part of ERMA 20~~19~~20-1EPL.

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)  
Central San Joaquin Valley Risk Management Authority (CSJVRMA)  
Employment Risk Management Authority (ERMA)  
Exclusive Risk Management Authority of California (ERMAC)  
Public Agency Risk Sharing Authority of California (PARSAC)  
Public Entity Risk Management Authority (PERMA)  
Monterey Bay Area Self Insurance Authority (MBASIA)  
Municipal Pooling Authority (MPA)  
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 1, 20~~19~~20

Endorsement No.: 2

AUTHORIZED REPRESENTATIVE

**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
MEMORANDUM OF COVERAGE  
ENDORSEMENT #3**

This endorsement, effective 12:01 a.m. 7/1/20~~19~~20, forms a part of ERMA 20~~19~~20-1EPL.

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
<u>City of Dunsmuir</u>	<u>\$25,000</u>
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 Fort Jones	\$25,000
Town of Loomis	\$25,000
City of Weed	\$100,000
City of Yreka	\$25,000

Effective Date: July 1, 20~~19~~20

Endorsement No.: 3

AUTHORIZED REPRESENTATIVE

**COVERAGE MATTERS**

**SUBJECT: Proposed Revisions to the Master Program Document for the 2020/21 Program Year, Effective July 1, 2020**

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**BACKGROUND AND STATUS:**

As part of the annual review of ERMA's governing documents, staff and Doug Alliston, Board Counsel reviewed the Master Program document. Following is a summary of the recommended amendments for discussion by the Board:

<b>MASTER PROGRAM DOCUMENT</b>	<b>PROPOSED CHANGE/DISCUSSION ITEM</b>
Page 15	Amendments regarding Litigation Manager Claim discretion to align with proposed amendments to the Memorandum of Coverage.

The Coverage Committee, comprised of President John Gillison, Vice President Truc Dever, Treasurer Stuart Schillinger and Board member Scott Ellerbrock, met on January 8, 2020, to review the recommended amendment.

Mr. Alliston will review with the Board the recommended amendments to ERMA's Master Program Document, effective July 1, 2020.

**RECOMMENDATION:**

*Provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- Master Program Document, effective July 1, 2020 (redline/strikeout)



**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**(ERMA)**  
**MASTER PROGRAM DOCUMENT**  
**FOR THE**  
**POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM**  
**(PEPLP)**  
**AS AMENDED EFFECTIVE JULY 1, ~~2019~~2020**

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**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**MASTER PROGRAM DOCUMENT**  
**FOR THE**  
**POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM**  
**(PEPLP)**

**ARTICLE I - GENERAL**

**A. PURPOSE**

1. The primary purpose in forming the Employment Risk Management Authority, hereinafter *ERMA*, is to create a method for providing coverage for legal damages incurred by the *Members* because of *Wrongful Employment Practices*. The Joint Exercise of Powers Agreement and the Bylaws have been created and duly approved to provide the *Members* with this coverage. This *Master Program Document*, hereinafter the MPD, for the Pooled Employment Practices Liability Program, hereinafter the PEPLP, sets forth the manner in which these services shall be delivered to the membership. In the event of a conflict among these governing documents, the Joint Exercise of Powers Agreement controls over the Bylaws, and the Bylaws control over this MPD.
2. The PEPLP shall use pooled sharing of operating costs and losses above the *Members' Retained Limits*. The PEPLP may purchase excess coverage or reinsurance above those limits provided by ERMA.
3. The PEPLP shall provide various *Retained Limits* from which the *Members* may choose, subject to the approval of the *Board of Directors*.
4. The *Board of Directors* has the right to alter the terms and conditions of the pooled underlying coverage in response to the needs and abilities of the PEPLP, the *Members*, and the availability of coverage from outside sources.
5. A summary of the *Limits of Coverage* and *Retained Limits* provided in *Program Years* is set forth in Appendix B.

**B. PROGRAM YEARS**

1. A *Program Year* shall be defined as the losses incurred during the period from 12:01 a.m. Pacific time on July 1st of each year to 12:00am Pacific time on June 30th of the following year. The income and expenses of each *Program Year* shall be accounted separately from any other *Program Year's*

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income or expenses.

2. The PEPLP shall charge a *Deposit Premium* to each *Member* at inception of each *Program Year* to fund the cost of losses and expenses anticipated for the life of the *Program Year*. The *Deposit Premium* shall consist of a premium to cover pooled losses, based on an actuarial projection of losses for the year and the exposure of loss presented by each *Member* plus a reasonable margin for contingencies, as well as *administrative expenses* and training expenses based on expected costs.
3. After a *Program Year* is at least five years old, *Retrospective Adjustments* may be made annually, subject to the discretion of the Executive Committee or the *Board*, and subject to criteria set forth in this MPD. The process for determining *Retrospective Adjustments* is set forth in Appendix A.
4. A *Program Year* cannot be completed until all *Claims* incurred during that *Program Year* are closed and it is probable that no new *Claims* for that *Program Year* will be made. The *Program Year* shall remain open until the *Board of Directors* authorizes closure based on its determination that known *Claims* for the year are closed, and no further *Claims* will be made.
5. To maintain the actuarial soundness of the PEPLP, the *Board of Directors* shall have actuarial studies done periodically and shall take appropriate action, as set forth in Article III – Premiums, Rates and *Assessments*, if a *Program Year* is found to be actuarially deficient.

#### C. FINANCING THE PROGRAM

##### 1. DEPOSIT PREMIUMS

*Deposit Premiums* shall be established as set forth in Article III.A.1.

##### 2. CAPITAL CONTRIBUTION

In addition to the *Deposit Premium*, in ERMA's early years, each *Member* was required to make a capital contribution annually for the first five years of participation, which equated to 15% of loss funding premium collected, to provide a margin for greater confidence in the program and to build a fund that could be used for program years in need. The capital contribution was equal to the *Board*-approved capitalization rate per \$100 of payroll and was paid over a five-year period. All original funds have been allocated.

The capital contribution fund was reactivated in 2014 to receive funds dedicated to future training initiatives.

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Capital contributions will not be dedicated to any one specific *Program Year*, but will be considered when determining the overall actuarial soundness of the PEPLP. The capital contribution amounts will be maintained in a separate equity account and will be returned in the same proportion as the return of other equity at the discretion of the *Board of Directors*. Capital contributions may be applied at the discretion of the *Board of Directors* to any *Program Year*.

3. BONDS OR DEBT INSTRUMENTS

- (a) Bonds or other debt instruments may be used to fund one or more *Program Years*. However, *Members* shall be responsible only for the retirement of such debt for the *Program Years* in which they participate. Such retirement of debt shall be calculated into the rates and deposit premiums.
- (b) Upon a two-thirds vote of the *Board of Directors*, debt financing can be authorized for any legal purpose; however, any debt so incurred shall be the debt of *ERMA* and not the debt of any *Member*, unless each *Member*, in writing, authorizes the debt and accepts responsibility for its payment.
- (c) Any monies collected or earned by *ERMA* may be used to retire such debts.

4. ASSESSMENTS

*Assessments* may be made at the discretion of the *Board of Directors*, when the PEPLP, as a whole, is found to be actuarially unsound. *Assessments* shall be determined as set forth in Article III, C. 2.

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D. AMENDMENTS TO THIS MASTER PROGRAM DOCUMENT

- 1. This MPD may be amended by a two-thirds vote of the Executive Committee or *Board of Directors*, provided prior written notice has been given to the *Members*.
- 2. The *Members* may repeal such amendments by a majority vote at the next regular or special meeting of the *Board* after the effective date of the amendment.

**ARTICLE II - COVERAGE**

A. GENERAL DESCRIPTION

1. COVERAGE PROVIDED

- (a) The Memorandum of Coverage, and any endorsements thereto, shall provide the terms, conditions, limitations and exclusions for the defense and indemnification of covered parties, as defined, for liability because of

*Wrongful Employment Practices.* The Memorandum of Coverage shall be reviewed annually and approved by the *Board of Directors*.

- (b) An account shall be established from which losses and expenses of the PEPLP shall be paid. Although the intent of the PEPLP is to provide pooled coverage, coverage may be obtained, either partly or wholly, from commercial insurance or reinsurance if it is to the financial advantage of the PEPLP as determined by the *Board of Directors*. In making its determination, the *Board* shall consider the objectives of security, minimizing costs to the PEPLP, and the desire of the *Members* for a particular type of coverage. Any such commercial insurance shall have an A.M. Best Rating Classification of A or better and an A.M. Best Financial Rating of VII or better, or their equivalents.

## 2. LIMITS OF COVERAGE

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- (a) The PEPLP shall provide, where economically practical, *Limits of Coverage* of at least \$2,000,000 per occurrence.
- (b) The *Board of Directors* may authorize choices of limits less than \$1,000,000 by the *Members*.

## 3. RETAINED LIMITS

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- (a) The pooled coverage shall be excess of the *Retained Limits* as recommended by the Administrator, chosen by each *Member*, and approved by the *Board of Directors*. The Administrator shall consider, among other factors, the financial needs of the *Members* when establishing the choices of *Retained Limits*. The *Board of Directors* may alter the choices of *Retained Limits*, increase *Retained Limits* for *Members* which do not substantially comply with elements of the PEPLP, and institute Aggregate Stop Loss coverage, as described below, or other forms of retentions as the financial strength of the PEPLP dictates.
- (b) The *Board of Directors* may offer annual aggregate limitations to the repeated cost of the *Retained Limit* payments by a *Member* in any *Program Year*. This form of coverage shall be called Aggregate Stop Loss and is further defined in Article II, A, 3, (b).
- (c) A participating *Member* may elect to change its *Retained Limit* after its first year in the program, but any request to lower a *Retained Limit* is effective only with approval of the *Board of Directors*. Any change in the *Retained Limit* shall be for a complete *Program Year* and must be received by the *Board of Directors* at least thirty (30) days prior to the inception of the new *Program Year* in which the change is to be effective.

The *Board of Directors* may require a *Member* to increase its *Retained Limit* at the inception of a new *Program Year* by providing written notice of such change to the *Member* at least sixty (60) days prior to the increase.

- (d) Each *Member* shall bear the costs of its *Claims*, including defense and related costs, including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other related costs up to the amount of its *Retained Limit*. This expense shall be borne by the individual *Member* to the extent such costs are not limited by an *Aggregate Stop Loss*. *Members* shall report all payments made within their *Retained Limits* to ERMA to ensure efficient claims control and actuarial analysis.

#### 4. COVERAGE TERM, RENEWAL, AND CANCELLATION

The coverage term shall be the same period of time as the *Program Year*. Cancellation of coverage by withdrawal of a *Member* shall be permitted only at the end of any *Program Year*. The timing of cancellation of coverage by expulsion of a *Member* shall be as determined by the *Board of Directors*.

#### B. MEMORANDUM OF COVERAGE

1. The President shall appoint a Coverage Committee, which may consist of up to three (3) members of the *Board of Directors*. The members of the Committee shall remain as members until such time as the President relieves them of their duties. Each year, prior to the last *Board of Directors* meeting of the *Program Year*, the Committee shall review, as necessary, the Memorandum of Coverage and recommend changes, where appropriate, for the next *Program Year*. The Committee shall consider the desires of the *Members* for coverage as well as the financial impact such coverage may have on the PEPLP. The *Board of Directors* shall evaluate and, if appropriate, approve the recommendations of the Committee and adopt the Memorandum of Coverage for the next *Program Year* prior to or at the last regular or special meeting of the expiring *Program Year*.
2. The *Board of Directors* shall evaluate and, if appropriate, approve the recommendations of the Committee and adopt the Memorandum of Coverage for the next *Program Year* prior to or at the last regular or special meeting of the expiring *Program Year*.
3. Notwithstanding Section B.1., above, the *Board of Directors* may, from time to time, amend the coverage provided in the Memorandum of Coverage, purchase excess insurance or reinsurance, or participate in other pooling arrangements authorized by the Government Code, based on the needs of the PEPLP and the *Members*, costs, funding, available insurance, and other relevant factors.

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C. DISTRIBUTION

A copy of this MPD and the current Memorandum of Coverage shall be provided to each *Member* in each year that changes are adopted. All endorsements or other changes to the PEPLP shall be distributed to the *Members as made*. All documents shall be deemed to be provided to the *Member* if the representative for the *Member* personally receives a copy of such document, if the document has been duly mailed in the U.S. Postal system, or if the document is posted to the official ERMA website and notice thereof has been mailed in the U.S. Postal system or sent via email to the *Member*.

ARTICLE III - PREMIUMS, RATES AND ASSESSMENTS

A. ADMINISTRATIVE EXPENSES, TRAINING EXPENSES AND DEPOSIT PREMIUM CALCULATIONS

1. DEPOSIT PREMIUMS

- (a) The Administrator, in conjunction with an actuary, shall annually establish rates and *Deposit Premiums*, subject to *Board* approval, adequate to fund the actuarially determined losses in the pooled layer of the PEPLP, including defense costs and other claims-related expenses, the cost of excess coverage, and the projected administrative costs and training costs, including retirement of debt, if any, of the PEPLP.
- (b) The annual *Deposit Premium* for each *Member* shall be calculated utilizing (1) the actuarially determined expected losses for the PEPLP, (2) a capital contribution during the first five years of participation equal to or exceeding 15% of the amount needed to cover defense and indemnity (if applicable – required in ERMA’s early years, but not currently applied), (3) a charge for excess insurance or reinsurance, if any, (4) a charge for the *Administrative Expense* of the PEPLP, and (5) a charge for the Training Expense of the PEPLP as determined by the Administrator.
- (c) The *Administrative Expense* charged to each *Member* is calculated by allocating the total *Administrative Expenses* required for the upcoming *Program Year* among the *Members* based on the payroll for each *Member*. This expense may be modified by experience at the discretion of the *Board of Directors*.
- (d) The training expense charged to each *Member* is calculated by allocating the total training expenses required for the upcoming *Program Year* among the *Members* based on the payroll for each *Member*. This expense may be

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modified by experience at the discretion of the *Board of Directors*.

- (e) Payroll as of December 31<sup>st</sup> of the year preceding the commencement date of a new *Program Year*, inflated by no more than 5%, will be utilized in determining the *Deposit Premium* calculation. Payroll shall be submitted for the four calendar year quarters using reported payroll on DE-9C payroll reports by February 15<sup>th</sup> of the new program year.

## 2. EXPERIENCE MODIFICATION

- (a) Each Member may be evaluated each year for an experience modification credit or debit based on no more than the past six years of experience. At the discretion of the Board of Directors, all or a portion of the six years of experience may be used in the calculation of the experience modification factor.
- (b) The calculation of the credit or debit shall include the actual loss experience of each individual *Member* as it relates to the average loss experience of the group as a whole. The criteria which shall be used is the relationship of actual average loss experience over the period being rated as it relates to the average payroll for the same period.
- (c) The Board has the discretion to apply a credibility factor and to establish upper and lower limitations on the maximum and minimum experience modifications.

## 3. PROGRAM ADMINISTRATIVE BUDGET

Each *Program Year* shall have its own administrative budget to cover the costs of operating and maintaining the administrative functions of the PEPLP for that year. This budget shall include, but not be limited to, the following expenses:

- (a) Financial and claims auditing;
- (b) Program management services;
- (c) Legal services;
- (d) Claims adjusting for *Claims* which exceed the *Retained Limits*;
- (e) Actuarial services;
- (f) Insurance expense;
- (g) Investment and banking fees;
- (h) The cost of administrative materials; and

- (i) A provision for other minor miscellaneous costs.

#### 4. PROGRAM TRAINING BUDGET

Each *Program Year* shall have its own training budget which shall cover the costs of operating and maintaining the training and loss control functions of the PEPLP for that year. This budget shall include, but not be limited to, the following expenses:

- (a) Costs for training workshops and loss prevention programs;
- (b) Costs for employment related legal assistance; and
- (c) Costs for compliance auditing for (a) and (b) above, if deemed necessary.

#### B. UNDERWRITING CREDITS/DEBITS

The *Board of Directors*, at its discretion, may impose credits or debits where warranted because of some inequity that would otherwise be encountered.

#### C. ADJUSTMENTS TO ACCOUNT BALANCES

##### 1. ESTABLISHMENT OF THE LEVEL OF FUNDING

- (a) The confidence level used for determining the funding requirements of the PEPLP and the *Program Year Deposit Premiums* will be determined by the Administrator and approved by the *Board of Directors*; however, the confidence level shall not be lower than 70 percent or the amount needed to cover expected losses.
- (b) Interest rates for the type of investments utilized by the PEPLP may be used to determine the amount of funds necessary to meet the selected confidence level for the PEPLP, but, such interest rate shall not exceed seven percent.
- (c) Reserves for each *Program Year* shall be actuarially determined and shall be sufficient to maintain the overall funding to meet the approved confidence level.

##### 2. ASSESSMENTS

- (a) When a *Program Year* is actuarially unsound, the Administrator, with the assistance of an actuary, will determine to what extent, if any, the PEPLP as a whole is not *actuarially sound*.
- (b) The PEPLP is not *actuarially sound* when the available reasonably estimable

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reserves are less than the amount of reserves required at the expected confidence level, including expected interest earnings. Reserves are reasonably estimable on a *Program Year* when it is at least three years old.

- (c) If the PEPLP is not *actuarially sound*, the *Board of Directors* may, at its discretion, impose an *Assessment* against all *Members* participating in the deficient *Program Year(s)*. Each *Member's Assessment* shall be determined by the proportion which that *Member's Deposit Premium* for that year relates to the total *Deposit Premium* paid by all *Members* for that year.
- (d) If the PEPLP as a whole is *actuarially sound*, the *Board of Directors* may, at its sole discretion, assess the *Members* who participated in any *Program Year* that is not *actuarially sound*.
- (e) A program year or years that are not *actuarially sound* will be adjusted annually with the Retrospective Adjustment Process discussed in the next section.

### 3. RETROSPECTIVE ADJUSTMENTS

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The Retrospective Adjustment Process defines the methodology by which program years that are a full five years old are adjusted annually. The Retrospective Adjustment Process is defined in ERMA's Financial Stability Plan, as approved by the *Board of Directors*, and appears in its entirety in Appendix A.

### D. CLOSED PROGRAM YEARS

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- 1. The *Board of Directors* may close a *Program Year* as described in Article I, B.
- 2. Upon closure of a *Program Year*, a final calculation of account balances shall be made as described in ERMA's Financial Stability Plan, specifically the Retrospective Adjustment Process, and found in Appendix A. The account balances shall be returned to the *Members* at the discretion of the *Board of Directors* based on the percentage of *Deposit Premium* paid by each *Member* for that *Program Year*.
- 3. The *Board of Directors* retains the right to assess *Members* which participated in a closed *Program Year* if such *Program Year* incurs additional expenses after closure.

## ARTICLE IV - ADMINISTRATION

### A. ORGANIZATION AND RESPONSIBILITIES

#### 1. RELATION TO *ERMA* STRUCTURE

- (a) This MPD supplements the Bylaws. In the event of a conflict between the Bylaws and this MPD, the Bylaws control. From time to time, resolutions of the Executive Committee or *Board of Directors* may be adopted which may take precedence over this MPD for a limited period of time; however, any change thus enacted by resolution that is intended to last beyond six months shall be expressly incorporated into and amend this MPD.
- (b) The Administrator shall be the Program Administrator for the PEPLP and shall report to the Executive Committee or *Board of Directors* of *ERMA*.
- (c) A Litigation Manager shall be selected by the Program Administrator and approved by the *Board of Directors* to supervise the handling of *Claims* and report to the Program Administrator and the *Board of Directors*, as requested by the *Board*.

## 2. BOARD OF DIRECTORS' RESPONSIBILITIES

- (a) The *Board of Directors* shall meet at least one (1) time per year to review the developments and performance of this PEPLP as part of a general or special *Board of Directors* meeting.
- (b) The *Board of Directors* may delegate to the Executive Committee any of its responsibilities not otherwise reserved to the Board in the Joint Exercise of Powers Agreement or Bylaws.
- (c) The *Board of Directors* shall review and have authority to override all decisions made by the Executive Committee.

## 3. EXECUTIVE COMMITTEE RESPONSIBILITIES

An Executive Committee may be established and, if so, shall have the following duties with respect to the PEPLP:

- (a) Direct proposals for outside service contracts including, but not limited to, program administration, claims adjusting, actuarial services, and financial and claims audit services.
- (b) Supervise the management of claims including, but not limited to, the review of loss reserves and claims expenses.
- (c) Provide policy and guidance to the Litigation Manager with regard to management of specific claims where the Litigation Manager requests such direction or where he or she lacks authority to establish such policy.
- (d) Settle any claim equal to or less than the limit of coverage for *ERMA*.

However, such authority shall only apply to those claims for which the Ultimate Net Loss is in excess of the settlement authority given to the Litigation Manager and above the *Retained Limit* of the *Member*.

- (e) Hear all disputes regarding the selection of defense counsel on a particular case brought to it by the *Member* for which such defense counsel was chosen.

#### 4. ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

##### (a) GENERAL

- (i) The Program Administrator shall use his or her best efforts to administer the PEPLP so as to achieve the objectives and goals of the PEPLP and *ERMA*.
- (ii) The Program Administrator shall administer the PEPLP in a manner that will provide claim and cost accountability for each *Program Year*, separate and apart from all other *Program Years*, and from other programs of *ERMA*.

##### (b) CLAIMS ADMINISTRATION

The Program Administrator shall:

- (i) Resolve disputes between a *Member* and the Litigation Manager, Claims Adjustor or Investigator;
- (ii) Prepare an annual report showing claims activity, paid claims, case reserves, *obligated reserves*, and status of pooled funds of each *Program Year* for each *Member*;
- (iii) Obtain the services of a claims auditor and present the findings to the Executive Committee or *Board of Directors*, if the cost of these services is within the approved annual budget; and
- (iv) Coordinate with the Litigation Manager, whose duties are outlined in Section 5, Litigation Manager.

##### (c) FINANCIAL DUTIES

The Program Administrator shall:

- (i) Prepare a budget for each *Program Year* for approval by the *Board of Directors* before the beginning of the *Program Year*;
- (ii) Prepare an annual report comparing each *Program Year's* budgeted to actual expenditures;

- (iii) Ensure that *Retrospective Adjustments* for previous *Program Years* and rates and *Deposit Premiums* for each new *Program Year* are calculated in the manner described in Article III;
- (iv) Obtain actuarial services and present the findings to the Executive Committee or *Board of Directors*, provided the cost of such services is within the approved annual budget;
- (v) Evaluate and present to the Executive Committee or *Board of Directors* the recommendations of the actuarial studies with recommended actions where *Program Years* are, or are likely to be, actuarially unsound in the near future;
- (vi) Engage the services of an independent financial auditor selected by the Executive Committee or *Board of Directors* and present the findings to the Executive Committee or *Board of Directors*, provided the cost of these services is within the approved annual budget; and
- (vii) Present financial audits to the Executive Committee or *Board of Directors*.

(d) ACCOUNTING RESPONSIBILITIES

The Program Administrator shall:

- (i) Invoice *Member Entities* for *Deposit Premiums* and other amounts due;
- (ii) Report to the Executive Committee or *Board of Directors* any invoices not paid and outstanding for more than thirty (30) days;
- (iii) Prepare vouchers, invoices, or other demands for payment for approval by the President and, upon approval, submit the demands to the Treasurer for payment;
- (iv) Maintain detailed financial records of all income, expenses, cash deposits, and withdrawals;
- (v) Maintain financial records according to generally accepted accounting principles; and
- (vi) Present timely quarterly and annual financial statements to the Executive Committee or *Board of Directors*.

(e) LOSS CONTROL SERVICES/TRAINING/COMPLIANCE AUDIT

The Program Administrator shall:

- (i) Assist the *Members* in the evaluation of their employment related policies, practices and procedures regarding exposures that may result in claims, and report the evaluations to the Executive Committee or *Board of Directors*;
- (ii) Recommend to the Executive Committee or *Board of Directors* loss control and training programs for adoption;
- (iii) Assist the *Members* in establishing loss control programs and training programs;
- (iv) Evaluate the efficiency of the loss control and training programs and report such findings to the Executive Committee or *Board of Directors*; and
- (v) Establish compliance auditing standards to ensure participation in the established loss control and training programs adopted by the *Board of Directors* or Executive Committee.

5. LITIGATION MANAGER

The Litigation Manager shall:

- (a) Oversee, generally, all liability claims administration and management, supervise the daily operations of handling *claims* for the PEPLP, and report to the Program Administrator on such operations.
- (b) Have the authority to settle any claim with an Ultimate Net Loss, as defined in the Memorandum of Coverage applicable to that claim, equal to or less than one hundred thousand dollars (\$100,000), per claimant, in excess of the *Retained Limit* of the *Member* involved.
- (c) Assist the Program Administrator in the selection of an approved defense counsel, claims adjusting, loss prevention and investigation services, if those services are required, including evaluation of quality and price of services in the defense, claims handling, investigation and reporting services;
- (d) Oversee performance of the approved defense counsel, claims adjustor, and loss prevention and investigation services, with special emphasis on the handling of open claims, including:
  - (i) review all open claims valued in excess of 50 percent of the

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individual *Member's Retained Limit* and, if necessary, recommend action on such claims;

- (ii) Review all open claims in which an outside investigator has been retained by the *Member* or *ERMA*, and
  - (iii) Review monthly claims reports and relate to the Executive Committee or *Board of Directors* any significant trends that may be developing.
- (e) Assist the Program Administrator in presenting claims audits to the Executive Committee or *Board of Directors*, with recommendations of changes in claims procedures where appropriate.
- (f) Perform a quarterly review of claims files including new claims likely to exceed 50 percent of the *Member's Retained Limit*, claims in which an outside investigator has been retained by the *Member* or *ERMA*, and those claims for which a *Member*, the Executive Committee, or the *Board of Directors* has requested a specific review;
- (g) Review, at least quarterly, all open claims in excess of the involved *Member's Retained Limit* and, if necessary, recommend action on such claims;
- (h) Report to the Executive Committee or *Board of Directors* at each meeting, summarizing the active claims of general interest to the *Members* and claims for which a *Member*, the Executive Committee, or the *Board of Directors* has specifically requested a review;
- (i) Assist the *Members* in training their personnel in the correct procedures for response to employees and reporting of incidents or claims
- (j) Advise, where needed, on the setting and changing of reserves for claims;
- (k) Report to any excess insurance or reinsurance obtained by ERMA all claims that meet the reporting requirements of such excess insurance or reinsurance;
- (l) For those *Members* with excess insurance or reinsurance other than that obtained by ERMA, provide notice to the *Member* in the acknowledgement of the claim that the claim may need to be reported to the *Member's excess* insurance or reinsurance, and suggest the *Member* check the reporting requirements of any such excess carrier or reinsurance; and provide notice to the *Member* and its pool administrator, if any, when the claim has reached 50 percent of the ERMA layer.

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- (m) Ensure that the *Member* is advised of ERMA's coverage position on a claim as soon as practicable.
- (n) Monitor and evaluate the effectiveness of the defense firms:
- (o) Advise the Board on recommendations for settlement of claims in excess of \$100,000.00;
- (p) Answer inquiries from *Members* regarding claims or procedures;
- (q) Establish a list of attorneys who have demonstrated proficiency in defending employment actions against public agencies;
- (r) After consultation with the *Member* as set forth in Article VI F, select defense counsel, if needed, for each claim where the Ultimate Net Loss, as defined in the Memorandum of Coverage, is at least 50 percent of the involved *Member's Retained Limit*;
- (s) Review the performance of the claims adjuster or investigator's personnel assigned to *ERMA's* account with special emphasis in the handling of open claims;
- (t) Advise and assist the Program Administrator in the selection of claims adjusting and investigation providers/companies;
- ~~(u) Determine, consistent with the requirements of the Memorandum of Coverage and 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;~~
- (v) Annually provide to the Executive Committee or *Board of Directors* a review and evaluation of all panel defense counsel, including performance and costs; and
- (w) Provide other services as may reasonably be requested by the *Member*, Executive Committee or the *Board of Directors*.

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## B. REPORTS AND SCHEDULES

### 1. FINANCIAL REPORTS

- (a) Unaudited, annual financial statements shall be presented to the Executive Committee or *Board of Directors* within 150 days after the end of the fiscal year. These reports will include:
  - (i) A balance sheet,
  - (ii) An income statement, and
  - (iii) A statement of account balances for each *Program Year* by *Member*.
- (b) Unaudited, quarterly financial statements shall be presented to the Executive Committee or *Board of Directors* within 60 days after the end of the quarter. These reports will include a balance sheet and income statement.
- (c) A signed audited financial statement for the *Program Year* shall be presented to the Executive Committee or *Board of Directors* within 150 days after the end of the *Program Year*.

### 2. CLAIMS REPORTS

- (a) Quarterly claims reports shall be presented to the *Members* within 30 days after the end of the quarter. These reports will include:
  - (i) Status of each claim by *Program Year* including case reserves, allocated claims reserves, amounts paid for indemnity, and allocated claims expense; and
  - (ii) Summary of number of claims, total claims reserves, and total paid expenses by *Program Year* for each *Member*.
- (b) Special reports shall be prepared when reasonably requested by the Executive Committee or *Board of Directors*.
- (c) A claims audit report shall be obtained at least every other year, including a statement of adequacy of claims procedures and accuracy of the claims data.

### 3. ACTUARIAL STUDIES

- (a) An actuarial report shall be obtained as determined by the Executive Committee or *Board of Directors*, which shall evaluate the adequacy of reserves for each open *Program Year*.

- (b) The actuarial report shall also include loss projections for future *Program Years* based on the experience of the PEPLP.

C. LOSS CONTROL SERVICES/TRAINING/COMPLIANCE AUDITING

*ERMA* will provide loss control services, training, and compliance auditing to the *Members*, as needed, to minimize claims expenses and reduce loss exposures for the PEPLP.

**ARTICLE V - PARTICIPATION**

A. ELIGIBILITY AND APPLICATION

1. ELIGIBILITY

- (a) Only *Members* of ERMA may participate in the PEPLP.
- (b) Each *Member* must initially commit to at least three full *Program Years* of participation in the PEPLP.
- (c) Each prospective *Member* of ERMA must submit an application along with a non-refundable application fee of \$2,500 (prospective *Member* JPA) or \$1,000 (prospective direct *Member*) and provide a completed and signed resolution obligating the prospective *Member* to participate for the required three years and accepting the rules and policies set forth in the PEPLP governing documents. The resolution shall also state the *Retained Limit* desired by the prospective *Member*. The prospective *Member* shall, if practicable, submit five years of wrongful employment practices loss experience, complete an Underwriting Information Sheet, complete an Exposure Analysis Questionnaire, and provide copies of the last four quarterly DE-9C, Federal 941 or J200 payroll reports, if required, or, upon approval of the Executive Committee or *Board of Directors*, the current number of full-time equivalent employees.

For the initial *Program Year* or for latter years at the discretion of the *Board of Directors*, the underwriting and submission of data requirements listed above may be waived.

- (d) The prospective *Member* shall provide the application and applicable fee, resolution form, the experience and underwriting information, and the DE-9C, Federal 941 or J200 payroll information at least 60 days prior to the inception of the *Program Year* in which its participation will commence, or on which it desires coverage to commence.

- (e) Those *Members* affiliated with a primary JPA shall be provided extended coverage under the Memorandum of Coverage for their primary JPA's Board of Directors and JPA employees, provided at least 50%, by payroll, of that primary JPA's members participate in *ERMA* and/or 50% of the primary JPA's total members participate in *ERMA*. This coverage shall be added by endorsement to the Memorandum of Coverage.

## 2. APPROVAL OF APPLICATION

- (a) An Underwriting Committee, appointed by the President, shall review the membership application and other underwriting and experience criteria of the prospective *Member*. The Underwriting Committee shall make a recommendation to the Executive Committee or *Board of Directors* regarding approval of the prospective *Member*.
- (b) The Executive Committee or *Board of Directors* shall, from a review of the membership application, other underwriting and experience criteria, and the advice of the Underwriting Committee and Program Administrator, determine the acceptability of the exposures presented by the prospective *Member*.
- (c) The Administrator shall advise the prospective *Member*, in writing, of the decision of the Executive Committee or *Board of Directors* within 15 business days after the decision.

## 3. DATE OF MEMBERSHIP

It is preferable that a new *Member* enter the PEPLP at the commencement of a *Program Year*. If the new *Member* enters at any other time, the *Deposit Premium* may be prorated for the remainder of the *Program Year*, and covered losses of the new *Member* which occur on or after the date of membership will be paid; however, the new *Member* shall be required to share losses for the pool for the entire year, just as if it had begun its membership at the commencement of the *Program Year*.

## 4. APPLICATION FEE CREDIT

Following completion of the first *Program Year*, the *Member* will receive a credit in an amount equal to the fee remitted upon application for membership. This will be issued in the form of a premium credit, applicable to the *Members'* second year *Deposit Premium*.

B. MEMBERS' DUTIES

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1. PROVIDE UNDERWRITING INFORMATION

- (a) Each *Member* shall provide payroll information based on the State DE-9C, Federal 941, or J200 payroll reports, and if practicable provide copies of the DE-9C, Federal 941, or J200 payroll reports quarterly within fifteen days after filing with the State or Federal Government; or upon approval of the Executive Committee or *Board of Directors*, provide the full-time equivalent number of employees for the *Member* on an annual basis.
- (b) Each *Member* shall cooperate with *ERMA* in the claims management, loss control, training, underwriting, and actuarial activities of *ERMA*.

2. PAYMENT OF PREMIUMS AND OTHER CHARGES

- (a) Each year, no later than July 1<sup>st</sup>, *ERMA* shall bill each *Member* its *Deposit Premium* for the next *Program Year*. The annual billing shall be due and payable on July 15<sup>th</sup>, and shall be delinquent if not paid on or before the last working day in July.
- (b) A *Member* may be billed an additional amount because of *Assessments* to bring a *Program Year* into a state of actuarial soundness, or amounts due for other items. This billing is due and payable upon receipt, and delinquent if not paid on or before thirty (30) calendar days after receipt. The date of receipt shall be determined as the date the billing was presented in person to a representative of the *Member*, or posting the billing in the U.S. Mail, or the date sent via electronic mail.
- (c) Any *Member* which has formerly participated in the PEPLP, but has withdrawn as a *Member*, shall be required to pay all applicable billings for the *Program Years* in which it participated. Delinquent billings shall be treated in the same manner as set forth above, as if the withdrawn *Member* were still a *Member*.
- (d) The penalties and interest described below will be strictly enforced. *Members* may only use those payment methods specifically approved by the Executive Committee or *Board of Directors*.
- (e) Interest on Delinquent Amounts Due and Payable - Interest shall accrue on all delinquent amounts due and payable to *ERMA* at the rate as prescribed in the Bylaws.
- (f) Failure to Pay Billings, Penalties, or Interest - Failure to pay billings, penalties, or the accrued interest shall be considered grounds for removal of

the *Member* from the PEPLP and may result in the expulsion of the *Member* from *ERMA* according to the *ERMA* Agreement.

- (g) Failure to Pay Defense and Related Costs - Failure to pay defense and related costs including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other related costs incurred within the *Retained Limit* shall be considered grounds for removal of the *Member* from the PEPLP and may result in the expulsion of the *Member* from *ERMA* according to the *ERMA* Agreement
- (h) Penalties for Non-Payment by Former Members - Failure to pay billings, penalties, or accrued interest thereon shall constitute a breach of the agreement between the former *Member* and *ERMA*. The former *Member* shall be liable for the billings, penalties, accrued interest, and all costs incurred by *ERMA* in the enforcement of all provisions set forth in this MPD, the Bylaws, and the Joint Exercise of Powers Agreement.

#### C. DUTY TO REPORT CLAIMS

Timely reporting of claims is essential to efficient claims and litigation management. Failure to timely report any claim, as defined in the Memorandum of Coverage, to *ERMA* may result in denial of that claim or other penalties, as set forth in the Memorandum of Coverage.

#### D. TERMINATION OF PARTICIPATION

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*:
  - (a) a written request to terminate participation is received from the *Member*, or
  - (b) a written termination notice from the Executive Committee or *Board of Directors* has been sent to the *Member*.
2. Termination of participation in future *Program Years* does not relieve the terminated *Member* of any benefits or obligations of those *Program Years* in which the *Member* participated. These obligations include payment of *Assessments*, *Retrospective Adjustments*, wrap up costs, or any other amounts due and payable.
3. The Executive Committee or *Board of Directors* may terminate future participation by a *Member* for the following reasons:
  - (a) Termination as a *Member* of *ERMA*;
  - (b) Declination to cover the *Member* by the organization, if any, providing excess insurance or reinsurance or pooled excess coverage;

- (c) Nonpayment of past billings, *Assessments*, *Retrospective Adjustments*, or other charges;
- (d) Habitual late payment of billings, *Assessments*, *Retrospective Adjustments*, and/or other charges, or habitual late response in submitting data required by *ERMA*;
- (e) Nonpayment or habitual late payment of defense and related costs, including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other related costs that are incurred within the *Retained Limit*;
- (e) Failure to provide underwriting information as defined herein;
- (f) Development of an extraordinarily poor loss history;
- (g) A substantial change in exposures which are not acceptable in the PEPLP;
- (h) Financial impairment, including bankruptcy, which may jeopardize the PEPLP's ability to collect amounts due in the future;
- (i) Failure to comply with loss control services, training, or compliance auditing programs adopted by *ERMA*;
- (j) Conduct detrimental to *ERMA*; and/or
- (k) Termination of the *Member* by its primary joint powers authority.

## ARTICLE VI - CLAIMS ADMINISTRATION

### A. SELECTION OF ADJUSTOR OR INVESTIGATION FIRM

The *Board of Directors* or Executive Committee shall review proposals for claims adjusting and investigation services, if those services are deemed necessary. The Executive Committee will make recommendations if necessary to the *Board of Directors* regarding the qualifications of the proposals. The adjusting and investigation company shall have the capacity and shall report claims activities in such a manner that the segregated accounting requirement of the PEPLP can be easily administered.

### B. CLAIMS AUDIT

1. At least once every two years, the adequacy of claims adjusting shall be examined by an independent auditor who specializes in claims auditing.



2. The Administrator shall obtain the services of a claims auditor and present the findings to the Executive Committee or *Board of Directors*, if the cost of these services is within the approved annual budget.
3. The claims audit report shall address the issues of adequacy of claims procedures and accuracy of claims data.

C. AUTHORITY'S RIGHT AND DUTY TO DEFEND

The Authority's right and duty to defend a claim shall be defined in the Memorandum of Coverage.

D. SETTLEMENT AUTHORITY

1. Each *Member* shall have input with regard to settlement authority for its claims that do not exceed its *Retained Limit*; however, when a claim's incurred costs reach one-half of the *Member's Retained Limit*, or when a *Member* retains an outside investigator to investigate a claim, all information concerning the claim shall be provided to the Litigation Manager. The Litigation Manager shall continue to keep the *Member* fully informed on the progress of the claim, and shall consult with the *Member* regarding any settlement within or above the *Member's Retained Limit*. The *Member* shall fully cooperate in all matters pertaining to the claim.  
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.
2. The Litigation Manager shall have the authority to settle any claim with an Ultimate Net Loss, as defined in the Memorandum of Coverage applicable to that claim, equal to or less than one hundred thousand dollars (\$100,000) in excess of the *Member's Retained Limit*.
3. The Executive Committee or *Board of Directors* shall have the authority to settle any claim in an amount equal to or less than the limit of coverage of *ERMA*. However, such authority shall only apply to those claims whose Ultimate Net Loss is in excess of the settlement authority given to the Litigation Manager and above the *Member's Retained Limit*.

E. DISPUTES REGARDING MANAGEMENT OF A CLAIM

1. Any dispute between a *Member* and the Litigation Manager, claims adjuster or investigator shall be brought to the attention of the Program Administrator who shall attempt to resolve the dispute and/or refer it to the Executive Committee or *Board of Directors*. Any decision by the Program Administrator may be appealed to the

Executive Committee or *Board of Directors*, however, such appeal shall be in writing and shall be made within 30 calendar days of the Program Administrator's decision.

2. Any settlement decision or other decision made by the Litigation Manager may be appealed; however, such appeal shall be in writing to the Executive Committee or *Board of Directors* within 30 calendar days of the date of the Litigation Manager's decision.
3. When an appeal has been filed, the Executive Committee or *Board of Directors* shall hear the appeal within 60 calendar days, or at the next scheduled Executive Committee or *Board of Directors* meeting, whichever is later.

#### F. SELECTION OF DEFENSE COUNSEL

1. A panel of approved defense attorneys shall be proposed by the Litigation Manager, with input from the Members, and approved by the *Board of Directors*. The Executive Committee or *Board of Directors*, at its discretion, may periodically review the panel of defense attorneys and remove or add attorneys to that panel.
2. Nothing in this section shall be construed to limit the right of a *Member* to retain its own defense counsel to represent the *Member* in any litigation. If, however, a *Member* retains counsel other than the counsel assigned by the Litigation Manager, or, in the case of an appeal of the Litigation Manager's decision, a decision by the Board, the *Member* shall be solely responsible for that counsel's attorney's fees and costs, and the *Member* shall be deemed to have waived any rights to defense and indemnity coverage from *ERMA* for that particular litigation.
3. Assignment to defense counsel shall be made from the approved defense panel by the Litigation Manager after consultation with the *Member*. In the event the Litigation Manager assigns the case to a firm or individual other than the one expressly preferred by the *Member*, the Litigation Manager shall advise the *Member* in writing of the reasons for the change, and the *Member* shall have the right to appeal the decision to the *Board of Directors*. The decision of the *Board of Directors* shall be binding and final, with no further right of appeal.
4. Regardless of the selection process, the *Member* shall bear the financial responsibility of all defense expenses, including fees, until such time as its *Retained Limit* is exhausted.

## ARTICLE VII - DEFINITIONS

1. **Actuarially Sound** means that the *Program Year* has sufficient funds to pay the *Administrative Expenses* and the expected cost of *Claims* at a sixty (60) percent confidence level as determined by a certified actuary for the *Program Year*.
2. **Administrative Expenses** means those expenses incurred by the PEPLP that are not incurred due to any specific *Claim* and does not constitute a reserve for future expected changes in the size of existing *Claims* or discovery of previously unknown *Claims*. Administrative Expenses shall include expenses of ERMA that are allocated to the PEPLP.
3. **Assessments** means charges to *Members* in excess of their deposit premiums, which are not part of a *Retrospective Adjustment*, for the purpose of raising sufficient funds to reach an *Actuarially Sound* condition.
4. **Claim** means, if not otherwise defined within the context of the Memorandum of Coverage, to be all demands for compensation by third party claimants against a covered party arising out of one occurrence.
5. **Retrospective Adjustment** means the allocation of funds and liabilities to the accounts of each *Member* for each *Program Year* and the process of returning excess funds, or charging deficiencies of funds, in the accounts of each *Member*.
6. **Limits of Coverage** means the maximum amount of financial protection afforded any *Member* as the result of a single occurrence.
7. **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.
8. **Obligated Reserves** means reserves for expected claims expenses, determined by an actuarial study, not attributable to any known *Claim*. This is sometimes called IBNR.
9. **Program Year** means the period of coverage provided by the Memorandum of Coverage, usually a 12-month period. However, any renewals, by endorsement, for a new term shall constitute a new Program Year.
10. **Open Program Year** means a *Program Year* for which the *Executive Committee or Board of Directors*, due to *Claims* within the *Program Year* that are not finalized and/or the possibility of new *Claims* arising, has not authorized the final *retrospective adjustment*.
11. **Closed Program Year** means a *Program Year* that the *Executive Committee or Board of Directors* has declared closed and for which it has authorized final *retrospective adjustments*.

12. **End of Program Year** means that time when the coverage period of the Memorandum of Coverage lapses.
13. **Retained Limit** means the amount of all *Claims* arising out of one *Occurrence* which will be paid directly by the *Member*.

## APPENDIX A

### RETROSPECTIVE ADJUSTMENTS

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ERMA's Financial Stability Plan, Section II, defines the Retrospective Adjustment Process as follows:

As each program year is independent from the others, it is possible to assess each program's year's deficit, or surplus, independently on an annual basis as each program year reaches a certain maturity threshold.

The Retrospective Adjustment Process was approved unanimously at ERMA's February 22, 2008, Board of Directors meeting. This process calls for the retrospective adjustment (assessment for a deficit year or dividend release for a surplus year) for each program year that is a full five years old according to the following methodology:

- Each year at its May Board of Directors' meeting, the ERMA Board would formally retrospectively adjust a program year's retained earnings balance five full years after the inception of that program year and each year thereafter until the program year is closed (all claims have been settled, and no case or IBNR reserves remain).
- A deficit (in whole or part at the Board's discretion) would be assessed to increase the equity in each eligible program year to the expected confidence level.
- Alternatively, if an open program year is in a surplus position, the Board would consider issuing dividends (in whole or part at the Board's discretion) for any equity amount that exceeds the 90% confidence level to allow for continuing claims development in future years.
- If a current program year not yet eligible to receive a retrospective adjustment is in a deficit position at any confidence level, the negative equity at that confidence level will be subtracted from the "Total Distribution Available" at that confidence level.
- If no IBNR remains in a year in which all claims are closed, the Board would consider issuing dividends or levying an assessment to officially close out that year.

Additional considerations:

- It is possible for program years to re-open, in which case a later assessment is possible.
- In the event of an overall program surplus, an individual program year or multiple program years would not be adjusted via a dividend, unless the ERMA program as a whole remained funded at the 90% confidence level after the issuance of the dividend.
- The current year March 31 financial statements will be utilized to determine each program year's retained earnings balance, and net assessments/net dividends (due to the possibility of several program years being adjusted) will be invoiced/released on or before June 30.

## APPENDIX B

### EMPLOYMENT PRACTICES LIABILITY COVERAGE

#### A. GENERAL DESCRIPTION

##### 1. COVERAGE PROVIDED

The Memorandum of Coverage will provide defense and indemnity for *Wrongful Employment Practices*.

##### 2. LIMITS OF LIABILITY

The Limits of Liability of the coverage will be Combined Single Limits of at least \$1,000,000 less the amount of the individual *Member's Retained Limit* for each *Occurrence*. The Executive Committee or *Board of Directors* may authorize choices of limits other than \$1,000,000 to the Members, and excess insurance or reinsurance may be provided to provide protection in layers above \$1,000,000.

##### 3. RETAINED LIMITS

The *Retained Limits* available to the *Members* will be \$25,000, \$50,000, \$75,000 \$100,000, \$250,000, and \$500,000.

##### 4. RATES

The premium rates will be based on an actuarial report and adopted by the Executive Committee or *Board of Directors*.

##### 5. CONCLUSION

It is important that each *Member* understand the coverage provided under the Memorandum of Coverage, and any exclusions thereto, as each *Member* is individually responsible or must make other arrangements for any *Claim* not covered by the Memorandum.

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**COVERAGE MATTERS**

**SUBJECT: Excess Coverage and Marketing Strategy for the 2020/21 Program Year**

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**BACKGROUND AND STATUS:**

ERMA has placed excess coverage with RSUI since the 2010/11 program year. Due to minimal loss history and the long-term relationship, ERMA has enjoyed minor rate increases over the past decade.

As a result of increased awareness, continued changes to California employment legislation and the rise in both frequency and severity of employment practices liability claims in general, securing coverage for California public entities continues to pose a significant challenge.

Beginning in the 2018/19 program year, ERMA increased the each claim per member limit from \$1,000,000 to \$2,000,000 and the per member aggregate limit from \$2,000,000 to \$4,000,000. The policy aggregate limit remained at \$10,000,000.

To date, ERMA has three claims which have or may potentially exceed the primary coverage layer in the past two program years. Those losses have resulted in RSUI advising they are currently un-prepared to provide any commitments regarding ERMA's renewal rate for the 2020/21 Program Year.

Seth Cole, Alliant, will be in attendance to discuss ERMA's excess coverage placement strategy and answer any questions from the Board.

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

- 2020/21 Program Year Marketing Report of Excess Liability Coverage

January 8, 2020

Jennifer Jobe  
Executive Director  
ERMA c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

## **ERMA 2020/21 Program Year Marketing Report of Excess Liability Coverage**

Dear Jennifer:

ERMA's excess liability coverage will renew on July 1, 2020, and while much can happen in the next several months, this letter provides the ERMA Board with Alliant's current thoughts on the insurance market and our renewal marketing strategy for the 2020/21 Program Year.

California employment practices exposures are becoming increasingly difficult to underwrite because of employee-friendly legislation and a plaintiff-friendly judicial system (according to the recent Insurance Marketplace Realities 2020 report). Some carriers have raised retentions and other carriers have pulled out of the California market altogether. In general, rates are rising in the +5% to +15% range, but ERMA has been shielded from these increases, largely due to the benefits derived through ERMA's high retention, along with your historically favorable loss experience.

RSUI now provides \$2,000,000 in limits Each Claim Per Member with a \$4,000,000 Per Member Aggregate, with a \$10,000,000 Policy Aggregate excess of ERMA's Retained Limit of \$1,000,000. We have recently discussed ERMA's upcoming renewal with RSUI, but they are not yet prepared to make commitments due to development involving one loss that could eclipse their threshold. The underwriter expects to be able to provide feedback in the coming weeks, and we plan to provide an update at the Board meeting. Depending on RSUI's position regarding the renewal, we can immediately market coverage to explore alternatives.

Based on economic trends, litigation results, and as ERMA continues to grow its membership, we highly recommend that ERMA continue to explore higher limits, and more importantly, the benefits of higher Policy Aggregates.

Mike and I look forward to seeing everyone on February 7<sup>th</sup>.

Sincerely,



Seth A. Cole, ARM  
Senior Vice President  
[scole@alliant.com](mailto:scole@alliant.com)

cc: Michael Simmons, Vice Chairman – Public Entities  
[msimmons@alliant.com](mailto:msimmons@alliant.com)



**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Training – Ad Hoc Training Committee Update**

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**BACKGROUND AND STATUS:**

In February 2015, the Board of Directors appointed an Ad Hoc Training Committee to work with staff and ERMA's strategic partner law firms to develop and implement programs focused on member policy review and targeted employment and human resources training. As a result of these on-going efforts, the following programs and initiatives have taken place:

PROGRAM/INITIATIVE	STATUS	NOTES
Capital Contribution Fund	N/A	1. 2015: \$300,000 2. 2016: \$400,000 3. 2017: \$150,000 4. 2018: \$150,000 <b>BALANCE: \$802,000</b>
Policy Review Program	COMPLETED - 2017	Results of policy review surveys presented February 2018.
Model Policy Library	PENDING	1. 2016: Jackson Lewis and LCW developed a list of twenty (20) recommended policies to be included in ERMA's Model Policy Library. 2. 2017: Jackson Lewis recommended focus on policies in relation to three (3) major areas. 3. 2019: Pricing proposal requested from Jackson Lewis and LCW to develop ERMA Model Policy Library.
Training & Risk Management Consortium	PENDING	Draft program to be presented for Board's review.

The Committee met with staff in December 2019, to further develop a targeted employment and human resources training program, as well as comprehensive personnel policies and procedures program. As a result of this meeting, staff was directed to outline a program for ERMA member agencies to access funds that will aid in the overall effort to reduce employment practice claims. The Committee further directed staff to work with Jackson Lewis to determine next steps relative to the development and implementation of an ERMA Model Policy Library.

Staff will provide the Board with information regarding efforts to-date.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the Training & Risk Management Consortium, as presented and provide further direction.*

**REFERENCE MATERIALS ATTACHED:**

- Training & Risk Management Consortium

# Training and Risk Management Consortium

*ERMA's Training and Risk Management Consortium is available for member agencies to access available funds provided to aid in the overall effort to reduce employment practice claims.*

## The Program

- What is reimbursable under this Program?
  - The Program will reimburse for employment-related trainings and services.
- Is there a list of approved trainings and services available?
  - Please visit the ERMA [website](#) for a list of recommended resources. Members may appeal to ERMA for approval of funds.
- May we use funds for state mandated trainings such as AB 1825 and SB 1343?
  - As a member of ERMA, you may access online trainings via [in2vate](#) or attend live trainings presented across the State throughout the Program Year. For information on ERMA sponsored trainings, please contact ERMA's Training Coordinator, or visit the [ERMA website](#).

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## Reimbursement Process

- Each member may request reimbursement up to \$2,500 July 1 through June 30;
- Expenditures eligible for reimbursement must be related to employment practices training and/or other technical services;
- The total reimbursement request may not exceed the total cost of the training/service received; receipts must be provided;
- Questions?
  - Contact ERMA's Training Coordinator:  
Mona Hedin: [mona.hedin@sedgwick.com](mailto:mona.hedin@sedgwick.com) or (916) 290-4645

**CLAIMS MATTERS**

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

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**BACKGROUND AND STATUS:**

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

<b>Claim</b>	<b>Page Number</b>
Perez v. City of El Cerrito	N/A
Pina/Aldaoud v. City of Adelanto	p. 101
Candelas v. City of Cathedral City	p. 109
McCallister v. Los Angeles County West Vector Control District	p. 123

**RECOMMENDATION:**

*None*

**REFERENCE MATERIALS ATTACHED:**

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