

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE UNDERWRITING COMMITTEE MEETING
OF APRIL 2, 2021**

An ERMA Underwriting Committee Meeting was held on April 2, 2021. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953(b). The meeting was conducted under Governor Gavin Newsom's Executive Order N-25-20, wherein public noticing of teleconference locations for each meeting participant is suspended.

COMMITTEE MEMBERS PRESENT: John Gillison, President, PARSAC
Truc Dever, Vice President, VCJPA
Stuart Schillinger, Treasurer, BCJPIA

COMMITTEE MEMBERS ABSENT: None

OTHERS PRESENT: Jennifer Jobe, Executive Director, ERMA
Mona Hedin, Analyst/Training Coordinator, ERMA

1. CALL TO ORDER/ROLL CALL

The April 2, 2021, ERMA Underwriting Committee Meeting was called to order at 9:07 a.m. by President John Gillison. Roll call was taken, and it was determined a quorum was present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Truc Dever moved to approve the agenda as posted. Seconded by Stuart Schillinger. The motion passed unanimously.

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

Truc Dever moved to approve the Consent Calendar. Seconded by Stuart Schillinger. The motion passed unanimously.

5. MEMBERSHIP MATTERS

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

Jennifer Jobe, Executive Director, noted applications to participate in ERMA were received from the Redwood Empire Municipal Insurance Fund (REMIF) and six of its underlying members.

REMIF is a multi-line risk pool formed in 1976. The pool reported payroll of \$346,992 for the 2020 calendar year and has three full-time employees. REMIF reported they have had no losses within the previous seven fiscal years and issued a Statement of No Known Losses.

Ms. Jobe noted REMIF plans to merge with the Public Agency Risk Sharing Authority (PARSAC), a current ERMA member, to create the California Intergovernmental Risk Sharing Authority (CIRA). As employment practices liability coverage will not be included under CIRA's Memorandum of Coverage, CIRA seeks participation in ERMA. She confirmed PARSAC members are current members in ERMA, only the REMIF members need to be approved by ERMA for coverage through CIRA. As part of CIRA, REMIF intends to adopt many of PARSAC's existing policies and procedures, all of which are regularly updated and reviewed by legal counsel. REMIF is compliant with AB 1825 and SB 1343 training requirements.

City of Cotati

Ms. Jobe reviewed the City of Cotati's application and advised the city reported payroll of \$4M for the 2020 calendar year and has 38 full-time and nine part-time employees.

The city is in compliance with AB 1825 and SB 1343 training requirements and issued a Statement of No Known Losses, as they have no incurred losses within the previous seven fiscal years.

City of Fort Bragg

Ms. Jobe advised the City of Fort Bragg reported payroll of \$3.5M for the 2020 calendar year and has 51 full-time and two part-time employees. She stated the city has comprehensive written personnel policies and procedures in place that are regularly reviewed by legal counsel.

She noted the employee turnover in years 2018 and 2019 were the result of eliminated positions and reduction in staff following budget balancing. The turnover in 2020 was a result of a combination of eliminated positions due to COVID-19 and retirements. Ms. Jobe continued with a review of the city's involuntary terminations. She advised the city reported no incurred losses within the previous seven fiscal years and issued a Statement of No Known Losses.

City of Fortuna

Ms. Jobe reviewed the City of Fortuna's application reported payroll of \$5.2M for the 2020 calendar year. The city has 71 full-time and 36 part-time employees. The city has written personnel policies and procedures that are currently undergoing updates and will be reviewed by the City Attorney.

The city is in compliance with AB 1825 and SB 1343 training requirements and issued a Statement of No Known Losses, as they have no incurred losses within the previous seven fiscal years.

Ms. Jobe reviewed the employee turnover noted on the application and advised the city included seasonal employees in the calculation which resulted in an inflated percentage. She confirmed retirements and eliminated positions were the primary contributors to the stated turnover.

The Committee discussed the city's plans for legal review of the personnel policies and procedures and expressed a desire to ensure all prospective member agencies utilize legal counsel with expertise in public sector employment law.

Ms. Jobe continued with a review of the city's involuntary terminations and noted none resulted in adverse action. She advised as a result of a discussion with the city, staff was informed of a claim that was not included on the application. The Committee was provided with the details.

City of Healdsburg

Ms. Jobe advised the city reported payroll of \$16.6M for the 2020 calendar year and has 141 full-time and 166 part-time employees.

The city has written personnel policies and procedures that were updated and reviewed in 2020 by the City Attorney. The policies and procedures have not yet been approved by City Council due to ongoing MOU and labor negotiations.

Ms. Jobe confirmed the city's compliance with AB 1825 and SB 1343 training requirements.

Ms. Jobe noted a Statement of No Known Losses was issued; however, during discussions with the city, staff was apprised of one claim currently in the investigatory phase.

City of Sonoma

Ms. Jobe advised the city reported payroll of \$3.3M for the 2020 calendar year and has 31 full-time and 12 part-time employees.

The city's written personnel policies and procedures were last updated and reviewed by legal counsel in 2015 and formally adopted by City Council.

She confirmed the city is compliant with mandated training requirements. The city also reports no known losses within the previous seven fiscal years and issued a Statement of No Known Losses.

She clarified the 2018 employee turnover indicated on the application was a result of retirements and a resignation.

The Committee discussed implementing a requirement for the city to update their policies and procedures within the next two years to be reviewed by legal counsel with expertise in public sector employment law.

City of St. Helena

Ms. Jobe advised the city reported payroll of \$7.8M for the 2020 calendar year and has 65 full-time and 51 part-time employees. The city advised of one loss within the previous seven fiscal years.

She confirmed the city has written personnel policies and procedures in place that were reviewed by legal counsel and adopted by City Council within the previous five years. The city is compliant with AB 1825 and SB 1343 training requirements.

Ms. Jobe advised the 2017 employee turnover was a result of retirements and voluntary

terminations and also noted the 2019 employee turnover included part-time and seasonal employees.

Ms. Jobe concluded with a review of the involuntary terminations and advised none resulted in adverse action.

Stuart Schillinger moved to recommend the Board of Directors approve: 1) The Redwood Empire Municipal Fund (REMIF) and underlying members – Cities of Cotati, Fort Bragg, Fortuna, Healdsburg, and St. Helena at a \$350,000 SIR, effective July 1, 2021; and 2) the City of Sonoma at a \$350,000 SIR, effective July 1, 2021, with the condition the city’s personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law and approved by City Council, no later than July 1, 2023.

The Committee further recommended the Board of Directors require prospective member agencies to update personnel policies and procedures last reviewed six or more years ago and have them reviewed by legal counsel with expertise in public sector employment law.

6. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None

7. ADJOURNMENT

The April 2, 2021, ERMA Underwriting Committee meeting adjourned at 9:54 a.m. by general consent.

Mona Hedin

Mona Hedin, Board Secretary