

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING
OF SEPTEMBER 12, 2022

A special meeting of the Board of Directors of ERMA was held on September 12, 2022. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

- BOARD MEMBERS PRESENT:** John Gillison, President, CIRA
Brett Miller, Treasurer, MBASIA
Robert Thompson, CalTIP
Charlene Calica, CCCHA
Bryan Whitemyer, CSJVRMA
Melissa Guerrero, ERMAC
Linda Cox, MPA
Drew Felder, OHA
Beth Lyons, PERMA
Roger Carroll, SCORE
Jeremy Wittie, VCJPA
- BOARD MEMBERS ABSENT:** Stuart Schillinger, Vice President, BCJPIA
Kevin Bryant, PLAN
- ALTERNATE MEMBERS PRESENT:** Kin Ong, CIRA
George Fink, CalTIP
Becky Ramirez, CSJVRMA (*joined at 3:25 p.m.*)
Nataline Jindoaian, CCCHA (*joined at 3:26 p.m.*)
- ALTERNATE MEMBERS ABSENT:** Heather Rowden, BCJPIA
Steve Adams, MBASIA
Reina Schwartz, MPA
George Rodericks, PLAN
Wendy Howard, SCORE
Becky Ramirez, CSJVRMA
Yumi Augustus, PERMA
Jamie Scott, VCJPA
- OTHERS PRESENT:** Jennifer Jobe, Executive Director
Danielle Davis, Board Secretary
Stacey Sullivan, Litigation Manager
Jim Elledge, Interim Finance Manager
Chee Xiong, Senior Accountant
Doug Alliston, Board Counsel
Amy Northam, CIRA
Doug Dunford, City of California City

1. CALL TO ORDER/INTRODUCTIONS

The September 12, 2022, Special Board of Directors Meeting was called to order at 3:12 p.m. by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Linda Cox moved, seconded by Brett Miller, to approve the agenda as posted. A roll call was conducted. The motion passed with affirmative votes by Robert Thompson, Brian Whitemyer, Linda Cox, Beth Lyons, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie, Brett Miller, and John Gillison with no nays or abstentions.

3. PUBLIC COMMENTS

None.

4. MEMBERSHIP MATTERS

A. Consideration of Expulsion of the City of California City (CIRA)

Jennifer Jobe, Executive Director, summarized the Board of Directors' recent activity and discussions concerning the City of California City (California City), an underlying member of the California Intergovernmental Risk Authority (CIRA).

Ms. Jobe reminded the Board of the decision at the November 2021 meeting to issue formal notice of termination of participation effective June 30, 2022, in conjunction with the city's placement on a Performance Improvement Agreement (Agreement). She noted the decision was based on information presented at the November 2020 meeting, in which the Board directed the Litigation Manager to conduct a risk assessment after it was discovered the city significantly exceeded the maximums allowed for the three parameters tracked by ERMA: claim severity, claim frequency, and loss ratio. Ms. Jobe explained the risk assessment included targeted guidance from staff and specialized training aimed at identifying and addressing existing organizational impediments to assist overall program performance.

At the June 2022 meeting, Ms. Jobe advised of the recent appointment of Doug Dunford as City Manager. Mr. Dunford met with staff and agreed to the terms of an Amendment to the existing Agreement, which expanded the terms to include an increase to the city's self-insured retention from \$250,000 to \$350,000 and a requirement to employ a professional and credentialed Human Resources Director. The Board approved the issuance of the Amendment in exchange for the city's continued participation in ERMA.

Ms. Jobe advised staff was recently notified of Mr. Dunford's resignation from the city effective September 16, 2022, noting the city's history of frequent leadership changes since the assessment in 2020. She expressed staff's concern that despite considerable efforts to assist the city, ongoing organizational, administrative, and other significant personnel-related changes will continue to impede the city's ability to comply with many of the terms of the Agreement. Consequently, the Board may wish to consider expulsion of the city from the ERMA program via adoption of one of the following options:

- Option A: Expel California City, effective November 1, 2022, and return pro-rated contribution to CIRA.
- Option B: Expel California City, effective July 1, 2022, and return 2022/23 contribution to CIRA.

Ms. Jobe stated Option A allows time for ERMA and CIRA staff to aid in the city's transition from the current program and secure new coverage, whereas Option B retroactively removes the city from participation in the 2022/23 Program Year entirely. Kin Ong, CIRA, endorsed Option A, confirming this date aligns with that currently being considered by the CIRA Board

of Directors for the city's expulsion. Mr. Ong also noted CIRA staff is working with the city to secure alternate coverage, effective November 1st.

Mr. Dunford addressed the Board and acknowledged the difficult decision brought forth for consideration. He expressed his appreciation for the support and resources provided by ERMA and CIRA, to-date.

Discussion ensued regarding the city's loss history, procedures for returning premium in the event of expulsion, and the proposed expulsion options. It was noted that irrespective of the present decision, the city's participation in ERMA, as a member of CIRA, will cease on November 1st should the CIRA Board vote to expel the city. A consensus formed dismissing Option B due to complexities involved with coverage continuity and inconsistency with corresponding action taken by CIRA.

Roger Carroll moved, seconded by Linda Cox, to expel the City of California City effective November 1, 2022, and return a pro-rated contribution to CIRA (Option A). The motion passed with affirmative votes by Robert Thompson, Brian Whitemyer, Linda Cox, Beth Lyons, Roger Carroll, Charlene Calica, Drew Felder, Jeremy Wittie, Brett Miller, and John Gillison with no nays or abstentions.

5. CLOSING COMMENTS

A. Board of Directors

None.

B. Staff

None.

6. ADJOURNMENT

The September 12, 2022, Special ERMA Board of Directors Meeting adjourned at 3:51 p.m. by general consent.



Danielle Davis, Board Secretary