

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE BOARD OF DIRECTORS MEETING
OF JUNE 3, 2024**

A regular meeting of the Board of Directors of ERMA was held on June 3, 2024, via Zoom.

BOARD MEMBERS PRESENT:

Beth Lyons, PERMA
Bryan Whitemyer, Vice President, CSJVRMA
Charlene Calica, CCCHA
Jeremy Wittie, Treasurer, VCJPA
Jason Castleberry, BCJPIA
John Gillison, President, CIRA
Linda Cox, MPA
Muriel Howarth Terrell, SCORE
Kevin Bryant, PLAN
Paul Wood, MBASIA
Robert Thompson, CalTIP

BOARD MEMBERS ABSENT:

Drew Felder, (OHA)
Thomas Watson, ERMAC

ALTERNATE MEMBERS PRESENT:

Amy Conley, CIRA
George Fink, CalTIP
Jamie Scott, VCJPA
Melissa Guerrero, ERMAC
Nataline Jindoian, CCCHA

ALTERNATE MEMBERS ABSENT:

Becky Padron, CSJVRMA
George Rodericks, PLAN
Jon Maginot, BCJPIA
Steve Adams, MBASIA
Sukari Beshears, MPA
Wendy Howard, SCORE
Yumi Augustus, PERMA

OTHERS PRESENT:

Chee Xiong, Finance Manager
Chrissy Mack, CalTIP & VCJPA Executive Director
Conor Boughey, MBASIA
Doug Alliston, Board Counsel
Elizabeth Arce, Liebert Cassidy Whitmore
Eric Dahlen, PLAN
Jaesa Cusimano, BCJPIA
Jeanette Workman, CSJVRMA
Michael Christian, Jackson Lewis

Michelle Minnick, Alliant/SCORE
Rob Kramer, ERMA Executive Director
Seth Cole, Alliant
Shadi Jalali, Alliant
Stacey Sullivan, Litigation Manager
Yvette Flama, Board Secretary

1. CALL TO ORDER; INTRODUCTIONS

The June 3, 2024, Board of Directors Meeting was called to order at 10:15 a.m. by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Linda Cox moved, seconded by Bryan Whitemeyer, to approve the agenda as amended. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

President Gillison drew attention to the Consent Calendar and asked if there were any questions regarding any specific items listed on the calendar.

Linda Cox moved, seconded by Jeremy Wittie, to approve the following Consent Calendar items: (A) Minutes of the April 23, 2024, Board of Directors Meeting (B) Summary of Action Items of the April 23, 2024, Board of Directors Meeting, C) General Warrants from April 1, 2024, through April 30, 2024, (D) Claims Payments from April 1, 2024, through April 30, 2024, (E) Treasurer Report as of March 31, 2024, (F) Internal Financial Statements as of March 31, 2024, (G) PFM Quarterly Investment Report as of March 31, 2024, (H) 2024/25 Excess Coverage Renewal Agreement, (I) ERMA Defense Panel – Update May 2024, (J) ERMA Investigators Panel – Updated May 2024, (K) Praxis Claims Consulting Contract for Claims Auditing Services, (L) Tahoe Transportation District Change EPL Coverage Decision Letter, (M) ERMA Training Bulletin – SB 553 Workplace Violence Prevention Plan. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

5. FINANCIAL MATTERS

A. Review of Annual Retrospective Adjustment Calculation

Per the Financial Stability Plan (Plan), the retrospective adjustment calculation is reviewed annually by the Board of Directors. Ms. Chee Xiong, ERMA Finance Manager, defined the ERMA retrospective adjustment process in which the Board may return surplus contribution to the members if certain conditions are met. At the time of the calculation, the total program net position was at 90% confidence level and therefore the 2014/15, 2016/17, 2017/18, and 2018/19 program years were eligible for surplus return. Ms. Chee went on to recommend to the Board approve a release of surplus in the amount of \$1,700,000 from the program years 2014/15, 2016/17, and 2017/18. Staff further recommends closure of the program year 2014/15 as there are currently no open claims, reserves, or Incurred But Not Report (IBNR) reserves in this year.

Linda Cox moved, seconded by Jason Castleberry, to release the surplus in the amount of \$1,700,000. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Review of Administrative and Operating Budget for the 2024/25 Program Year

Ms. Chee Xiong, ERMA Finance Manager, presented the proposed administrative and operating budget to the Board. She recommended the Board set the funding rates at the 80% CL and utilize a discount factor of 2.0%. The prior year's budget was approved at the 80% CL and discounted at 1.5%. Funding for Losses is estimated at \$10.1 million and \$9.0 million for the 2024/25 and 2023/24 years, respectively, a 12.1% increase over the prior year's approved budget. This is primarily due to an increase in payroll of 13.0%, offset by a small decrease in rates. The 2024/25 baseline \$50,000 retention rate slightly decreased. She informed the Board the loss prevention and training administrative expense is estimated to be 1.6 million, a 3.4% increase over the preliminary budget, and this is because of the additions of the new Member and mainly in program management. She went on to inform the Board the actual calendar year 2023 payroll, which is used to determine member contributions, increased by 13.0% over the prior year.

Jeremy Wittie moved, seconded by Linda Cox, to approve the administrative and operating budget for the 2024/25 program year with losses funded at 80% and discounted at 2%, subject to verification of final payroll numbers. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

C. Review of ERMA SIR Attachment Point

Mr. Rob Kramer, ERMA Executive Director, reminded the Board at the Annual Workshop on February 1, 2024, there were two items the Board wanted ERMA staff to review. First, the self-insured options that we offer to ERMA members. Staff will engage Bickmore Actuarial to conduct a study on this matter later in the program year. Second, is how much ERMA risk

shares. ERMA risk shares up to \$1,000,000 and the Board wanted to know if it was worth ERMA taking on a higher self-insured limit. Staff worked with Alliant, who provided indications from our UI as to what the reduction in cost would be if we took a higher retention. After review, Staff discovered it was not a significant amount, less than \$100,000 in savings. Mr. Kramer went on to inform the Board that would mean in order to take on another \$1,000,000 in risk, we would have to fund that much or more for 10 years to cover one loss. Mr. Kramer went on to inform the Board that the market is in a good state and there is no significant financial advantage for ERMA to take on a higher layer as well as the fact that there would be other issues because not every ERMA member participates in the excess layer. Ms. Chee Xiong went on to review the data that was prepared for the Board.

The Board took no formal action.

6. ADMINISTRATIVE MATTERS

A. Review of the ERMA By-Laws and Master Program Document

Mr. Rob Kramer, Executive Director of ERMA, informed the Board that following the April 23, 2024 Board of Directors meeting, the Board identified changes they would like to make. ERMA staff posted the required 30-day notice to officially change the By-Laws. Mr. Kramer asked Mr. Doug Alliston, Board Counsel, to review the changes made. Mr. Alliston noted the changes to By-Laws is facilitating an Executive Committee. Mr. Alliston informed the Board the By-Laws already had a provision for an Executive Committee. Mr. Alliston pointed the officers are appointed in odd numbered years, and the committee is made up of the officers of the Board and two at-large members; the at-large members will be elected in even numbered years. Staff appealed the Executive Committee actions to allow matters to be heard allow to be heard at the next regular or special meeting.

Mr. Rob Kramer then pointed out in the Master Program Document, Staff increased the litigation managers authority to \$150,000 form \$100,000, changed the terminology in the document from premiums to contributions to sound less like insurance, all of which was recommended by the Board in April. Mr. Kramer went on to inform the Board the Executive Committee will have authority up to \$1,000,000 when the Board of Directors is not meeting.

Ms. Linda Cox, Board representative for the Municipal Pooling Authority (MPA) asked Staff to clarify what the role of the Executive committee will be. Mr. Kramer confirmed the role is the same as the Board. The Executive committee has authority in special meeting instances and can approve matters up to \$1,000,000. If a member is not satisfied with the actions of the Executive Committee, the member can ask for an appeal to the full Board of Directors.

Linda Cox moved, seconded by Bryan Whitemeyer, approve the changes to the ERMA By-Laws and Master Program Document. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Draft Resolution 2023-2, Establishing Meeting Dates for the 2024/25 Program Year

Ms. Yvette Flama, ERMA Board Secretary presented the draft resolution to the Board. She noted the Board asked at the April Board meeting for the Annual Workshop and Board Meeting to be held in January 2025 instead of February as in previous years. Ms. Flama went on to inform the Board the suggested meeting dates include the Executive Committee meetings along with the Board of Directors meetings.

Ms. Chrissy Mack, Executive Director for Vector Control Joint Powers Agency (VCJPA) informed Staff the proposed dates for the Annual Workshop conflict with dates for Central San Joaquin Valley Risk Management Authority (CSJVRMA). Mr. Kramer, ERMA Executive Director, advised the Board they can ask for more dates so a members is not excluded.

Ms. Linda Cox, Board representative for MPA, noted she usually waits for CARMA and ERMA to set dates before scheduling the MPA workshop. Mr. Kramer suggested Staff will send a Doodle to potentially find another date. He also recommended the Board take action on the remaining meeting dates, and Staff will bring the matter back at the November Executive Committee meeting or before to set a final date.

John Gillison moved, seconded by Linda Cox, to approve the Draft Resolution 2023-2, Establishing the Meeting Dates for the 2024/25 Program Year, less the dates of January 23, 2025 and January 24, 2025. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

7. GOVERNANCE MATTERS

A. Election of Executive Committee Members

Mr. Kramer informed the Board we will now vote to activate the Executive Committee. Staff sent out a notice to the Board seeking interest in filling the two at-large positions. Staff informed the Board two Board representatives express interest in the positions. Mr. Kramer informed the Board Staff's recommendation includes the two volunteers or anyone from the floor. Mr. John Gillison, ERMA President, to ask the Board to formally activate the Executive Committee.

Linda Cox moved, seconded by Beth Lyons, to formally activate the Executive Committee. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

Mr. Kramer went on to move the two-at large representatives that we need to fill for the executive committee. We have two individuals, Jason Castleberry, and Linda Cox, that have expressed interest in the positions. Mr. Kramer solicited for any additional nominations that anyone would like to make from the floor. Mr. Gillison noted there were not additional recommendations from the floor.

John Gillison moved, seconded by Amy Conley, to formally approve Jason Castleberry and Linda Cox to fill the two at-large positions of the Executive Committee. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

Mr. Gillison noted for the record, the balance of the Executive committee is the officers. ERMA now has an Executive committee with our five members. Mr. Gillison went on to note that when we have the meetings, there will be links so that Board members that are interested can join.

8. MEMBERSHIP MATTERS

A. Review of Prospective New Member Application – City of Suisun City (PLAN JPA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the City be approved conditionally at a SIR of no less than \$50k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Bryan Whitemyer moved, seconded by Linda Cox, to approve the City of Suisun City effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

B. Review of Prospective New Member Application – City of San Carlos (PLAN JPA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the City be approved conditionally at a SIR of no less than \$50k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Kevin Bryant moved, seconded by Jamie Scott, to approve to approve the City of San Carlos effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

C. Review of Prospective New Member Application – Consolidated Fire Agencies (CONFIRE) (CIRA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the agency be approved conditionally at a SIR of no less than \$50k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Amy Conley moved, seconded by Jeremy Wittie, to approve to approve CONFIRE effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

D. Review of Prospective Member Application, Pajaro Regional Flood Management Agency (PRFMA) (CIRA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the agency be approved conditionally at a SIR of no less than \$50k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Jamie Scott moved, seconded by Linda Cox, to approve to approve PRFMA effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

E. Review of Prospective Member Application, City of Mountain House, (MPA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the City be approved conditionally at a SIR of no less than \$50k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Linda Cox moved, seconded by Bryan Whitemeyer, to approve to approve the City of Mountain House effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

F. Review of Prospective Member Application, City of Upland (CIRA)

Mr. Kramer informed the Board Staff and the Underwriting Committee recommend the City be approved conditionally at a SIR of no less than \$500k, effective July 1, 2024, with the condition of having the personnel policies and procedures be required to be reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

Jeremy Wittie moved, seconded by Jason Castleberry, to approve to approve the City of Upland effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

G. Review of Prospective Member Application, City of Moreno Valley (PERMA)

Mr. Kramer informed the Board, Staff and the Underwriting Committee recommend the City be unconditionally approved at a SIR of no less than \$250k, effective July 1, 2024.

Beth Lyons moved, seconded by Linda Cox, to approve to approve the City of Moreno Valley effective, July 1, 2024. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

9. TRAINING AND LOSS PREVENTION MATTERS

A. Training Topics for the 2024-25 Program Year

Ms. Yvette Flama presented the proposed training topics to the Board. She noted the topic Staff added was the Diversity & Inclusion topic the Board agreed should be offered to members during the annual workshop.

Linda Cox moved, seconded by Jason Castleberry, to approve to training topics for the 2024/25 program year. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

10. EXECUTIVE DIRECTOR'S REPORT

Mr. Kramer provided an update to the Board on what Staff had done to satisfy the Boards request to provide members with support regarding the new Workplace Violence SB 553. Mr. Kramer noted staff prepared and extensive bulletin that included information, guides, and vendors they can contact for additional support. Mr. Kramer then went on to update the Board on the Diversity training resources members will have access to through ERMAnet. Regarding the Employment Practices Policy Review program, Mr. Kramer informed the Board Liebert Cassidy Whitmore and Jackson Lewis have agreed that Liebert Cassidy Whitmore will handle all of the survey reviews. Mr. Kramer went on to note that the attorney firm has begun reviewing members surveys and providing guidance.

Mr. Kramer then went on to seek direction from the Board on how ERMA handled in-house staffed JPA support in the past. He informed the Board some parent JPA's were seeking to utilize the reimbursement program, training options, etc. The Board members advised Mr. Kramer it had always been an option for parent JPA's to take advantage of the benefits of ERMA. Finally, Mr. Kramer provided a brief overview of how Staff plans to host the Investigators Panel Forum at the direction of the Board at the February Annual Workshop.

The Board took no formal action.

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 12:15 p.m. to discuss the following claims:

- Sabrina Ellis v. City of Barstow (PERMA JPA)
- Craig v. City of California City (CIRA)
- Vega v. City of Placentia (CIRA)

The Board reconvened to Open Session at 12:45 p.m. by Doug Alliston, Board Counsel, advised no reportable action was taken in Closed Session.

11. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None.

12. ADJOURNMENT

The June 3, 2024, ERMA Board of Directors Meeting adjourned at 12:50 p.m. by general consent.



Yvette Flama, Board Secretary