

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE SPECIAL EXECUTIVE COMMITTEE MEETING OF JUNE 28, 2024

A special meeting of the Executive Committee of ERMA was held on June 28, 2024. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

COMMITTEE MEMBERS PRESENT:

John Gillison, President, CIRA
Jason Castleberry, BCJPIA
Jeremy Wittie, Treasurer, VCJPA

COMMITTEE MEMBERS ABSENT:

Bryan Whitemyer, Vice President, CSJVRMA
Linda Cox, MPA

OTHERS PRESENT:

Beth Lyons, PERMA Executive Director
Rob Kramer, Executive Director
Yvette Flama, Board Secretary
Stacey Sullivan, Litigation Manager
Doug Alliston, Board Counsel

1. CALL TO ORDER; ROLL CALL

The June 28, 2024, Board of Directors Meeting was called to order at 8:10 a.m. by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Jeremy Wittie moved, seconded by Jason Castleberry, to approve the agenda as posted. A roll call vote was conducted. The motion passed unanimously with affirmative votes by John Gillison, Jason Castleberry, and Jeremy Wittie.

3. PUBLIC COMMENTS

None.

4. MEMBERSHIP MATTERS

A. Review of Prospective New Member Application, Hesperia Recreation and Park District (PERMA JPA)

Mr. Kramer informed the committee that Beth Lyons, Executive Director from PERMA, is on the call to answer any questions regarding the current matter. Mrs. Lyons informed the Committee in March of 2024 that the prospective member was notified by its current pool, CAPRI, that it would no longer provide coverage to its members who had armed rangers. There were multiple districts that, along with Hesperia RPD, had to either get rid of their armed rangers or find alternative coverage. Mrs. Lyons noted that Hesperia RPD was unprepared for how difficult it would have been to find new coverage for their unique situation. The prospective member contacted PERMA before the Memorial Day holiday in

late May 2024. They sought coverage after being turned down by other pools for various reasons, such as their size, timing, and risk factors. PERMA's actuary reviewed the district's loss information and found that its size and losses were within range with members across the pool. PERMA decided to move forward with the process of providing coverage. Mr. Kramer then presented ERMA's staff findings after a review of the district's application and losses. Mr. Kramer pointed out that the district's losses were higher than what we normally see for a district of their size. President Gillison sought clarification for the district's SIR limit as a participating member of CAPRI. Mrs. Lyons stated it was \$25,000 for the district.

Mr. Castleberry asked about the two losses that were categorized as wrongful termination. Mrs. Lyons shared that PERMA was focused on stability. Mrs. Lyons shared that the PERMA board is aware of the district's challenges with employment practices. Mrs. Lyons stated that the administrative manager is responsible for HR duties but is on personal leave. She mentioned some of the issues we see in the losses could result from the person being on leave. She noted the district is aware they need to seek a person with a greater understanding of HR laws and requirements. The district is actively seeking a new HR Director. Mrs. Lyons pointed out that the district transitioned from one Acting General Manager to a new Acting General Manager within one month. The district said the contract was terminated with cause. Mrs. Lyons pointed out that if PERMA does not 'hold their feet to the fire,' so to speak, with regard to HR policies and processes, there could be more claims.

Mr. Kramer recommended that ERMA has many resources the district can utilize. He suggested that the committee accept the district at higher retention with conditions to lower their condition, or they could deny them this year and come in again after adjusting. Mr. Gillison shared his concerns about the pending claims and suggested they come in at a higher retention level of \$500k, or they wait one year after filling their positions and can show more stability. Mr. Castleberry suggested that the district update policies and procedures within one year of joining ERMA and the SIR of \$500k. Mr. Wittie agreed to the SIR of \$500k and one year to complete all conditions.

The Committee agreed to conditionally approve the district at a SIR of no less than \$500k, effective July 1, 2024, with the conditions that the personnel policies and procedures be required to be created by legal counsel with expertise in public sector employment law and approved by Governing Council; b) Fill the GM position; c) Fill the HR Director position; d) Have an HR plan in place; e) Complete a risk assessment by July 1, 2025, and f) Review of member performance at end of the program year in June 2025 within twelve months of joining ERMA.

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

5. ADMINISTRATIVE MATTERS

A. CONSIDERATION OF EXTENSION TO INSURANCE BROKERAGE AND CONSULTING SERVICES AGREEMENT WITH ALLIANT INSURANCE SERVICES, INC.

Mr. Kramer informed the Committee that the contract with Alliant had already been set up for two one-year extensions. Mr. Kramer said Alliant does a fantastic job of providing service, and Staff is happy with their performance.

John Gillison moved, seconded by Jeremy Wittie, to approve the two year extension to the Alliant agreement. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.

6. CLAIMS MATTERS

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

Pursuant to Government Code Section 54956.95(a), the Board recessed to Closed Session at 3:10 p.m. to discuss the following claims:

- Brooke Dunn v. City of La Mesa (PERMA)

B. Report from Closed Session

The Committee reconvened to Open Session at 8:58 a.m. Doug Alliston, Board Counsel, advised no reportable action was taken in Closed Session.

7. CLOSING COMMENTS

A. Board of Directors

None.

B. Staff

None.

8. ADJOURNMENT

The June 28, 2024 ERMA Special Executive Committee Meeting adjourned at 9:00 a.m. by general consent.



Yvette Flama, Board Secretary