

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
OF MARCH 10, 2026**

A regular meeting of the Board of Directors was held on March 10, 2026, in person at the Napa Valley Marriott, 3425 Solano Avenue, Napa, CA 95858.

**BOARD MEMBERS PRESENT:**

Linda Cox, Vice President, MPA  
Dan Newton, SCORE  
Beth Lyons, PERMA  
Jason Castleberry, BCJPIA  
Rob Thompson, CalTIP  
Noemi Zamudio, CSJVRMA  
Charlene Calica, CCHA

**BOARD MEMBERS ABSENT:**

Amy Conley, President, CIRA  
Cindy Safe, PLAN  
Drew Felder, OHA  
Jeremy Wittie, Treasurer, VCJPA  
Paul Wood, MBASIA

**ALTERNATE MEMBERS PRESENT:**

Carolina Yuen, BCJPIA  
Erike Young, CIRA  
Jim Elledge, PERMA  
Wendy Silva, CSJVRMA  
Nataline Jindoian, CCHA  
Jamie Scott, VCJPA  
John Elsnab, SCORE

**ALTERNATE MEMBERS ABSENT:**

George Rodericks, PLAN  
George Fink, CalTIP  
Steve Adams, MBASIA  
Sukari Beshears, MPA

**OTHERS PRESENT:**

Michael Kenney, Sedgwick Administrative Services Coordinator  
Rob Kramer, ERMA Executive Director  
Kassandra Batista, ERMA Training Coordinator  
Stacey Sullivan, ERMA Litigation Manager  
John Jeffs, ERMA Litigation Analyst  
Nancy Broadhurst, ERMA Interim Finance Manager  
Will Portello, Sedgwick Litigation Director  
Jeanette Workman, CSJVRMA  
Jaesa Cusimano, BCJPIA  
Chrissy Mack, CalTIP  
Yahaira Velasquez, VCJPA  
Marcus Beverly, SCORE  
Conor Boughey, MBASIA  
Shadi Jalali, Alliant Insurance Services  
Mike Christian, Jackson Lewis  
Jenny-Anne Flores, Liebert Cassidy Whitmore

Nathan Jackson, Liebert Cassidy Whitmore  
Dede Aspero, CalTIP  
Melissa Cardinale, PLAN

### **1. CALL TO ORDER; INTRODUCTIONS**

The March 10, 2026, Board of Directors Meeting was called to order at 9:01 a.m. by Vice President Linda Cox, MPA. Ms. Cox noted those present were familiar with one another, and formal introductions were not conducted.

### **2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

**Beth Lyons, PERMA moved, seconded by Erike Young, CIRA, to approve the agenda as posted. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

### **3. PUBLIC COMMENTS**

Ms. Cox called for public comments. Mr. Rob Kramer, ERMA Executive Director, noted this would be the final ERMA Board of Directors meeting for two longtime industry leaders, Linda Cox and Jeanette Workman. Mr. Kramer recognized Ms. Cox for her ten years with MPA as Chief Administrative Officer, her service as ERMA Vice President, President of CARMA, and her significant contributions to public agency pooling organizations. He also recognized Ms. Workman for her many years of service to Central San Joaquin Valley Risk Management Authority and Vector Control Joint Powers Agency and thanked her for her contributions to ERMA and the pooling industry.

### **4. CONSENT CALENDAR**

**Jamie Scott, VCJPA, moved, seconded by Jason Castleberry, BCJPIA, to approve the following Consent Calendar items: (A) Minutes of the June 2, 2025, Board of Directors Meeting, (B) General Warrants from October 1, 2025, through December 31, 2025, (C) Claims Payments from October 1, 2025, through December 31, 2025, (D) Treasurer's Reports as of December 31, 2025, (E) Internal Financial Statements for the Quarter Ending December 31, 2025, (F) Target Net Position Benchmarking Ratios as of June 30, 2025, (G) Financial Stability Plan, (H) Defense Panel, and (I) Investigator Panel. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

### **5. ADMINISTRATIVE MATTERS**

#### **A. Consideration of Goals and Objectives Established at the 26th Annual Workshop**

Mr. Kramer reported that several goals and objectives were identified during the Annual Workshop and organized into financial, member services, and administrative categories for future staff work.

Under financial matters, Mr. Kramer identified review of the capital contribution fund, continued implementation of Captive for ERMA (CERMA), education regarding the Dollar One initiative, and review of the Liebert Cassidy Whitmore/Jackson Lewis Memorandum of Understanding to potentially increase the scope of service related to the attorney hotline. A brief discussion occurred regarding potential interest charges on invoices, and staff was directed to discuss the matter further with the Executive Committee before the next billing cycle.

Regarding member services and loss prevention, Mr. Kramer discussed continuing elected officials training, leadership and conflict resolution training, development of relationships with the defense and investigator panels, outreach presentations to member boards, and the upcoming Investigators Forum. Board members also discussed the importance of educating members regarding claim reporting and ERMA funding practices.

Mr. Kramer further discussed development of a litigation management philosophy and ongoing efforts to improve data collection, document management, and technology resources. The Board reviewed the proposed priorities and provided general direction to staff.

**The Board of Directors took no formal action on this matter.**

B. Review and Consideration of Other Administrative Items Arising from the Annual Workshop Discussions

Mr. Kramer advised there were no additional administrative items arising from the Annual Workshop that required separate discussion under this item.

**The Board of Directors took no formal action on this matter.**

C. Review of Draft Resolution No. 2025-4, Establishing Meeting Dates for the 2026/27 Program Year

Mr. Kramer reported the proposed meeting dates largely mirrored the dates used during the current program year and that staff had attempted to avoid known conference and meeting conflicts. He asked members to inform staff if they became aware of any conflicts with underlying member meetings or other commitments. Mr. Kramer clarified that all meetings listed would be virtual except for the Annual Workshop.

**Noemi Zamudio, CSJVRMA, moved, seconded by Erike Young, CIRA, to approve Resolution 2025-4, Establishing Meeting Dates for the 2026/27 Program Year. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

D. Discussion of Enterprise Risk Management Strategies for ERMA

Mr. Kramer reported that enterprise risk management has become a greater focus in the CAJPA accreditation process. He noted the issue can be more difficult to apply to a monoline pool such as ERMA because ERMA focuses on one area of risk; however, staff adapted the concept to ERMA by considering broader organizational risks such as staff loss, significant Board turnover, and other continuity issues. He stated the document included in the agenda packet was intended to demonstrate that ERMA had considered enterprise risk management from the perspective of its operations, governance, and program structure.

Ms. Cox thanked staff for placing the item on the agenda and commented that it reminded her to address a similar issue for her own organization. No additional changes were requested.

**Beth Lyons, PERMA, moved, seconded by Erike Young, CIRA, to approve the enterprise risk management discussion item and related materials as presented. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

E. Consideration of the Renewal of the Memorandum of Understanding between ERMA and Liebert Cassidy Whitmore and Jackson Lewis, which Expires June 30, 2026

Mr. Kramer reported that ERMA typically reviews the Memorandum of Understanding (MOU) with Liebert Cassidy Whitmore and Jackson Lewis approximately every three years, and the current agreement is scheduled to expire on June 30, 2026. Staff requested that both firms jointly provide a renewal proposal covering their legal services, the attorney hotline, training, and other support provided to the ERMA program.

Mr. Kramer advised that the Executive Committee reviewed the proposal at its February 20, 2026 Executive Committee meeting. He explained that the requested rate increase for legal services raised the related question of whether ERMA's broader attorney panel rates were aligned with the market, which is why staff considered the renewal together with Item 5.F. regarding panel rates. Mr. Kramer stated the Executive Committee and staff recommended approval of the MOU with Liebert Cassidy Whitmore and Jackson Lewis.

**Noemi Zamudio, CSJVRMA, moved, seconded by Rob Thompson, CalTIP, to approve the Joint Proposal from Liebert Cassidy Whitmore and Jackson Lewis for a successor Memorandum of Understanding, effective July 1, 2026. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

F. Draft Resolution 2025-2 Establishing Attorney Panel Rates and Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms

Mr. Kramer introduced the item and explained that staff had reviewed ERMA's broader attorney panel rates in connection with the proposed renewal of the strategic partner Memorandum of Understanding. He stated ERMA's rates were significantly below current market levels and asked Ms. Stacey Sullivan, ERMA Litigation Manager, to summarize the research supporting the proposed changes.

Ms. Sullivan reported that she contacted ERMA panel attorney firms and requested information regarding the hourly rates they charge other public entity clients. She clarified that the comparison did not include private sector clients. Ms. Sullivan stated that ERMA's current rates were materially lower than the rates charged to comparable public entity clients and that staff was proposing to move all ERMA panel firms to a uniform rate structure aligned with the proposed strategic partner rates. She explained the resolution would set rates for the next three years, with annual increases of approximately \$10 to \$20 per hour depending on the rate category, consistent with the way ERMA has historically adopted multi-year rate resolutions.

**Jamie Scott, VCJPA, moved, seconded by Beth Lyons, PERMA, to approve Resolution 2025-2, Establishing Attorney Panel Rates and Establishing Criteria for Adding and Removing Defense Counsel to the Panel of Approved Attorney Firms, as presented. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

**6. CAPTIVE FORMATION MATTERS**

A. Consideration of the Size and Composition of the Proposed Captive Board of Directors

Mr. Kramer reported that the Executive Committee had recently reviewed a number of matters related to the proposed captive. He noted that, although the captive name was not separately listed as an action item on the Board agenda, the Executive Committee had reviewed possible names and recommended Captive for ERMA, referred to as CERMA. Mr. Kramer explained that several items before the Board were intended to provide direction, while certain items required formal action before later ratification by the future CERMA Board of Directors.

Mr. Kramer stated staff and the Executive Committee recommended a six-member CERMA Board of Directors composed of the ERMA Executive Committee members, plus the required Utah representative. He explained that, once formed, the CERMA Board would begin meeting and would ratify many of the documents and actions the ERMA Board was reviewing or directing staff to pursue.

Ms. Cox asked how the Executive Committee changes over time. Mr. Kramer explained that Executive Committee seats are staggered, with two or three members typically up for election each year, and that the Executive Committee includes the President, Vice President, Treasurer, and two at-large positions. Ms. Cox stated the proposed structure would keep the captive board simple because Executive Committee members would also know they serve on the CERMA Board.

Beth Lyons asked whether there were Brown Act concerns with the full Executive Committee also sitting as the full CERMA Board. Ms. Cox noted the entities would be separate, but recognized the question concerned having the same body together outside an Executive Committee meeting. Mr. Doug Alliston, ERMA Board Counsel, stated he would review the issue and make a recommendation. Mr. Kramer stated staff could follow an open meeting format for CERMA meetings if Board Counsel determined that was appropriate, including agendas and minutes, and noted members of the ERMA Board could listen to virtual CERMA meetings if desired. Ms. Cox also noted similar structures are used by other public agency captives, but agreed the issue should be reviewed and clarified.

**Beth Lyons, PERMA, moved, seconded by Erike Young, CIRA, to approve the recommendation that the proposed CERMA Board of Directors be composed of the ERMA Executive Committee members and one Utah representative, subject to Board Counsel's review and guidance regarding Brown Act considerations. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

## B. Consideration of the Captive Domicile

Mr. Kramer reported that the Executive Committee and staff recommended Utah as the captive domicile. He stated numerous California joint powers authorities have formed captives in Utah, and Utah has a dedicated captive division familiar with this type of work. He further noted Utah's costs are comparatively low because the state charges a base fee that does not increase based on the amount of money held by the captive. Mr. Kramer also noted ERMA had established connections with Utah board counsel, which supported the recommendation.

Ms. Cox asked whether there were any concerns regarding Utah as opposed to another feasible domicile, such as Arizona. Hearing no concerns, she requested a motion.

**Beth Lyons, PERMA, moved, seconded by Jason Castleberry, BCJPIA, to select the State of Utah as the proposed domicile for CERMA and direct staff to proceed accordingly, including outreach to the Utah Insurance Department, Captive Division. A roll call vote was conducted, and the motion passed unanimously with no nays or abstentions.**

## C. Consideration of the Draft Articles of Incorporation

Mr. Kramer explained that the draft Articles of Incorporation were provided so the Board could see the type of formation document that would be used for CERMA. He stated CERMA would be formed as a separate nonprofit entity, and the Articles of Incorporation would address basic organizational matters similar to other corporate formation documents. He advised the draft would be reviewed by Utah counsel, Brent Andrewson of Holland & Hart, who had been engaged to assist with formation and serve as the Utah board member and counsel for the captive.

Ms. Cox asked whether staff still hoped to have the captive ready by July 1, 2026. Mr. Kramer responded that the goal was to be ready by July 1, and that staff would begin the application process, contact the State of Utah, complete captive manager setup items, and work through the required approval process for directors and service providers following the Board meeting.

Ms. Cox noted she would be leaving her position before July 1 and recommended that ERMA identify the incoming Vice President, or otherwise complete any necessary Executive Committee changes, early enough to avoid delaying the captive application process. She explained that her organization had experienced delays when an officer changed during formation because the background review process required the correct person to be identified. Mr. Kramer agreed and stated staff would need to solicit interest in the Executive Committee vacancy and complete any necessary elections earlier than usual, potentially through a special meeting if needed. The Board provided direction for staff to proceed with the Articles of Incorporation and related formation work and to address the Executive Committee succession issue as part of the captive formation timeline.

**The Board of Directors took no formal action on this matter.**

## D. Consideration of the Draft Captive Bylaws

Mr. Kramer introduced the draft CERMA bylaws and stated they were provided as an example of the type of governing document CERMA would need, similar to ERMA's own bylaws. He advised that the draft would be reviewed by Utah counsel and later considered by the CERMA Board once the captive is formed.

Dan Newton, SCORE, asked whether the Executive Committee was intended to serve only as the initial CERMA Board or whether the structure was intended to continue long term, noting the draft bylaws contained language regarding elections and the Board of Directors that did not expressly state the CERMA Board would mirror the ERMA Executive Committee. Mr. Kramer responded that the intent was for changes to the ERMA Executive Committee to be reflected in the CERMA Board over time, while recognizing the entities remain separate. Ms. Cox noted her organization had included language clarifying that issue and suggested the point be addressed in the draft. Mr. Kramer stated he had not yet reviewed the draft with Utah counsel but would raise the issue. The Board provided direction for staff and counsel to continue refining the bylaws.

**The Board of directors took no formal action on this matter.**

#### E. Consideration of the Draft Captive Conflict of Interest Policy

Mr. Kramer reported that CERMA would need its own conflict of interest policy, similar in concept to ERMA's existing conflict of interest policy. He explained the draft policy would address disclosure of potential conflicts and related governance procedures. The Board reviewed the draft and did not raise any questions. The Board provided direction for staff and counsel to continue refining the policy for future consideration by the CERMA Board.

**The Board of Directors took no formal action on this matter.**

#### F. Consideration of the Draft Business Plan and Reinsurance Agreement

Mr. Kramer reported that the draft business plan would continue to be developed by Bickmore as part of the captive implementation work previously authorized by the Board. He stated the business plan sets forth the items necessary to move the captive toward completion and includes issues related to funding, governance, insurance arrangements, and implementation steps.

Mr. Kramer noted that part of the direction sought from the Board was whether the captive should include both prospective coverage and prior liabilities at inception. He stated this issue had been discussed at the Annual Workshop and that the current direction was to include both go-forward liabilities and prior liabilities during the first year of the captive. The Board provided direction supporting continued development of the business plan and reinsurance agreement based on that structure.

**The Board of Directors took no formal action on this matter.**

#### G. Consideration of the Captive Service Team

Mr. Kramer reviewed the proposed captive service team and stated ERMA had reached the point in the formation process where the various service providers needed to be engaged or prepared for ratification by the future CERMA Board. He explained that Board counsel had already been engaged by the Executive Committee as counsel was needed to proceed with formation of the nonprofit entity and to support the Utah-related process.

Mr. Kramer reported that draft contracts or proposals were included for service providers including Alliant, PFM, Bickmore, Sampson & Sampson, and Sedgwick, and that banking relationships would include U.S. Bank and California Bank & Trust. He stated Mr. Alliston had reviewed the available agreements and provided several recommendations, including revisions related to choice of law and similar contract provisions, which staff would incorporate. Mr. Kramer explained the proposed team had been reviewed by the Executive Committee and would ultimately need to be ratified by the CERMA Board once formed.

Mr. Kramer also highlighted the captive implementation status report and stated it may be useful to other pools considering captive formation. The Board provided direction supporting the proposed service team and continued implementation work.

**The Board of Directors took no formal action on this matter.**

#### H. Review and Consideration of the Draft Captive for ERMA (CERMA) Investment Policy and Asset Allocation

Mr. Kramer reported that Mallory Sampson of PFM Asset Management had presented information regarding the draft investment policy and asset allocation during the Annual Workshop. He stated the policy would later need to be ratified by the CERMA Board, but staff wanted to confirm the ERMA Board was comfortable with the general direction before proceeding.

Mr. Kramer summarized the prior discussion regarding possible asset allocations, including 40/60, 50/50, 60/40, and 70/30 options. He stated the Executive Committee, after a more detailed discussion, recommended beginning with a 50/50 asset allocation and directing PFM to actively manage the portfolio and maintain communication regarding material developments. Ms. Cox noted the allocation should be reviewed annually. Mr. Kramer confirmed the CERMA Board would review the investment policy and asset allocation annually and that ERMA's Board would receive status reports regarding the captive at each ERMA Board meeting. The Board indicated it was comfortable with the 50/50 starting allocation.

**The Board of Directors took no formal action on this matter.**

I. Review and Consideration of Captive for ERMA (CERMA) Annual Operating Budget for Fiscal Year 2026/27

Nancy Broadhurst, ERMA Interim Finance Manager, reviewed the proposed CERMA first-year operating budget and noted it was generally the same budget presented to the Executive Committee, with two updates. She explained the \$5,000 actuarial study amount had been removed because staff later learned it was already included in the study Bickmore had completed. She also reported the financial audit amount had been updated from \$8,000 to \$11,900 based on information received from the auditor.

Ms. Broadhurst noted the budget presentation had also been revised to break out the components of various line items, including board meeting costs, as requested during the Executive Committee discussion. Mr. Kramer stated the budget had increased somewhat from the original implementation plan as more detailed information became available regarding application fees and service provider proposals. Ms. Cox observed the meeting cost estimate had also been increased to a more realistic amount. A clarification was made that the first financial audit likely would not occur until fiscal year 2027/28 because audits occur in arrears, which would reduce first-year expenses. The Board reviewed the budget and did not raise further questions.

**The Board of Directors took no formal action on this matter.**

**7. TRAINING AND LOSS PREVENTION MATTERS**

A. Update Regarding Various Training and Loss Prevention Initiatives

Mr. Kramer stated the item was included as a placeholder in case additional training or loss prevention items arose from the Annual Workshop. He noted the relevant items had already been addressed during the strategic goals and objectives discussion.

**The Board of Directors took no formal action on this matter.**

**8. COVERAGE MATTERS**

A. Excess Coverage and Marketing Strategy for the 2026/27 Program Year

Shadi Jalali of Alliant Insurance Services reported that ERMA currently purchases excess liability coverage above the \$1 million retained layer, with RSUI providing the first excess layer and Ascot sitting above RSUI. She stated Alliant had engaged both carriers to determine whether there would be any changes in underwriting appetite for the upcoming renewal, and neither carrier had indicated a change at that point.

Ms. Jalali stated Alliant was seeking a flat rate renewal, but that some additional rate could be requested by the carriers due to the claim cost environment and continued scrutiny of public entities. She advised that if carriers requested a material increase, Alliant would evaluate alternative options and bring those options back to the Board. Based on current information and absent negative loss development before July 1, she expected a stable renewal.

A Board member asked whether ERMA was considering higher limits, noting ERMA's historical excess placement previously included higher limits and that some recent claim examples exceeded the current EPL policy limit. Mr. Kramer stated staff could evaluate higher limit options if the Board was interested and suggested Alliant could present options for one or two additional million dollars in coverage, including whether any additional layer could be optional or would require a minimum participation level. The Board provided direction for staff and Alliant to explore higher limit options as part of the renewal process.

**The Board of Directors took no formal action on this matter.**

## **9. LITIGATION MATTERS**

### **A. Update Regarding Second Annual Investigators Forum**

Mr. Kramer reported the second annual Investigators Forum was scheduled for April 22 in Burlingame and that staff was finalizing the agenda and preparing invitations. He stated the prior year's forum had strong attendance from independent investigators and defense counsel and produced valuable discussion between the groups.

Ms. Sullivan reported that the planned speakers included Mike Christian of Jackson Lewis, and Sally Nguyen of Burke, Williams & Sorensen, who both serve as a panel attorney and investigator, and Dave Stallard of Stallard Investigations, an experienced investigator. She stated she was working to secure a third speaker, ideally a panel attorney with experience defending an investigation when the investigator has been called as a witness. Ms. Sullivan explained the goal was to help investigators understand how their reports, findings, and investigative decisions may later be tested in discovery, deposition, or trial, and to identify pitfalls they should consider when preparing reports.

Mr. Kramer stated he was surprised by the amount of productive exchange at the first forum and that attendees strongly encouraged ERMA to hold the forum annually. Mr. Alliston stated the forum was helpful from counsel's perspective as well, because issues with investigations can arise in litigation. He emphasized the importance of maintaining investigator independence and noted ERMA should refer to them as independent investigators, not "ERMA investigators."

**The Board of Directors took no formal action on this matter.**

## **10. CLAIMS MATTERS**

### **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:**

Pursuant to Government Code Section 54956.95(a), the Board recessed to Closed Session at 9:56 a.m. to discuss the following claim:

- Anonymous v. Watsonville

The Board of Directors reconvened to Open session at 10:28 a.m. by Doug Alliston, ERMA 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 March 10, 2026, ERMA Board of Directors Meeting adjourned at 10:33 a.m. by general consent.

---

Michael Kenney, Administrative Services Coordinator