



## CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

### BOARD OF DIRECTORS MEETING

Thursday March 21, 2019 – 9:00 a.m.

CJPRMA Office  
3201 Doolan Road, Suite 285  
Livermore, CA 94551  
(925) 837-0667

### MINUTES

#### I. CALL TO ORDER

- President Greer called the meeting to order at 9:06 a.m. on March 21, 2019.

#### II. ROLL CALL

##### PRESENT

- |                                      |  |
|--------------------------------------|--|
| 1) Lucretia Akil, <i>Alameda</i>     | 11) Kim Greer, <i>Richmond</i>                 |
| 2) Jamie Cannon, <i>Chico</i>        | 12) David Rawe, <i>Roseville</i>               |
| 3) Chris Carmona, <i>Fairfield</i>   | 13) Liz Ehrenstrom, <i>NCCSIF</i>              |
| 4) Steve Schwarz, <i>Fremont</i>     | 14) Lauren Monson, <i>San Rafael</i>           |
| 5) Janet Hamilton, <i>Livermore</i>  | 15) Mary Ann Perini, <i>San Leandro</i>        |
| 6) Janice Magdich, <i>Lodi</i>       | 16) Dominique Kurihara, <i>Santa Rosa</i>      |
| 7) Dan Sodergren, <i>LPPD</i>        | 17) Roger Carroll, <i>SCORE</i>                |
| 8) Cecilia Quiambao, <i>Petaluma</i> | 18) Gail Kiyomura, <i>Stockton</i>             |
| 9) Lynette Frediani, <i>Redding</i>  | 19) Scott Mann, <i>Sunnyvale</i>               |
| 10) Amy Northam, <i>REMIF</i>        | 20) GeorgeAnne Meggers-Smith, <i>Vacaville</i> |
|                                      | 21) David Due, <i>YCPARMIA</i>                 |

##### OTHERS PRESENT

- |                                     |   |
|-------------------------------------|---|
| 22) Tony Giles, <i>CJPRMA</i>       | 32) A. Byrne Conley, <i>Gibbons &amp; Conley</i>      |
| 23) Lola Deem, <i>CJPRMA</i>        | 33) P.J. Skarlanic, <i>Alliant Insurance Services</i> |
| 24) Marinda Griese, <i>CJPRMA</i>   | 34) Dr. William Deeb, <i>AON Risk Services</i>        |
| 25) Saima Kumar, <i>CJPRMA</i>      | 35) Kyle Powell, <i>AON Risk Services</i>             |
| 26) Marcia Hart, <i>CJPRMA</i>      | 36) Bill Dennehy, <i>Chandler Asset Management</i>    |
| 27) Susanna Banuelos, <i>CJPRMA</i> | 37) Dana Suntag, <i>Herum\Crabtree\Suntag</i>         |
| 28) Michael Roush, <i>Alameda</i>   | 38) Joshua Stevens, <i>Herum\Crabtree\Suntag</i>      |
| 29) Peter Pierce, <i>Fairfield</i>  | 39) Laura Marquez, <i>Richmond</i>                    |
| 30) Jas Sidhu, <i>Livermore</i>     | 40) Andria Borba, <i>Vacaville</i>                    |
| 31) Amanda Tonks, <i>Santa Rosa</i> | 41) Theresa Roland, <i>Stockton</i>                   |

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

### III. CLOSED SESSION

1. **Government Code Section 54956.95 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Keimach, Jill vs. City of Alameda

**Court:** State of California Superior Court, County of Alameda

**Case No.:** N/A

2. **Government Code Section 54956.9 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Febe Tabotabo; Andre Tabotabo; Titus Tabatabo II; Natividad Tabotabo vs. City of Stockton; Nestor Velasquez; John Strawder, and Does 1 – 100

**Court:** State of California Superior Court, County of San Joaquin

**Case No.:** STK-CV-UAT-2018-3998

3. **Government Code Section 54956.9 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Jill Schoonmaker vs. City of Eureka and Does 1 – 10

**Court:** United States District Court, Northern District of California

**Case No.:** 3:17-cv-6749

4. **Government Code Section 54956.9 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Robert Shelton, Cheyenne Shelton, & Steven Bryan vs. Patrick Medina and City of Stockton

**Court:** State of California Superior Court, County of San Joaquin

**Case No.:** STK-CV-UAT-2016-0012119

### IV. ACTION ON CLOSED SESSION ITEMS

- The Board of Directors conferred with staff regarding litigated claims and provided direction.

### V. PRESENTATIONS

- None

### VI. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

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## VII. COMMUNICATIONS

- A. Board Members
- B. General Manager/Secretary
- C. Next Scheduled Meetings: Executive Committee (04/18/2019) Redding  
Annual Board of Directors (05/22 & 23/2019) CJPRMA

## VIII. APPROVAL OF MINUTES

- A motion was made by Director Akil and seconded by Director Carmona to approve the minutes of three Board of Directors meeting held on 1) November 15, 2018, 2) Special telephonic meeting held on December 10, 2018, and 3) Special Telephonic meeting held on February 7, 2019. Directors Cannon, Schwarz, Hamilton, Sodergren, Frediani, Greer, Northam, Quiambao, Rawe Ehrenstrom, Monson, Perini, Kurihara, Carroll, Kiyomura, Mann, Meggers-Smith, and Due approved the motion. Lodi abstained from voting. Motion passed.

## IX. CONSENT CALENDAR

1. Additional Covered Party Certificates Approved by the General Manager **(A)**
2. Financial Report of CJPRMA as of October 31, 2018 **(A)**
3. 2017-2019 Strategic Planning **(I)**
4. Status Update on General Manager's Goals & Objectives **(I)**
5. Settlement of Claims Discussed in Closed Session **(I)**
  - A motion was made by Director Northam and seconded by Director Carroll to approve the consent calendar. Directors Akil, Cannon, Schwarz, Carmona, Hamilton, Magdich, Sodergren, Ehrenstrom, Quiambao, Frediani, Greer, Monson, Rawe, Perini, Kurihara, Kiyomura, Mann, Meggers-Smith and Due approved the motion. Motion passed.

## X. ACTION **(A)** AND INFORMATION **(I)** CALENDAR

6. Report from the Investment Manager **(I)**

Bill Dennehy, of Chandler Asset Management was present to discuss the portfolio and our investment strategy.

Pool investments are managed by Chandler Asset Management. The assets are held in CJPRMA's bank custody account managed by the Bank of New York.

The investment program is divided into three parts: The Loss Payment Account, the Long Term Growth Account and the Long Term Growth/Tactical Account.

The Loss Payment Account is utilized to provide funds for operating expenses and the payment of losses. The Loss Payment Account invests in high grade securities with a maximum

maturity of five years. As of February 28, 2019 the Loss Payment Account was valued at \$8,190,438. This was a decrease of \$1,929,184 from its valuation of \$10,119,622 on November 30, 2018. Several securities were purchased in the Treasury, Agency, Asset Backed and Commercial Paper sectors of the market to keep the portfolio fully invested. The purchased securities range in maturity from June 2019 to January 2022. One security was sold and several matured to facilitate the new holdings in the portfolio. Additionally, \$2 million was withdrawn during the reporting period reducing the LAIF balance in the allocation. The Loss Payment Account has sufficient funds to meet the expenditure requirements of the next six months.

Both Long Term Growth Accounts are utilized to provide long term asset growth in order to offset inflation. The maturity range of these investments is a maximum of ten years.

As of February 28, 2019 the Long Term Growth Account / Tactical was valued at \$17,239,248. This was an increase of \$279,585 from its valuation of \$16,959,663 on November 30, 2018. The portfolio purchased several securities during the quarter in the Treasury, Agency, Asset Backed and Corporate sectors of the market. The majority of the purchases have maturity dates in 2023 with the exception of the Asset Backed security which has a shorter maturity profile. Several securities were sold to facilitate the new holdings in the portfolio.

As of February 28, 2019, the Long Term Growth Account was valued at \$39,228,437. This was an increase of \$1,076,166 from its valuation of \$38,152,271 on November 30, 2018. Transactional activity in the portfolio was light in the reporting period. The structure of the portfolio remains in line with Chandler targets and the only purchase made was to adjust the overall duration of the strategy via an extension transaction in the Treasury sector.

The investments in all accounts comply with CJPRMA's investment policy.

- No action was required. This is an information only item.

#### 7. Liability and Auto Physical Damage Renewal Strategy Plan for Program Year 2019-2020 (I)

Aon Risk Services and CJPRMA Staff have met and created a renewal strategy for the 2019-2020 coverage programs. Dr. William Deeb of Aon Risk Services was present to update the Board of Directors on the renewal process, condition of the market, and recommendations on the overall strategy for renewal. The renewal strategy includes the timing of delivery of data to underwriters and a set of expectations for receiving quotations. The goal for the renewal strategy is to provide the Board of Directors with a complete renewal plan for approval at the May 2019 Meeting.

CJPRMA members provided updated underwriting data for Aon to use in marketing the programs. Having current and accurate data helps the carriers to better understand our risk, and it helps our broker better negotiate favorable terms. Staff and Aon will continue to work on the data collection format for the liability program in order to make it easier to use for members.

- No action was required. This is an information only item.

## 8. Property Renewal Strategy Plan for Program year 2019-2020 (I)

The general manager discussed the 2019-2020 Property Program renewal process. He explained that CJPRMA's property program currently utilizes domestic carriers for approximately 25% of the primary \$25,000,000 in limits and the remaining 75% is placed in the Lloyd's of London marketplace. The 2019-2020 program is anticipated to maintain a similar ratio of domestic placements to London market placements. Coverage in excess of the primary layer is provided by the (Alliant Property Insurance Program (APIP) structure.

Alliant Insurance Services and CJPRMA Staff created a renewal strategy for the 2019-2020 Property Program renewal. Mr. Robert Lowe and the general manager recently met with the Lloyd's underwriters currently participating in the program. The general manager introduced himself to the underwriters and explained CJPRMA's commitment to risk management activities. The general manager, the brokers and the underwriters spent a considerable amount of time discussing California wildfires and their impact on the global property insurance market. While the topic was not directly addressed by most of the underwriters, there is a sense that a higher separate deductible for wildfire could be proposed by the market.

The London marketplace is under pressure to achieve profitability, and Lloyd's has also limited the amount of new business that most syndicates are authorized to write. The underwriters are being pushed toward quality, and the meetings with the underwriters have taken on renewed importance. The underwriter's value long-term stable relationships, and the messaging from CJPRMA was that we also want to create and maintain such relationships.

While in London, staff also attended a presentation on Beazley's Deadly Weapon (formerly Active Shooter) Programs. Staff has invited Beazley to attend the Board of Directors annual meeting that will describe the risk and the coverage.

The 2019-2020 renewal strategy includes the timing of delivery of data to the underwriters and a set of expectations for receiving quotations. The goal for the renewal strategy is to provide the Board of Directors with a complete renewal plan for approval at the May Board of Directors meeting. Program participants were asked to provide updates schedules of value by March 14, 2019. Mr. P.J. Skarlanic, Vice President of Alliant Insurance Services presented an update on the renewal process and an update of the status of the insurance marketplace.

Prior to moving the Property Program to Alliant, the program was governed by a Memorandum of Coverage (MOC) that was reinsured following form to the MOC. With the move to Alliant, the coverage form for the Property Program has been the Alliant APIP form. There have been some challenges in aligning the MOC with APIP. The APIP form is very broad, and it is a large form. In trying to mirror the APIP form, there have been instances in which the MOC and the APIP form have been in conflict. This has created confusion for program participants and confusion when we need to provide coverage information to third parties (e.g. CalOES or FEMA).

The general manager will request action from the program participants at the annual meeting to address these conflicts. Rather than try to align the MOC with APIP and create confusion as to coverage, the recommendation will be to adopt the APIP form as the controlling document for the program and eliminating the MOC. If there are any specific differences from APIP that program participants would like to include, those can be addressed via endorsements to APIP or through a greatly reduced MOC that covers only those differences.

- No action was required. This is an information only item.

**9. Proposed Amendments to the CJPRMA Bylaws Article III, Directors & Officers, and Article IV, Executive Committee (I)**

The general manager recommended that he would like to propose a change to the CJPRMA Bylaws at the annual meeting to the Board of Directors. This would also serve as thirty day written notice of proposed amendments. Article XV of the CJPRMA Bylaws states the process for amending the Bylaws:

“These Bylaws may be amended by a majority vote of the entire Board provided that any amendment is compatible with the purposes of the Authority, is not in conflict with the JPA Agreement, and has been submitted to the Board at least thirty (30) days in advance.”

It was explained that in 2017, the Board of Directors approved an amendment to the Bylaws reducing the annual number of board meetings from five to four. Since then, the Board has not held a June meeting. The current Bylaws call for Officer and Executive Committee elections to be held during the June meeting. The proposed amendment changes that to the August meeting. This is consistent with Board practice since 2017.

- No action was required. This is an information only item.

**10. New Board Members/Alternates (I)**

Notifications regarding a change in director/alternate designations that have been received as of the last meeting are indicated herein:

1)	Fairfield	<b>Director</b> Chris Carmona – Risk Manager
2)	Alameda	<b>Alternate</b> Michael Roush – Interim City Attorney
3)	YCPARMIA	<b>Alternate</b> David Due – Staff Investigator II
4)	Petaluma	<b>Alternate</b> Peggy Flynn – City Manager

- No action was required. This is an information only item.

**11. Business Calendar for 2019 (I)**

The 2019 business calendar was provided to the Board as a standing agenda item. The calendar provides key business items and the required dates for completion for the Board.

- No action was required. This was an information only item.

**12. Risk Management Issues (I)**

The Directors discussed the following risk management issues:

- 1) PTSD Issues in Fire Departments – Gail Kiyomura, Stockton
- 2) ADA coordinators and ADA training: suggestions for good resources to train staff on appropriate ways to interact with disabled public, as well as types of services available – Lauren Monson, San Rafael
- 3) Mandatory Settlement Authority through video – Cecilia Quiambao, Petaluma

- No action was required. This was an information only item.

**XI. ADJOURNMENT**

- The meeting was adjourned at 1:20 p.m.