



## CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

### BOARD OF DIRECTORS MEETING Thursday August 16, 2018 – 9:00 a.m.

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

### MINUTES

#### I. CALL TO ORDER

- President Hamilton called the meeting to order at 9:02 a.m. on August 16, 2018.

#### II. ROLL CALL

##### PRESENT

- |                                     |  |
|-------------------------------------|--|
| 1) Lucretia Akil, <i>Alameda</i>    | 10) David Rawe, <i>Roseville</i>               |
| 2) Craig Conwright, <i>Fremont</i>  | 11) Mary Ann Perini, <i>San Leandro</i>        |
| 3) Janet Hamilton, <i>Livermore</i> | 12) Lauren Monson, <i>San Rafael</i>           |
| 4) Janice Magdich, <i>Lodi</i>      | 13) Dominique Kurihara, <i>Santa Rosa</i>      |
| 5) Julie Harryman, <i>LFPD</i>      | 14) Roger Carroll, <i>SCORE</i>                |
| 6) Lynette Frediani, <i>Redding</i> | 15) Gail Kiyomura, <i>Stockton</i>             |
| 7) Kim Greer, <i>Richmond</i>       | 16) Rebecca Moon, <i>Sunnyvale</i>             |
| 8) Bryan Chua, <i>Fairfield</i>     | 17) GeorgeAnne Meggers-Smith, <i>Vacaville</i> |
| 9) Amy Northam, <i>REMIF</i>        |  |

##### NOT PRESENT

- |              |           |            |              |
|--------------|-----------|------------|--------------|
| 18) YCPARMIA | 19) Chico | 20) NCCSIF | 21) Petaluma |
|--------------|-----------|------------|--------------|

##### OTHERS PRESENT

- |                                      |  |
|--------------------------------------|--|
| 22) Theresa Roland, <i>Stockton</i>  | 31) Carlos Oblites, <i>Chandler Assets Management</i>  |
| 23) David Clovis, <i>CJPRMA</i>      | 32) Marcus Beverly, <i>Alliant Insurance Services</i>  |
| 24) Tony Giles, <i>CJPRMA</i>        | 33) Chris Carmona, <i>Redding/George Hills Company</i> |
| 25) Lola Deem, <i>CJPRMA</i>         | 34) A. Byrne Conley, <i>Gibbons &amp; Conley</i>       |
| 26) Marinda Griese, <i>CJPRMA</i>    | 35) Dr. William Deeb, <i>AON Risk Services</i>         |
| 27) Saima Kumar, <i>CJPRMA</i>       | 36) Marcia Hart, <i>CJPRMA</i>                         |
| 28) Susanna Banuelos, <i>CJPRMA</i>  | 37) Laura Marquez, <i>Richmond</i>                     |
| 29) Jas Sidhu, <i>Livermore</i>      | 38) Dave Warters, <i>Belfor Restoration</i>            |
| 30) Gina Dean, <i>CSAC EIA/CAJPA</i> | 39) Mark Hazelwood, <i>Attorney at Law</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.

40) Beverly Jensen, *Lodi*

41) Lisa Schwichtenberg, *Belfor Restoration*

42) Steve Starr, *Belfor Restoration*

### **MEMBERS OF THE PUBLIC**

- Stephanie Carmona in person, Dennis Monahan and Jamie Cannon by phone

### **III. CLOSED SESSION**

**1. Government Code Section 54956.5 (a)**

Conference with Legal Counsel – Anticipated Litigation

**Name of Case:** North Bay Fires - Recovery

**Court:** N/A

**Case No.:** N/A

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

Conference with Legal Counsel – Litigation

**Name of Case:** Harry Velez et al vs. City of Alameda

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

**Case No.:** RG18910164

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

Conference with Legal Counsel – Litigation

**Name of Case:** Flowers, James v. City of Richmond

**Court:** Superior Court of the State of California, County of Contra Costa

**Case No.:** C16-02113

### **IV. ACTION ON CLOSED SESSION ITEMS**

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

### **V. PRESENTATIONS**

- Gina Dean from CAJPA presented to President Hamilton and David Clovis on behalf of CJPRMA a Certificate of Accreditation with Excellence.
- Lisa Schwichtenberg, Steve Starr and Dave Wartens gave a presentation on the services available to CJPRMA members from Belfor Restorations.

### **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.**

*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.*

## **VII. COMMUNICATIONS**

- A. Board Members**
- B. General Manager/Secretary**
- C. Next Scheduled Meetings:** Executive Committee (9/20/2018) CJPRMA Office  
Board of Directors (11/15/2018) CJPRMA Office

## **VIII. APPROVAL OF MINUTES**

- A motion was made by Director Akil and seconded by Director Northam to approve the minutes from the annual board meeting May 30 to June 1, 2018. Directors Conwright, Hamilton, Harryman, Magdich, Frediani, Greer, Chua, Monson, Rawe, Perini, Carroll, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Petaluma, Chico, NCCSIF and YCPARMIA were not present. Motion passed.

## **IX. CONSENT CALENDAR**

### **1. Additional Covered Party Certificates Approved by the General Manager (A)**

### **2. Financial Report of CJPRMA as of April 30, 2018 (A)**

- A motion was made by Director Carroll and seconded by Director Akil to approve the Consent Calendar. Directors Conwright, Chua, Hamilton, Harryman, Greer, Magdich, Rawe, Northam, Perini, Monson, Kurihara, Kiyomura, Moon and Meggers-Smith approved the motion. Chico, Petaluma, NCCSIF and YCPARMIA were not present. Motion passed.

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

### **3. Election of Officers and Appointment of Executive Committee Members (A)**

An election was held to fill the expiring terms of the President and the Vice President. The candidates nominated for President were Kim Greer, Richmond and Dave Rawe, Roseville. Dave Rawe withdrew his nomination for President, leaving Kim Greer as the only candidate for Board President.

- A motion was made by Director Perini and seconded by Director Frediani to approve Kim Greer as Board President. Directors Akil, Conwright, Hamilton, Magdich, Greer, Chua, Harryman, Monson, Northam, Rawe, Carroll, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Chico, NCCSIF, Petaluma and YCPARMIA were not present. Motion passed.

The candidates nominated for Vice President were Dave Rawe, Roseville, Gail Kiyomura, Stockton and Lynette Frediani, Redding. Each Director received a ballot for voting. Board Counsel and the General Manager tallied the votes. Dave Rawe received the most votes resulting in Dave Rawe accepting the position as

Board Vice President.

The term of one Executive Committee member, currently held by David Rawe (Roseville), expired on June 30, 2018. This non-officer position will be filled by appointment from the rotation list. Executive Committee appointments occur in even numbered years. A selection will be made from the category of Large Cities. The Executive Committee seats held by Roger Carroll (SCORE) and Jamie Cannon (Chico) will not expire until June 30, 2020. In order to be eligible, the nominees must have served on the Board for a period of twelve months preceding the date of the election. The next large city eligible for appointment was Stockton. Gail Kiyomura accepted the Executive Committee appointment term dated July 1, 2018 through June 30, 2020.

#### **4. Reappointment of the Treasurer (A)**

Article III of the By-laws requires that the Treasurer be reappointed in even numbered years. The appointment is a two year term. It was recommended by the general manager to reappoint Director Roger Carroll, SCORE as the Treasurer for the two year term.

- A motion was made by Director Hamilton and seconded by Director Akil to reappoint Director Carroll as the Treasurer for the next two year term. Directors Perini, Conwright, Frediani, Magdich, Greer, Chua, Harryman, Monson, Northam, Rawe, Carroll, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Chico, NCCSIF, Petaluma and YCPARMA were not present. Motion passed.

#### **5. Report from the Investment Manager (I)**

Carlos Oblites, of Chandler Asset Management was present to discuss the portfolio and 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 July 31, 2018 the Loss Payment Account was valued at \$2,821,027. This was a decrease of \$774,013 from its valuation of \$3,595,040 on April 30, 2018. Four securities were purchased during the reporting period: two U.S. Treasury obligations, one corporate note, and one commercial paper obligation. The purchased securities ranged in maturity from October 2018 to February 2021. Three securities matured to facilitate the new holding in the portfolio. Additionally, \$4.5 million was invested in LAIF in early May,

and gradually withdrawn from LAIF to meet some of the liquidity needs of the JPA in late June, causing the overall portfolio market value to end lower in July. 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 July 31, 2018 the Long Term Growth Account / Tactical was valued at \$16,857,050. This was a decrease of \$3,821,982 from its valuation of \$20,679,032 on April 30, 2018. Six securities were purchased across the Treasury, Asset Backed, and Corporate sectors of the market. The purchased securities ranged in maturity from May 2022 to June 2023. The market value of the portfolio contracted by approximately \$4 million in late June 2018 in order to fund the JPA's cash flow requirements. There were multiple sales of securities, primarily in the Treasury and Agency sectors in order to make funds available, while maintaining the portfolio maturity distribution and sector weightings in line with Chandler's strategy for this portfolio.

As of July 31, 2018, the Long Term Growth Account was valued at \$37,908,323. This was an increase of \$217,548 from its valuation of \$37,690,775 on April 30, 2018. Three securities were traded during the reporting period to rebalance the portfolio maturity structure and duration in order to keep the portfolio in line with Chandler objectives. All three trades extended the portfolio duration but maintained similar sector weightings. The first traded, occurring in May, extended the portfolio duration by exchanging one federal agency note maturing in March 2023 for one maturing in December 2017. The second trade was executed in June and extended duration with the same corporate issuer by exchanging one note maturing in April 2019 for one maturing in April 2023. The final trade occurred in July and extended the maturity from March 2019 to July 2023.

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

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

**6. Approval of Salary Schedule for Fiscal Years: 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 and Fiscal Year 2018-2019 (A)**

The general manager recommended the Board of Directors approve the salary schedules for fiscal years 2013/2014 through 2017/2018 and the 2018/2019 salary schedule which includes a 4% cost of living adjustment. The salary schedules are as follows:

➤ Salary Schedule 2013/2014, effective July 1, 2013 – June 30, 2014

POSITION TITLE	Annual (Minimum - Maximum)	Date Amended
General Manager	\$135,944 - \$183,524	5/6/2009
Financial Analyst	\$ 84,128 - \$101,871	7/1/2013
Claims Administrator	\$ 97,433 - \$124,332	7/1/2013
Executive Assistant	\$ 46,519 - \$ 59,445	7/1/2013
Administrative Assistant	\$ 42,290 - \$ 54,048	7/1/2013

➤ Salary Schedule 2014/2015, effective July 1, 2014 – June 30, 2015

POSITION TITLE	Annual (Minimum - Maximum)	Date Amended
General Manager	\$146,373 - \$197,604	3/19/2015
Financial Analyst	\$ 84,128 - \$101,871	7/1/2013
Claims Administrator	\$ 97,433 - \$124,332	7/1/2013
Executive Assistant	\$ 46,519 - \$ 59,445	7/1/2013
Administrative Assistant	\$ 42,290 - \$ 54,048	7/1/2013

➤ Salary Schedule 2015/2016, effective July 1, 2015 – June 30, 2016

POSITION TITLE	ANNUAL (Minimum - Maximum)	Date Amended
General Manager	\$146,373 - \$197,604	3/19/2015
Finance Officer	\$ 90,105 - \$120,140	9/15/2015
Claims Administrator	\$103,563 - \$138,084	9/15/2015
Executive Assistant	\$ 58,365 - \$ 77,820	9/15/2015
Administrative Assistant	\$ 45,000 - \$ 66,912	9/15/2015
Risk Management Analyst	\$ 64,202 - \$ 85,602	5/17/2016

➤ Salary Schedule 2016/2017, effective July 1, 2016 – June 30, 2017

POSITION TITLE	ANNUAL (Minimum - Maximum)	Date Amended
General Manager	\$146,373 - \$197,604	3/19/2015
Finance Officer	\$ 92,358 - \$123,144	7/9/2016
Claims Administrator	\$106,152 - \$141,536	7/9/2016
Executive Assistant	\$ 59,824 - \$ 79,766	7/9/2016
Administrative Assistant	\$ 46,125 - \$ 68,585	7/9/2016
Risk Management Analyst	\$ 65,807 - \$ 87,742	7/9/2016
Assistant General Manager	\$116,767 - \$155,690	5/3/2017

*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.*

➤ Salary Schedule 2017/2018, effective July 1, 2017 – June 30, 2018

POSITION TITLE	ANNUAL (Minimum - Maximum)	Date Amended
General Manager	\$146,373 - \$197,604	3/19/2015
Finance Officer	\$ 92,358 - \$123,144	7/9/2016
Claims Administrator	\$106,152 - \$141,536	7/9/2016
Executive Assistant	\$ 59,824 - \$ 79,766	7/9/2016
Administrative Assistant	\$ 46,125 - \$ 68,585	7/9/2016
Risk Management Analyst	\$ 65,807 - \$ 87,742	7/9/2016
Assistant General Manager	\$116,767 - \$155,690	5/3/2017

➤ Salary Schedule 2018/2019, effective July 1, 2018 – June 30, 2019

POSITION TITLE	ANNUAL (Minimum - Maximum)	DATE Amended
General Manager	\$146,373 - \$197,604	3/19/2015
Finance Officer	\$ 96,052 - \$128,070	7/1/2018
Claims Administrator	\$110,398 - \$147,197	7/1/2018
Executive Assistant	\$ 62,217 - \$ 82,957	7/1/2018
Administrative Assistant	\$ 47,970 - \$ 71,328	7/1/2018
Risk Management Analyst	\$ 68,439 - \$ 91,252	7/1/2018
Assistant General Manager	\$121,438 - \$161,918	7/1/2018

- A motion was made by Director Harryman and seconded by Director Carroll to approve the CJPRMA salary schedules for fiscal years 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, and the 2018/19 salary schedule that includes 4% increase cost of living adjustments for staff. Directors Akil, Perini, Conwright, Frediani, Hamilton, Magdich, Greer, Chua, Monson, Northam, Rawe, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Chico, NCCSIF, Petaluma and YCPARMIA were not present. Motion passed.

**7. Property Memorandum of Coverage for 2018-2019 (I)**

A copy of the amended Property Memorandum of Coverage (MOC) for program year 2018-2019 was provided to the members. The general manager gave an overview of the changes. The property MOC was approved at the May meeting.

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

**8. Approval of Annual Review of Member Loss History (A)**

The Board of Directors approved Board Policy B25 (Annual Review of Members Loss History) at the November 2017 Board meeting. The policy requires an annual review of member loss history that utilizes the ten-year rolling average claims

experience that is currently used for the development of annual contributions. The policy evaluates all members and will compare total contributions for the ten-year window and the total CJPRMA incurred losses. If a member has a loss severity that exceeds 200%, the policy provides the Board of Directors with five options to address modifying that member's self-insured retention.

A \$2,500,000 cap is applied to all individual losses incurred by members. This capping eliminates the impact of a significant loss that would impact the member's overall loss history for multiple program years. The Member Loss Experience Rating 10 Year Rolling Average for PY 05/06 – 14/15 was reviewed by the Board. There were no members exceeded the 200% loss history ratio.

- A motion was made by Director Hamilton and seconded by Director Magdich to approve the Annual Review of Members Loss History. Directors Harryman, Perini, Conwright, Frediani, Akil, Carroll, Greer, Chua, Monson, Northam, Rawe, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Chico, NCCSIF, Petaluma and YCPARMIA were not present. Motion passed.

#### **9. Update on the Recruitment Process for the Assistant General Manager and Claims Administrator (I)**

The general manager gave the final update on the recruitment process of the Assistant General Manager and the Claims Administrator. He stated that the Executive Committee will hold a meeting in September to go over the Assistant General Managers position and make a recommendation at a Special Board of Directors meeting for the General Managers position.

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

#### **10. CAJPA Accreditation Report 2018 (A)**

CJPRMA participated in the California Association of Joint Powers Authorities (CAJPA) Accreditation Program. This requires CJPRMA to have an audit conducted by the Accreditation Committee once every three years. The audit for the current year term was performed by Mr. Robin Johnson, Attorney At Law. Mr. Johnson reviewed all of the materials submitted by CJPRMA and performed a physical audit at our office to prepare his findings.

Mr. Johnson did not find any significant issues while performing the audit. He identified two requirements that needed to be fulfilled for full accreditation and two requirements for accreditation with excellence and one suggestion. CJPRMA staff reviewed the requirements and implemented the following changes as recommended:

- Conflict of Interest Code was reviewed and approved at the March 2018 Board meeting.



- Quarterly Investments Reports were updated to reflect the requirements by CAJPA.
- Underwriting Policy was reviewed by Executive Committee in April 2018 and recommended for approval by the Board. The Board reviewed and approved the underwriting policy at the May 2018 Board meeting.
- Governing Documents and Administrative Contracts will be worked on by staff in the coming year before the next accreditation audit is conducted.
- A motion was made by Director Northam and seconded by Director Perini to approve the 2018 CAJPA Accreditation Report as approved by the CAJPA Accreditation Committee. Directors Akil, Harryman, Conwright, Frediani, Hamilton, Magdich, Greer, Chua, Monson, Rawe, Carroll, Kiyomura, Moon, Meggers-Smith and Kurihara approved the motion. Chico, NCCSIF, Petaluma and YCPARMIA were not present. Motion passed

**11. CJPRMA Claims Committee Update (I)**

The assistant general manager gave the Board of Directors an update on the status of the Claims Committee. President Greer appointed two new committee members; Director Harryman, LPFD and Beverly Jensen, Lodi, and Director Rawe was appointed Committee Chair.

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

**12. Business Calendar for 2018 (I)**

The 2018 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.

**13. 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)	YCPARMIA	<b>Director</b> Dennis Monahan – CEO/Risk Manager
2)	LPFD	<b>Director</b> Dan Sodergren – City Attorney (City of Pleasanton)
3)	LPFD	<b>Alternate</b> Julie Harryman – Assistant City Attorney (City of Pleasanton)

*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.*

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

#### **14. Risk Management Issues (I)**

The Directors discussed the following topics:

- 1) Handling requests for Certificates of Coverage for the Mayor Offices' activities - Kim Greer, Richmond.
  - 2) Incentives for fitness agility tests – Beverly Jensen, Lodi.
  - 3) Insurance of Open Space – Lauren Monson, San Rafael.
  - 4) Outsourcing Parking Enforcement – Mary Ann Perini, San Leandro.
- No action was required. This is an information only item.

#### **XI. ADJOURNMENT**

- A motion was made by Director Magdich in honor of David Clovis and seconded by Director Akil to adjourn the meeting at 12:30 pm. Directors Conwright, Hamilton, Kurihara, Frediani, Harryman, Northam, Kiyomura, Chua, Meggers-Smith, Rawe, Carroll, Greer, Monson, Moon, Perini, and approved the motion. Chico, NCCSIF, Petaluma and YCPARMIA were not present. Motion passed.