



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS MEETING (TELEPHONIC)

Thursday April 16, 2020 – 9:00 a.m. to 1:00 p.m.

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

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor’s Emergency Declaration related to COVID-19, and the Governor’s Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the City Council, City staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Connect via WebEx:

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Password: CJPRMA

Dial In for Audio:

Phone Number: 866-866-2244

Participant Code: 1414792

MINUTES

I. CALL TO ORDER

- President Greer call the meeting to order at 9:13 a.m.

II. ROLL CALL

PRESENT

- | | |
|--------------------------------------|--|
| 1) Montague Hung, <i>Alameda</i> | 12) Kim Greer, <i>Richmond</i> |
| 2) Jamie Cannon, <i>Chico</i> | 13) David Rawe, <i>Roseville</i> |
| 3) Chris Carmona, <i>Fairfield</i> | 14) Mary Ann Perini, <i>San Leandro</i> |
| 4) Steven Schwarz, <i>Fremont</i> | 15) Shibani Nag, <i>San Rafael</i> |
| 5) Janet Hamilton, <i>Livermore</i> | 16) Dominique Blanquie, <i>Santa Rosa</i> |
| 6) Beverly Jensen, <i>Lodi</i> | 17) Roger Carroll, <i>SCORE</i> |
| 7) Dan Sodergren, <i>LFPD</i> | 18) Gail Kiyomura, <i>Stockton</i> |
| 8) Liz Ehrenstrom, <i>NCCSIF</i> | 19) Scott Mann, <i>Sunnyvale</i> |
| 9) Charles Castillo, <i>Petaluma</i> | 20) GeorgeAnne Meggers-Smith, <i>Vacaville</i> |
| 10) Jacob Baldwin, <i>Redding</i> | 21) David Due, <i>YCPARMIA</i> |
| 11) Amy Northam, <i>REMIF</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.

OTHERS

- | | |
|--|---|
| 22) Byrne Conley, <i>Board Counsel</i> | 31) Jas Sidhu, <i>Livermore</i> |
| 23) Tony Giles, <i>CJPRMA</i> | 32) Laura Marquez, <i>Richmond</i> |
| 24) Lola Deem, <i>CJPRMA</i> | 33) Theresa Roland, <i>Stockton</i> |
| 25) Marinda Griese, <i>CJPRMA</i> | 34) Rebecca Moon, <i>Sunnyvale</i> |
| 26) Saima Kumar, <i>CJPRMA</i> | 35) Andria Borba, <i>Vacaville</i> |
| 27) Marcia Hart, <i>CJPRMA</i> | 36) Tracy Fleck, <i>Aon Global Risk Consulting</i> |
| 28) Susanna Banuelos, <i>CJPRMA</i> | 37) Brenda Craigmlye, <i>AON Global Risk Services</i> |
| 29) Yibin Shen, <i>Alameda</i> | 38) Marcus Beverly, <i>Alliant Insurance Services</i> |
| 30) Erika Milton, <i>Fairfield</i> | |

"This CJPRMA Board of Directors meeting was via teleconference, pursuant to California Government Code Section 54953 and Governor Newsom's Executive Order N-25-20. No Directors indicated that they could not clearly hear the proceedings, and no Directors indicated a belief that the other Directors on the teleconference were who they claimed to be."

III. CLOSED SESSION

1. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Litigation

Name of Case: Hills, Barry and Maria Luisa v. City of Folsom (NCCSIF)

Court: Superior Court of the State of California, County of Sacramento

Case No.: 34-2016-00205417

2. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Pre-Litigation

Name of Case: Hall, Paul v. City of Weed (SCORE)

Court: N/A

Case No.: N/A

3. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Litigation

Name of Case: Harry Velez and Chantel Stevens v. City of Alameda et al.

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

Case No.: RG18910164

IV. ACTION ON CLOSED SESSION ITEMS

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

V. PRESENTATIONS

- None

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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.

VII. COMMUNICATIONS

- A. Board Members
- B. General Manager/Secretary
- C. Next Scheduled Meetings: Board of Directors Annual (05/21/2020) CJPRMA

VIII. APPROVAL OF MINUTES

Minutes of the Board of Directors meetings held on 11/21/19 and 12/19/19.

- A motion was made by Director Northam and seconded by Director Cannon to approve the minutes from the Board of Directors meetings held on 11/21/19 and 12/19/19. A roll call vote was taken; Directors from Alameda, Chico, Fairfield, Fremont, Livermore, Lodi, LPFD, NCCSIF, Petaluma, Redding, REMIF, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, SCORE, Stockton, Sunnyvale, Vacaville and YCPARMIA approved the motion. Motion passed.

IX. CONSENT CALENDAR

1. Additional Covered Party Certificates Approved by the General Manager. **(A)**
2. Status Update on General Manager's Goals & Objectives. **(I)**
3. Settlement of Claims Discussed in Closed Session. **(I)**
4. Financial Report of CJPRMA as of December 31, 2019. **(I)**
5. New Board Members/Alternates. **(I)**

- A motion was made by Director Ehrenstrom and seconded by Director Carmona to approve the Consent Calendar. A roll call vote was taken; Directors from Alameda, Chico, Fairfield, Fremont Livermore, Lodi, LPFD, NCCSIF, Petaluma, Redding, REMIF, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, SCORE, Stockton, Sunnyvale, Vacaville, and YCPARMIA voted to approve the motion. Motion passed.

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

6. Approval of Strategic Plan for 2019-2022. **(A)**

The Board of Directors attend a strategic planning meeting October 22-23, 2019 to update and revise the strategic plan for the next three years. Rick Brush of Brush Strokes Consulting facilitated the session.

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The results from the session were presented to the Board of Directors for review and discussion.

- A motion was made by Director Northam and seconded by Director Ehrenstrom to approve the strategic plan for 2019-2022. A roll call vote was taken; Directors from Alameda, Chico, Fairfield, Fremont Livermore, Lodi, LPFD, NCCSIF, Petaluma, Redding, REMIF, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, SCORE, Stockton, Sunnyvale, Vacaville, and YCPARMIA voted to approve the motion. Motion passed.

7. Approve Self-Insured Retention Levels for Program Year 2020-21 (A)

At the November 21, 2019 meeting, the Board of Directors approved the 2019 actuarial study and redistribution for fiscal year 2019-20. The Board also approved increasing the SIR of Pool B to \$750,000 and Pool C to \$1,250,000 for program year 2020-21. Additionally, staff was requested to provide at the March 2020 Board meeting funding at the \$500,000, \$750,000, \$1,000,000 and \$1,250,000 SIR levels. Tracy Fleck and Brenda Craigmyle of Aon Risk Services were present to discuss the projected 2020/21 Loss and Expense rates for the different pooling levels.

- A motion was made by Director Jensen to approve Option B, a liability program structure with four tiers of SIR: \$500,000, \$750,000, \$1,000,000 or \$1,250,000 that members would be able to select from. Director Perini seconded the motion. A roll call vote was taken; Directors from Alameda, Chico, Fairfield, Fremont Livermore, Lodi, LPFD, NCCSIF, Petaluma, Redding, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, SCORE, Stockton, , Vacaville, and YCPARMIA voted to approve the motion. Sunnyvale was not present at the time of voting, and REMIF did not approve the motion. Motion passed.

8. Introduction of Proposed Memorandum of Coverage for Pooled Property Program 2020-2021 (I)

At the August 2019 Board of Directors meeting, the members of the property program approved the establishment of a pooled property coverage program to cover losses with a self-insured retention of \$100,000 and a per occurrence limit of \$250,000 for all-risk and a per occurrence limit of \$500,000 for wildfire.

Members of the property program asked to review the premium cost before committing to the new program. A proposed memorandum of coverage (MOC) was presented to the property program members for their review and discussion. At the Board of Directors annual meeting in May 2020, the general manager will request approval of the MOC.

The proposed MOC included the following elements:

- It is an optional program for members of the property program.

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- The program mirrors the approved coverage form from the Alliant Public Entity Insurance Program (PEPIP). The property program members have adopted the PEPIP form as the governing document for the property program.
 - Coverage would be for losses exceeding \$100,000 and not exceeding \$250,000 for all-risk. (\$100,000 deductible for all-risk)
 - Coverage would be for losses exceeding \$100,000 and not exceeding \$500,000 for wildfire. (\$100,000 for wildfire)
 - Loss due to flood is excluded.
 - Premium will be determined on a pro-rata portion of total insurable value (TIV) of the members in the pooled program, which is how premium is allocated in the standard property program.
 - Establish the program on a total pool basis rather than accounting for individual program years. There would be no dividends unless the program is closed.
- No action was required. This was an information only item.

9. Proposed Pricing for Pooled Property Program 2020-2021. (I)

At the August 2019 Board of Directors meeting, the members of the property program approved the establishment of a pooled property coverage program to cover losses with a self-insured retention of \$100,000 and a per occurrence limit of \$250,000 for all-risk and a per occurrence limit of \$500,000 for wildfire. Losses due to flood will be excluded from the pooled property program.

Staff requested that Aon produce pricing for the self-funded program. If all current members of the property program join the pooled property program, the total funding for the program at the 90% confidence level would be \$1,350,039. If the program is approved, staff recommends funding at the 90% confidence level for the first several years to build a reserve to pay for any potential losses in the first years. The Board of Directors were provided a Property Self-Funded Worksheet detailing individual premium costs for members based on an assumption that all current property program members join the self-funded program.

Depending on what members elect to participate in the program, loss history and TIV will fluctuate, which will result in a different final cost for the program. The general manager requested that property program members review the draft Memorandum of Coverage and pricing and respond to the general manager by April 24, 2020 as to whether they will participate in the program. Staff will recalculate pricing based on actual participation and present the program with final pricing for approval at the Board of Directors annual meeting in May 2020.

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

10. Application of Property Program Deductible Buy-Down to Flood Losses. (A)

In May 2019, the participants of the Property Program voted to continue the property

deductible buy-down option into program year 2019-20 and have the property deductible buy-down expire on June 30, 2020. If there are funds left in the deductible buy-down pool, they are to be returned to participants on a pro rata basis as refunds or as a reduction in future premium. The buy-down was intended as a transition to reduce the impact of the deductible increase to \$100,000 that was effective July 1, 2018 and the further increase to \$250,000 on July 1, 2019.

On July 1, 2019, the deductible for flood losses increased to \$1 million for all flood zones. This was an unexpected increase that was pushed by the carriers at the last minute. Director Amy Northam raised the question of using any remaining deductible buy-down funds to offset the increase in flood deductible for losses occurring in the 2019-20 program year. The Executive Committee discussed this at its January 16, 2020 meeting and requested that it be placed on the agenda for the next Board of Directors meeting. As of April 3, 2020, no flood losses have been reported during program year 2019-20.

If this proposal is approved and there are no flood losses, the remaining funds will still be returned to participants following the end of program year 2019-20 as originally approved in May 2019.

- A motion was made by Director Northam, REMIF to approve the remaining property program deductible to flood loss and seconded by Director Jensen, Lodi. A roll call vote was taken of the 16 Property Members; Directors from Alameda, Chico, Fairfield, Livermore, Lodi, Petaluma, Redding, REMIF, Richmond, Roseville, San Leandro, Santa Rosa, Stockton, Sunnyvale and Vacaville voted yes. Roseville voted no. Motion passed.

11. Approval of LPDF Request to Join the Auto Physical Damage Program (A)

LPDF requested to join the Auto Physical Damage (APD) program in an email dated February 3, 2020. The JPA Agreement, Article XIX states, “member entities electing to participate in a pooled coverage program may do so only upon the affirmative vote of two-thirds of the current participants.”

LPDF does not own any vehicles currently. Presently, the cities of Livermore and Pleasanton own the vehicles that are used by LPDF. Each city insures its own vehicles (Livermore through the CJPRMA APD program). LPDF plans to purchase one fire truck for use as a reserve truck for use by LPDF, therefore total vehicle value and premium are not known at this time.

- A motion was made by Director Perini and seconded by Director Northam to approve LPDF’s request to join the Auto Physical Damage (APD) program. A roll call vote was taken of the 10 APD Members; Directors from Alameda, Chico, Livermore, Lodi, Petaluma, REMIF, San Leandro, Sunnyvale and Vacaville approved the motion. Redding was absent at the time of voting. Motion passed.

XI. ADJOURNMENT – President Greer adjourned the meeting at 11:46 a.m.

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