



## CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

### BOARD OF DIRECTORS MEETING Thursday March 15, 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 9:01 am.

#### II. ROLL CALL

##### PRESENT:

- |                                       |   |
|---------------------------------------|---|
| 1) Lucretia Akil, <i>Alameda</i>      | 11) David Rawe, <i>Roseville</i>                |
| 2) Emily Combs, <i>Fairfield</i>      | 12) Mary Ann Perini, <i>San Leandro</i>         |
| 3) Steve Schwarz, <i>Fremont</i>      | 13) Rob Epstein, <i>San Rafael</i>              |
| 4) Janet Hamilton, <i>Livermore</i>   | 14) Dominique Kurihara, <i>Santa Rosa</i>       |
| 5) Janice Magdich, <i>Lodi</i>        | 15) Roger Carroll, <i>SCORE</i>                 |
| 6) Astrida Trupovnieks, <i>NCCSIF</i> | 16) Gail Kiyomura, <i>Stockton</i>              |
| 7) Cecilia Quiambao, <i>Petaluma</i>  | 17) Rebecca Moon, <i>Sunnyvale</i>              |
| 8) Lynette Frediani, <i>Redding</i>   | 18) Claudia Quintana, <i>Vallejo</i>            |
| 9) Kim Greer, <i>Richmond</i>         | 19) George Anne Meggers-Smith, <i>Vacaville</i> |
| 10) Amy Northam, <i>REMIF</i>         | 20) Marinda Griese, <i>YCPARMIA</i>             |

##### NOT PRESENT: Chico

##### OTHERS PRESENT:

- |                                     |   |
|-------------------------------------|---|
| 21) Theresa Roland, <i>Stockton</i> | 30) Dr. William Deeb, <i>AON Risk Services</i>          |
| 22) Andria Borba, <i>Vacaville</i>  | 31) Robert Lowe, <i>Alliant Insurance Services</i>      |
| 23) David Clovis, <i>CJPRMA</i>     | 32) William Dennehy, <i>Chandler Asset Management</i>   |
| 24) Lola Deem, <i>CJPRMA</i>        | 33) Chris Carmona, <i>George Hills</i>                  |
| 25) Rick Buys, <i>CJPRMA</i>        | 34) Lauren Monsoon, <i>San Rafael</i>                   |
| 26) Saima Kumar, <i>CJPRMA</i>      | 35) Josiah Nelson, <i>Petaluma</i>                      |
| 27) Marcia Hart, <i>CJPRMA</i>      | 36) Robert Chalfant, <i>Creeger &amp; Chalfant LLP</i>  |
| 28) Susanna Banuelos, <i>CJPRMA</i> | 37) Greg Fox, <i>Betrand, Fox, Elliot, et al</i>        |
| 29) Beverly Jensen, <i>Lodi</i>     | 38) Arlene Helfrich, <i>Betrand, Fox, Elliot, et al</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 54956.9 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Hill-Azah, Rashael v. City of Fremont

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

**Case No.:** RG13701168

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

Conference with Legal Counsel – Litigation

**Name of Case:** Holt-Singh v. City of Stockton

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

**Case No.:** CVEL-6844A1

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

Conference with Legal Counsel – Litigation

**Name of Case:** Huskins/Quinn v. City of Vallejo

**Court:** U.S. District Court (E.D. Cal.)

**Case No.:** 2:16-CV-00603

### 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.

### VII. COMMUNICATIONS

1. Board of Directors
2. General Manager/Secretary
3. Next Scheduled Meetings: Executive Committee (04/19/18) Lodi, CA  
Annual Board of Directors (05/30–6/1/18) Squaw Creek Resort, Olympic Valley, CA

### VIII. APPROVAL OF MINUTES

- A motion was made by Director Schwarz and seconded by Director Akil to approve the minutes from the Board of Directors meeting held November 16, 2017 and the

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Special Telephonic Meeting on December 11, 2017 with the recommendation to change three items: 1) From the Special Telephonic Meeting Minutes 12-11-17, Director Quintana asked to remove 'unanimously' from Item #2, page 5; and from the November 16, 2017 minutes, 2) Director Northam asked to remove (City of Sonoma) next to her name on Item #12, page 13, and 3) Director Quintana asked on Item #8 page 12, to delete "no action taken" and add a statement by Board Counsel, "leased properties are covered to the extent the city's interest is included in the MOC". Directors Combs, Hamilton, Magdich, Trupovnieks, Quiambao, Frediani, Greer, Northam, Rawe, Perini, Kurihara, Carroll, Kiyomura, Moon, Quintana, Meggers-Smith, and Griese approved the motion with these changes. Director Epstein abstained. Chico was not present. Motion passed.

## **IX. CONSENT CALENDAR**

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

### **2. Financial Report of CJPRMA as of October 31, 2017**

- A motion was made by Director Quiambao and seconded by Director Akil to approve the Consent Calendar. Directors Combs, Schwarz, Hamilton, Magdich, Trupovnieks, Frediani, Greer, Northam, Rawe, Perini, Epstein, Kurihara, Carroll, Kiyomura, Moon, Quintana, Meggers-Smith, and Griese approved the motion. Chico was not present. Motion passed.

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

### **3. Report from the Investment**

Mr. William Dennehy, Chandler Asset Management, was present to discuss the CJPRMA portfolio and investment strategy. He also provided an update on economic factors that have had a direct impact on the pool investments.

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 January 31, 2018 the Loss Payment Account was valued at \$8,778,379. This was a decrease of \$2,984,607 from its valuation of \$11,762,986 on October 31, 2017. A limited number of securities were purchased in the Treasury, Commercial Paper and Corporate sectors of the market to keep the portfolio fully invested. The purchased securities ranged in maturity from March 2018 to July 2021. Several securities matured to facilitate the new holdings in the portfolio. Additionally, \$3 million was withdrawn reducing the LAIF balance in the portfolio. The Loss Payment Account has sufficient funds to meet the expenditure requirements of the next six months.

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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 January 31, 2018, the Long Term Growth/Tactical Account was valued at \$28,798,827. This was a decrease of \$206,813 from its valuation of \$29,005,640 on October 31, 2017. Multiple securities were purchased across the Treasury, Agency, Supranational, Asset Backed, Commercial Paper, and Corporate sectors of the market to keep the portfolio structure in-line with Chandler targets. The purchased securities ranged in maturity from March 2018 to September 2022. One security was sold and several matured to facilitate the new holdings in the portfolio.

As of January 31, 2018, the Long Term Growth Account was valued at \$37,997,491. This was a decrease of \$655,054 from its valuation of \$38,652,545 on October 31, 2017. Several securities were purchased across the Treasury, Agency, and Corporate sectors of the market to keep the portfolio structure in-line with Chandler targets. The purchased securities ranged in maturity from January 2022 to September 2027. Three securities were sold and one matured to fund the new holding in the portfolio.

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

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

#### **4. Approval of the Conflict of Interest Code**

CJPRMA staff has reviewed the current Conflict of Interest Code in pursuant to FPPC regulations, in even numbered years, every multi-county agency must file a biennial notice stating that it has reviewed its conflict of interest code and indicate any changes that have been made. Staff recommended no changes to the current Conflict of Interest Code.

- A motion was made by Director Akil and seconded by Director Perini to approve the existing Conflict of Interest Code for CJPRMA. Directors Combs, Schwarz, Hamilton, Magdich, Trupovnieks, Quiambao, Frediani, Greer, Northam, Rawe, Epstein, Kurihara, Carroll, Kiyomura, Moon, Quintana, Meggers-Smith, and Griese approved the motion. Chico was not present. Motion passed.

#### **5. Liability Renewal Strategy Plan for Program Year 2018-2019**

Dr. William Deeb, AON Risk Services was present to discuss and present the Board of Directors a renewal strategy for the 2018-2019 coverage programs that was created by Aon Risk Services and staff. This update included the renewal process, condition of the market, and recommendations on the overall strategy for renewal, the timing of the 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 2018 Meeting.

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

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## 6. Property Renewal Strategy Plan for Program Year 2018-2019

Mr. Robert Lowe, Alliant Insurance Services was present to discuss and present the Board of Directors a renewal strategy 2018-2019 Property program renewal. CJPRMA transitioned the Property Program to Alliant Insurance Services for the 2016-2017 renewal. The program was created by Alliant and mirrors the Alliant Property Insurance Program (APIP) which is a proprietary program offered by Alliant. The initial program created for the 2016-2017 program year was customized for CJPRMA utilizing domestic carriers for 30% of the primary \$25,000,000 in limits and the remaining 70% is placed in the Lloyds of London marketplace. The 2017-2018 program year changed the primary limits with 25% domestic and the 75% covered by Lloyds, Coverage in excess of the primary layer is provided by the APIP structure.

While in London, the general manager, Robert Lowe, and Blaise Harris, both from Alliant Insurance Services recently met with the Lloyd's underwriters that are currently participating in our programs. The general manager explained the history of CJPRMA to the underwriters and expressed the interest of the program participants to create a long-term, stable relationship with the underwriters. The underwriters shared the story of the current marketplace in London and the continued erosion of capital resulting from catastrophic losses occurring around the world. Staff also got to attend a presentation on Active Shooter and Active Assailant programs. Staff is preparing a presentation for the annual meeting that will describe the current marketplace of active shooter exposures.

Mr. Lowe provided the program participants with an update of the status of the marketplace, the anticipated implications of the turning market and an overview on program modifications anticipated for the 2018-2019 program year. Additionally, Alliant also discussed the current Cyber Program and Drone Program that went into effect for the 2017-2018 program year. 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 annual meeting.

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

## 7. City of Vallejo Notice of Withdrawal

The general manager reported that staff has been working with City of Vallejo since the Board action taken at the December 11<sup>th</sup> meeting. The City determined that a \$2,500,000 SIR was unacceptable and exposed them to an unacceptable financial risk. Vallejo reached out to other California Pools and the insurance marketplace to identify alternative risk financing options. CJPRMA also provided alternative options to Vallejo. Despite those efforts, the City delivered a Notice of Withdrawal letter to CJPRMA dated February 28, 2018 as required. The Board of Directors were informed that all marketing efforts for the upcoming 2018-2019 program year will be conducted without City of Vallejo data.

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

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## 8. Business Calendar

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.

## 9. New Board Members / Alternates

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

1)	Vacaville	<b>Director</b> GeorgeAnne Meggers-Smith - Management Analyst II
2)	Vacaville	<b>Alternate</b> Andria Borba – Deputy City Attorney II
3)	Lodi	<b>Alternate</b> Beverly Jensen – Risk Manager
4)	Richmond	<b>Alternate</b> Laura Marquez – Project Manager I, Risk Management

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

## 10. Risk Management Issues

### 1) Design Professional Indemnity Provisions – Janet Hamilton, Livermore

This topic is revisited from a previous meeting. David Clovis stated he was working with Bob Marshburn on some recommended language for members. Language will be sent out when it is received. Robert Lowe stated he has a link to Alliant's Insurance Requirement in Contracts Manual (IRIC). Rob will send the link to David for the members.

### 2) Police Department Worksite Wellness Services – Mary Ann Perini, San Leandro

Director Perini asked the membership if their cities have any third party medical checks for police departments. The third party checks are wellness check to rule out indicators that may indicate a health issue which would need medical attention. Director Perini further explained that these wellness checks are preformed buy one Medical Doctor and one Medical Assistant, which results have caused a San Leandro employee to file a Workers Comp claim. Director Perini suggested employees should sign a waiver before their examination or the City should forego the wellness programs all together. Director Trupovnieks stated that NCCSIF is implementing a Wellness Program.

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- 3) Insurance – what is required for scholarships and grants – Janet Hamilton, Livermore

Director Hamilton conferred with the membership about insurance requirements for grants.

- 4) Security Cameras in Public Places - David Clovis, CJPRMA

The members discussed various cameras needs in different parts of their cities.

- 5) Half Cages for K-9's in Patrol Vehicles – Transporting both suspects and canines in the same vehicles – Janet Hamilton, Livermore

Director Hamilton asked the membership if their cities have cages that would occupy half of the backseat where a suspect would also ride.

Other topics that were discussed included, decorative walls and transferring ownership, off duty firefighters sleeping at the firehouse, hiring lifeguards for city pools.

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

## **XI. ADJOURNMENT**

- A motion was made Director Akil and seconded by Director Perini to adjourn the meeting at 1:18pm. Directors Combs, Hamilton, Magdich, Trupovnieks, Quiambao, Frediani, Northam, Greer, Epstein, Carroll, Kiyomura, Moon, Meggers-Smith approve the motion. Chico, Fremont, Roseville, Santa Rosa, Vallejo and YCPARMIA were not present. Motion passed.

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