



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

SPECIAL TELEPHONIC BOARD OF DIRECTORS MEETING

Thursday June 27, 2019 – 4:00 p.m.

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

Dial In #: 866 - 866 – 2244

Participant Code: 1414792

1. *City of Alameda, 2263 Santa Clara Avenue, Room 280, Alameda, CA 94501*
2. *City of Chico, 411 Main Street., Chico, CA 95927*
3. *City of Fairfield, 1000 Webster Street, Fairfield, CA 94533*
4. *City of Fremont, 3300 Capitol Avenue, Fremont, CA 94538*
5. *City of Livermore, 1052 S. Livermore Avenue, Livermore, CA 94550*
6. *LPFD, City of Pleasanton, 123 Main Street, Pleasanton, CA 94566*
7. *City of Lodi, 221 West Pine Street, Lodi, CA 95240*
8. *NCCSIF, City of Oroville, 1735 Montgomery Street, Oroville, CA 95965*
9. *City of Petaluma, 11 English Street, Petaluma, CA 94952*
10. *City of Redding, 777 Cypress Avenue, Redding, CA 96001*
11. *REMIF, City of Sonoma, 414 West Napa Street, Sonoma, CA 95476*
12. *City of Richmond, 450 Civic Center Plaza, Richmond, CA 94804*
13. *City of Roseville, 311 Vernon Street, Roseville, CA 95678*
14. *City of San Leandro, 835 East 14th Street, San Leandro, CA 94577*
15. *City of San Rafael, 1400 Fifth Avenue, San Rafael, CA 94915*
16. *City of Santa Rosa, 100 Santa Rosa Avenue, Room 9, Santa Rosa, CA 95404*
17. *SCORE, Town of Loomis, 3665 Taylor Road, Loomis, CA 95650*
18. *City of Stockton, 400 E. Main Street, 3rd floor, Stockton, CA 95202*
19. *City of Sunnyvale, 456 West Olive Avenue, City Attorney's Office, Sunnyvale, CA 94086*
20. *City of Vacaville, 650 Merchant Street, Vacaville, CA 95688*
21. *YCPARMIA, City of Woodland, 77 W. Lincoln Avenue, Woodland, CA 95695*
22. *Gibbons & Conley, 3480 Buskirk Avenue, Suite 200, Pleasant Hill, CA 94523*

AGENDA

I. CALL TO ORDER

II. ROLL CALL

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. 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

- A. Board Members
- B. General Manager/Secretary
- C. Next Scheduled Meetings: Board of Directors (08/15/2019) CJPRMA Office
Executive Committee (09/19/2019) CJPRMA Office

VIII. APPROVAL OF MINUTES

- None

IX. CONSENT CALENDAR

- None

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

1. Approval of Revised Premium and Deductibles for the Property Renewal for Program Year 2019-2020 **(A)**

XI. ADJOURNMENT

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 1	TITLE: APPROVAL OF REVISED PREMIUM AND DEDUCTIBLES FOR PROPERTY RENEWAL FOR PROGRAM YEAR 2019-2020
MEETING: 6/27/2019	
GENERAL MANAGER: ABG .	

Recommended Actions:

The general manager recommends approval of either Option 1 or Option 2.

Option 1. Approval. The general manager recommends the property program participants approve the revised premium quote of \$5,452,393 for the 2019-2020 program year and authorize the general manager to take appropriate actions to bind coverage. Deductibles shall be as follows: all-risk at \$250,000; wildfire at \$500,000; flood zones A & V at \$1,000,000; all other flood zones at \$250,000.

Option 2. Approval. The general manager recommends the property program participants approve the revised premium quote of \$5,452,393 for the 2019-2020 program year and authorize the general manager to take appropriate actions to bind coverage. Deductibles shall be as follows: all-risk at \$250,000; wildfire at \$500,000; flood zones A & V at \$1,000,000; all other flood zones at \$250,000. Additionally, the general manager requests approval to bind coverage with a \$100,000 all-risk deductible if that coverage can be purchased for an additional premium of \$500,000 or less.

Strategic Direction:

This item addresses Strategic Goal 1, Employ Customizable Products and Services to be Competitive.

Item Explanation:

At the CJPRMA Annual Meeting on May 22-23, 2019, the property program participants approved authority for the general manager to take the appropriate actions to bind the coverage for the property program not to exceed \$4,637,539 with a deductible of \$100,000 for all-risk and an expected deductible for wildfire of \$500,000. At the time of the annual meeting, final quotations had not been provided by the insurance carriers.

When the market provided its final quotes, the total premium for the property program is \$5,452,393. The all-risk deductible is \$250,000, and the wildfire deductible is \$500,000. This represents an additional premium cost of \$814,854 compared to what was approved at the annual meeting. The increase is solely due to premium increase for the primary \$25 million layer of the program. All other elements of the program came in at or under the premiums reported at the annual meeting.

Alliant has been in continual communication with both the London market and the domestic market. Since the annual meeting, the market has continued to deteriorate. The carriers have insisted on higher premium, and they have refused to move from the \$250,000 deductible for all-risk. As of June 25, 2019, Alliant had requested quotes from 53 insurance carriers; 26 declined to quote, and 2 have not responded.

It is possible that the market could bring the deductible down to \$100,000 for additional premium. Our broker in London, RKH Specialty, estimates that the additional premium required would be approximately \$500,000.

Staff recommends the property program participants authorize the general manager to take appropriate actions to bind the coverage.

Staff also recommends that property program participants provide direction to the general manager as to whether to bind coverage for a deductible of \$100,000 if that coverage can be purchased for an additional premium of \$500,000 or less.

The attached spreadsheet shows the total amount to be billed for the property program, including Deadly Weapon coverage and the CJPRMA administrative fee. The total of all coverages without Deadly Weapon and the administrative fee is \$5,452,393.

Fiscal Impact:

1. \$5,452,393.02 to bind coverage for the property program. **(Option 1)**
2. An additional amount up to \$500,000 if approved contingent on whether a deductible of \$100,000 is available in the market and approved by the property program participants for an additional premium of \$500,000 or less. **(Option 2)**

Exhibits:

1. Property Program Invoice for PY 19/20

CJPRMA Property Program Invoice PY19/20

Member		Property Values	Premium %	Property Premium	Excess B&M	Pollution	Terrorism	Deadly Weapon	Admin Fee	Grand Total Amt Billed
Alameda		707,968,612	7%	360,002	5,990	14,748	12,305	2,873	1,802	397,719
Chico		189,413,814	2%	96,317	1,602	3,946	3,292	769	482	106,408
CJPRMA		5,169,316	0%	2,629	44	108	90	21	13	2,904
Fairfield		501,701,318	5%	255,115	4,245	10,451	8,720	2,036	1,277	281,843
Fremont		277,137,386	3%	140,924	2,345	5,773	4,817	1,124	705	155,689
Livermore		538,913,718	5%	274,037	4,559	11,226	9,367	2,187	1,372	302,748
Lodi		436,358,369	4%	221,888	3,692	9,090	7,584	1,770	1,111	245,135
Petaluma		351,850,500	4%	178,916	2,977	7,329	6,116	1,428	896	197,661
Redding		625,519,965	6%	318,077	5,292	13,030	10,872	2,538	1,592	351,401
Richmond		687,981,539	7%	349,838	5,821	14,331	11,958	2,791	1,751	386,491
Roseville		895,958,712	9%	455,595	7,580	18,664	15,573	3,635	2,281	503,327
San Leandro		272,946,386	3%	138,793	2,309	5,686	4,744	1,107	695	153,334
San Rafael		127,124,741	1%	64,643	1,076	2,648	2,210	516	324	71,415
Santa Rosa		701,207,940	7%	356,564	5,932	14,607	12,188	2,845	1,785	393,921
Stockton		1,372,192,454	14%	697,759	11,609	28,584	23,850	5,568	3,493	770,863
Sunnyvale		462,873,359	5%	235,371	3,916	9,642	8,045	1,878	1,178	260,031
Vacaville		248,913,002	3%	126,572	2,106	5,185	4,326	1,010	634	139,833
Total		8,403,231,131								
REMIF	REMIF-sub	1,879,775	0%	956	16	39	33	8	5	1,056
	Arcata	86,324,615	1%	43,896	730	1,798	1,500	350	220	48,495
	Cloverdale	50,722,572	1%	25,792	429	1,057	882	206	129	28,495
	Cotati	28,194,382	0%	14,337	239	587	490	114	72	15,839
	Eureka	217,810,621	2%	110,757	1,843	4,537	3,786	884	554	122,361
	Fort Bragg	71,408,944	1%	36,311	604	1,488	1,241	290	182	40,116
	Fortuna	65,646,267	1%	33,381	555	1,367	1,141	266	167	36,878
	Healdsburg	137,775,265	1%	70,059	1,166	2,870	2,395	559	351	77,399
	Lakeport	62,410,982	1%	31,736	528	1,300	1,085	253	159	35,061
	Rohnert Park	141,308,861	1%	71,855	1,196	2,944	2,456	573	360	79,384
	Sebastopol	44,565,529	0%	22,662	377	928	775	181	113	25,036
	Sonoma	38,853,991	0%	19,757	329	809	675	158	99	21,827
	St. Helena	86,762,944	1%	44,119	734	1,807	1,508	352	221	48,741
	Ukiah	203,128,442	2%	103,291	1,719	4,231	3,531	824	517	114,112
	Willits	64,663,152	1%	32,881	547	1,347	1,124	262	165	36,326
	Windsor	116,403,032	1%	59,191	985	2,425	2,023	472	296	65,392
Total REMIF		1,417,859,374	14%	720,981	11,995	29,535	24,644	5,753	3,609	796,518
Total Property		9,821,090,505	100%	4,994,019	83,089	204,583	170,702	39,848	25,000	5,517,241