



**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

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BOARD OF DIRECTORS MEETING

March 16, 2017 – 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 9:06 a.m. on March 16, 2017.

II. ROLL CALL

PRESENT

- | | |
|---------------------------------------|---|
| 1) Lucretia Akil, <i>Alameda</i> | 11) David Rawe, <i>Roseville</i> |
| 2) Jamie Cannon, <i>Chico</i> | 12) Mary Ann Perini, <i>San Leandro</i> |
| 3) Stephen Schwarz, <i>Fremont</i> | 13) Roger Carroll, <i>SCORE</i> |
| 4) Janet Hamilton, <i>Livermore</i> | 14) Deanna Solina, <i>Stockton</i> |
| 5) Janice Magdich, <i>Lodi</i> | 15) Laura Marquez, <i>Sunnyvale</i> |
| 6) Cecilia Quiambao, <i>Petaluma</i> | 16) Claudia Quintana, <i>Vallejo</i> |
| 7) Lynette Frediani, <i>Redding</i> | 17) Celeste Garrett, <i>Vacaville</i> |
| 8) Kim Greer, <i>Richmond</i> | 18) Jeff Tonks, <i>YCPARMIA</i> |
| 9) Laura Snideman, <i>Fairfield</i> | 19) Dominique Kurihara, <i>Santa Rosa</i> |
| 10) Robert Epstein, <i>San Rafael</i> | 20) Mark Ferguson, <i>R.E.M.I.F.</i> |

ABSENT

N.C.C.S.I.F

OTHERS PRESENT

- | | |
|--------------------------------------|---|
| 21) Dr. William Deeb, <i>AON</i> | 29) Susanna Banuelos, <i>CJPRMA</i> |
| 22) Marley Cleland, <i>AON</i> | 30) Amy Reeve, <i>Petaluma</i> |
| 23) David Clovis, <i>CJPRMA</i> | 31) Marcia Hart, <i>CJPRMA</i> |
| 24) Lola Deem, <i>CJPRMA</i> | 32) Theresa Rowland, <i>Stockton</i> |
| 25) Craig Schweikhard, <i>CJPRMA</i> | 33) Martin Cassell, <i>Chandler Assets Management</i> |

- 26) Saima Kumar, *CJPRMA*
- 27) A. Byrne Conley, *Gibbons & Conley*
- 28) Amanda Tonks, *Santa Rosa*
- 34) Daniel Howell, *Alliant*
- 35) Chris Carmona, *Redding/George Hills Company*

III. PRESENTATIONS

- None

IV. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS.

V. COMMUNICATIONS

- A. Board Members:
- B. General Manager/Secretary:
- C. Next Scheduled Meetings: Executive Committee (4/20/2017) CJPRMA Office
Board of Directors Annual (5/24/17 & 5/25/2017)
CJPRMA Office

VI. APPROVAL OF MINUTES

- A motion was made by Director Akil, seconded by Director Quiambao, to approve the 12/15/16 minutes with correction of Director Quiambao's misspelled name. Directors Carroll, Schwarz, Cannon, Epstein, Ferguson, Frediani, Garrett, Greer, Hamilton, Magdich, Rawe, Perini, Solina, Kurihara, Marquez, Quintana, Snideman and Tonks approved the motion. NCCSIF was not present. Motion passes.

VII. CONSENT CALENDAR

- 1. Additional Covered Party Certificates Approved by the General Manager (A)**
- 2. Financial Report of CJPRMA as of December 31, 2016 (A)**

- A motion was made by Director Carroll, seconded by Director Akil, to approve the Consent Calendar. Directors Cannon, Epstein, Ferguson, Frediani, Garrett, Greer, Hamilton, Magdich, Rawe, Perini, Solina, Kurihara, Marquez, Quiambao, Quintana, Schwarz, Snideman and Tonks approved the motion. NCCSIF was not present. Motion passes.

VIII. ACTION CALENDAR (*Action Items Only*)

- 3. Proposed Amendment to the CJPRMA Bylaws Article V, Executive Committee Meetings (A)**

Staff recommended that the Board of Directors approve proposed changes to the CJPRMA Bylaws Article V, Executive Committee Meeting. The general manager sent the Board of Directors a required written notice on January 11, 2107 recommending the bylaw change in accordance of the Bylaws, Article XV. The proposed new language to Article V would state the following:

The *Executive Committee* shall hold at least four regular meetings each year, some of which may coincide with meetings of the Board of Directors.

- A motion was made by Director Garrett, seconded by Director Ferguson, to approve and adopt the proposed amendment to the CJPRMA Bylaws Article V. Directors Carroll, Schwarz, Cannon, Epstein, Frediani, Greer, Hamilton, Akil, Magdich, Rawe, Perini, Solina, Kurihara, Marquez, Quiambao, Quintana, Snideman and Tonks approved the motion. NCCSIF was not present. Motion passes.

IX. INFORMATION CALENDAR (*Information Items Only*)

4. Liability Renewal Strategy Plan for 2017-2018 Program Year

The general manager gave an overview of the strategy plan for liability renewals for 2017-2018 program year, and discussed the staff's recent meeting with Gary Jackson, Underwriting Manager, Munich Re America, and Marley Cleland, Account Executive, AON Risk Services. Dr. William Deeb presented an overview of the CJPRMA Insurance program. He discussed the programs for Excess Liability and Auto Physical Damage, and potentially drone coverage. Dr. Deeb stated that the APD Loss Ratio looks better than last year. Director Quiambao asked, "Do vehicles that are reported midyear get reassessed?" David Clovis clarified that when reporting a vehicle make sure you identify all added equipment to report value. Dr. Deeb stated members would be asked to revisit their mid-year vehicle additions confirming final numbers for July 1 renewal.

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

5. Property Renewal Strategy Plan for 2017-2018 Program Year

Mr. Daniel Howell, Vice President of Alliant Insurance Services was present to provide an overview of the CJPRMA property program and updates on the renewal process. Mr. Howell reviewed Renewal Expectations, with the possibility of adding Pollution Liability, Excess Cyber Limits, Drone Liability program, and Active Shooter placement, along with development of shared limit Earthquake option.

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

6. Report from Investment Manager

Marty Cassell, of 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 February 28, 2017, the Loss Payment Account was valued at \$3,747,718. This was an increase of \$8,549 from its valuation of \$3,739,169 on

November 30, 2016. Several securities were purchased across the Treasury, Agency, and Corporate sectors of the market to lengthen the maturity profile of the portfolio to be more consistent with the 1.0 year target. The purchased securities ranged in maturity from November 2017 to March 2021. Several securities matured to help finance the new holdings in the portfolio. 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, 2017, the Long Term Growth Account was valued at \$37,990,456. This was an increase of \$270,115 from its valuation of \$37,720,341 on November 30, 2016. Several transactions took place over the prior quarter to keep the portfolio allocation and structure in-line with Chandler objectives. One Corporate note with a maturity in January 2022 was purchased, offset by a short maturity corporate note sale with a maturity of December 2017. Two Treasury transactions also occurred during the quarter, a purchase with a maturity in November 2026 offset by the sale of a note with a maturity in February 2022.

As of February 28, 2017, the Long Term Growth/Tactical Account was valued at \$31,738,679. This was a decrease of \$5,107,019 from its valuation of \$36,845,698 on November 30, 2016. Due to the current low cash balance in the Loss Payment Account the Tactical Portfolio was used as the liquidity vehicle for recent cash flow needs. In aggregate, \$5.25 million was withdrawn from the account over the past quarter. Several Treasury, Agency, and Corporate notes were sold to raise the necessary cash for disbursement.

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

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

7. 2017 Claims Audit Process

The general manager reviewed the Audit Process for this year with the Board of Directors. The renewal contract for Mr. Rick Buys was approved by the Executive Committee to perform the excess audit for program years 2017-2018. It was explained that Mr. Buys will contact each member to schedule their audit, and send the member their Pre-Audit Checklist. The checklist will allow the member to gather all the required documents 7 days prior to the scheduled audit process. Once the audit has taken place and the designated files have been reviewed, the auditor will hold a closing meeting with the member to review the observations. Within two weeks following the closing meetings, members will be provided with a draft copy of their audit report. The member will then review the draft audit report closely and promptly submit any feedback to Mr. Buys within two weeks. A final audit report will be presented to the members at the August Board of Directors meeting.

The Claims Audit Standards and Requirement guidelines were provided for review by members.

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

8. Annual Report Presentation 2015-2016

The general manager presented the 2015-2016 program year annual report. He provided a copy of the presentation to the Board.

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

9. New Board Member/Alternates

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

1)	Fairfield	Alternate Patty Romie – Human Resources Analyst
2)	Santa Rosa	Alternate Amanda Tonks – Risk Management Analyst
3)	Petaluma	Alternate Amy Reeve – Director of Human Resources

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

10. Business Calendar for 2017

The 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.

11. Risk Management Issues

1) PPE for Illegal Cannabis Sites – Kim Greer, Richmond

On behalf of Kim Greer, David Clovis asked the members if there is an issue of staff going into a building where marijuana is present. There were no comments.

2) Incidents occurring on State Highways in your Jurisdiction – Janet Hamilton, Livermore

Director Hamilton asked members if CalTrans is coming out when called, or are their Public works cleaning up spills? Chris Carmona answered that Redding does not have their staff do the cleanup, they have HazMat come out. Director Ferguson stated that he has noticed that CalTrans will push more onto the city and that they are less responsible. He warned, “Be really careful.” David Clovis added that CalTrans is recognizing their exposure, and they are getting sued all over California. Dr. William Deeb reminded members, “Once you touch Hazardous Waste, it is yours.”

3) Public Works repairs of private residents arising out of police related issues – Janet Hamilton, Livermore

Director Hamilton asked, "If Police or Fire goes into a home, how do they secure the facility when they leave?" Director Magdich answered that the City of Lodi would send a contractor if this happened in her city. Director Ferguson stated that he believes it is the landlord's problem.

4) Mutual Aid Agreements – David Clovis, CJPRMA

David Clovis explained that he was recently approached by Celeste Garrett, Vacaville asking if there was a generic emergency response for a mutual aid agreement. David Clovis was concerned about the agency response to a Mutual Aid Agreement. Director Akil, Alameda and Director Quintana, Vallejo agreed with Mr. Clovis that there may be push back from the agencies. Suggested language for Mutual Aid Agreement was included in the agenda packet. Director Cannon suggested that all members be emailed the document.

X. CLOSED SESSION

1. Government Code Section 54956.95

Conference with Legal Counsel – Anticipated Litigation

Name of Case: Menlo Westridge Housing v. City of Richmond

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

Case No.: C-15-02054

2. Government Code Section 54956.9(a)

Conference with Legal Counsel – Litigation

Name of Case: Thomas Burton v. City of Davis, County of Yolo

Court: Yolo County Superior Court

Case No.: C-15-02054

3. Government Code Section 54956.9(a)

Conference with Legal Counsel – Litigation

Name of Case: Jessica Glynn v. City of Stockton

Court: US District Court, Eastern District of California

Case No.: 2:15-CV-00529-KJM-DAD

4. Government Code Section 54956.9(a)

Conference with Legal Counsel – Litigation

Name of Case: Trevor J. Paul v. City of Richmond

Court: US District Court, Northern District of California

Case No.: 3:15-cv-05459-JCS

5. Government Code Section 54956.9(a)

Conference with Legal Counsel – Litigation

Name of Case: State Farm, et al v. City of Fairfield, CalTrans

Court: Solano County Superior Court

Case No.: FCS043691

6. Government Code Section 54956.9(a)

Conference with Legal Counsel – Litigation

Name of Case: Richmond/CJPRMA v. George Hills and Company

Court: N/A

Case No.: N/A

XI. ACTION ON CLOSED SESSION ITEMS

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

XII. ADJOURNMENT

- A motion by Director Garrett, seconded by Director Perini to adjourn the meeting at 2:10 p.m. passed unanimously.