



**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**BOARD OF DIRECTORS MEETING**  
**THURSDAY MARCH 19, 2026, 9:00 A.M.**

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

**ZOOM MEETING LINK:**

**<https://us02web.zoom.us/j/81766993412?pwd=jpRnkLMpFr4K8ywkzaWNmEi3ebUck.1&from=addon>**

**MEETING NUMBER: 817 6699 3412**

**PASSWORD: 359928**

**PHONE: 1-669-900-6833**

1. City of Alameda, 2236 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. City of Lodi, 221 West Pine Street, Lodi, CA 95240
7. NCCSIF, City of Oroville, 1735 Montgomery Street, Oroville CA 95965
8. City of Petaluma, 11 English Street, Petaluma, CA 94952
9. City of Redding, 777 Cypress Avenue, Redding, CA 96001
10. City of Richmond, 450 Civic Center Plaza, Richmond, CA 94804
11. City of Roseville, 311 Vernon Street, Roseville, CA 95678
12. City of San Leandro, 835 East 14<sup>th</sup> Street, San Leandro, CA 94577
13. City of San Rafael, 1400 Fifth Avenue, San Rafael, CA 94915
14. City of Santa Rosa, 100 Santa Rosa Avenue, Room 1, Santa Rosa, CA 95404
15. SCORE, City of Dunsmuir, 5915 Dunsmuir Avenue, Dunsmuir, CA 96025
16. City of Sunnyvale, 456 W. Olive Avenue, Sunnyvale Office Complex, Sunnyvale, CA 94086
17. City of Vacaville, 650 Merchant Street, Vacaville, CA 95688
18. Gibbons & Conley, 3480 Buskirk Avenue, Suite 200, Pleasant Hill, CA 94523

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## MINUTES

I. **CALL TO ORDER** – President Jensen called the meeting to order at 9:00 A.M.

### II. **ROLL CALL**

#### **PRESENT**

- |                                    |                                  |
|------------------------------------|----------------------------------|
| 1) Yibin Shen, Alameda             | 9) Christian Curtis, Redding     |
| 2) Barbara Martin, Chico           | 10) Kimberly Chin, Richmond      |
| 3) Christian M. Carmona, Fairfield | 11) Virginia Bolman, Roseville   |
| 4) Steve Schwarz, Fremont          | 12) Leticia Naranjo, San Leandro |
| 5) Molly O’Toole, Livermore        | 13) Heather Davis, San Rafael    |
| 6) Beverly Jensen, Lodi            | 14) Blake Michaelsen, SCORE      |
| 7) Elizabeth Ehrenstrom, NCCSIF    | 15) Sweekar Simpson, Sunnyvale   |
| 8) Jordan Green, Petaluma          | 16) Rachel Carranza, Vacaville   |

**ABSENT** – Santa Rosa

#### **OTHERS**

- |                                 |                              |
|---------------------------------|------------------------------|
| 16) Byrne Conley, Board Counsel | 24) Anais Aquino, Sunnyvale  |
| 17) Tiana Gray, Chico           | 25) Erin Berndsen, Vacaville |
| 18) Erika Milton, Fairfield     | 26) Tony Giles, CJPRMA       |
| 19) Sylvia Dominguez, Lodi      | 27) Vahe Hovakimian, CJPRMA  |
| 20) Karen Poehlmann, Petaluma   | 28) Marinda Griese, CJPRMA   |
| 21) Pamela Eastwick, SCORE      | 29) Shawn Millar, CJPRMA     |
| 22) Michelle Minnick, Alliant   | 30) Marcia Hart, CJPRMA      |
| 23) Pam Dahl, Redding           | 31) Vince Wong, CJPRMA       |

III. **PRESENTATIONS** - None

### IV. **CLOSED SESSION**

#### **1. Government Code Section 54956.95 (a)**

Conference with Legal Counsel – Litigation

**Name of Case:** Gonzalez-Valencia, Maria v. Sarah Solomon; City of Santa Rosa; et al.

**Court:** Superior Court of the State of California in the County of Sonoma

**Case No.:** 24CV01397

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

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

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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.** General Manager/Secretary

**B.** Board Members

**C.** Next Scheduled Meetings: Executive Committee (04/23/2026) City of San Rafael  
Board of Directors (05/19 to 21/2026) Dream Inn, Santa Cruz, CA

**VIII. APPROVAL OF MINUTES**

- A motion was made by Director Ehrenstrom and seconded by Director Davis to approve the minutes of the Board of Directors 12/10/2025. A roll call vote was held: Directors Shen, Martin, Schwarz, Jensen, Green, Curtis, Chin, Bolman, Naranjo, Michaelsen, Simpson, and Carranza approved the motion. Livermore abstained from voting. Fairfield was absent at the time of voting. Santa Rosa was absent from the meeting. Motion passed.

**IX. CONSENT CALENDAR**

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

**2. Settlement of Claims Discussed in Closed Session (I)**

**3. Status Update on General Manager’s Goals and Objectives (I)**

**4. Financial Report of CJPRMA as of December 31, 2025 (I)**

**5. Business Calendar for 2026 (I)**

**6. New Board Members/Alternates (I)**

**7. Report Out from Member Engagement Committee (I)**

**8. Report Out from Claims Committee (I)**

**9. Update on Industry and Legislative Initiatives (I)**

- A motion was made by Director Ehrenstrom and seconded by Director Michaelsen to approve the consent calendar. A roll call vote was held: Directors Shen, Martin, O’Toole, Jensen, Green, Curtis, Chin, Bolman, Naranjo, Davis, Simpson and Carranza approved the motion. Fairfield and Fremont were absent from the meeting. Santa Rosa was absent from the meeting. Motion passed.

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

### 10. Report from the Investment Manager (I)

Steve Church of Chandler Asset Management was present to discuss the portfolio and our investment strategy. In addition, they will be providing an update on economic factors that have had a direct impact on the investments.

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 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 5 years. Both Long-Term Growth Accounts are utilized to provide long-term asset growth in order to offset inflation. The maturity range of their investments is a maximum of ten years.

As of December 31, 2025, the Loss Payment Account was valued at \$38,167,451. This was an increase of \$18,152,670 from its valuation of \$20,014,781 on September 30, 2025. As the US Treasury curve steepened in December, trading was minimal due to fluctuating liquidity and cash flow needs. In anticipation of any cash flow needs, the entirety of the account is held within LAIF.

As of December 31, 2025, the Long-Term Growth Account / Tactical was valued at \$9,806,501. This was an increase of \$101,216 from its valuation of \$9,705,285 on September 30, 2025. Treasuries, Corporates, and Asset-Backed Securities (ABS) securities were purchased and sold throughout the quarter. The purchased securities, which included maturities ranging from April 2030 to November 2030, were utilized to extend duration closer to the benchmark as well as maintain the overall structure of the account.

As of December 31, 2025, the Long-Term Growth Account was valued at \$26,246,280. This was an increase of \$265,331 from its valuation of \$25,980,949 on September 30, 2025. Purchasing activity was relatively light during the reporting period as the Chandler team continued to focus on keeping the portfolio more conservatively positioned with respect to allocation, duration and structure. Three Treasury securities were purchased with maturities ranging from August 2035 to November 2035.

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

- This item was for information only.

## **11. Approval of the 2025 Excess Claims Audit (A)**

Ken Maiolini of Risk Management Services (RMS) conducted the 2025 excess claims audit, and he will present his summary to the Board of Directors at the meeting. Audit Review sheets for the individually audited claim files have been provided separately to each agency. The final Executive Summary report was provided for the Directors to review.

The audit included a review of 156 claim files, comprised of 126 open and 30 closed files, and a pre-audit survey of all 17 active CJPRMA members, which reflected positive feedback regarding CJPRMA's claims services. The auditor concluded that CJPRMA's claims handling remains a "gold standard" among California public entity excess pools, citing timely and well-documented investigations, appropriate reserving practices, effective litigation oversight, strong negotiation and settlement practices, and professional file management.

The audit identified four individual files for additional review and discussion, primarily related to reserve review and defense counsel responsiveness; staff has subsequently reviewed each matter and implemented appropriate follow-up actions. The auditor made no general recommendations for improvement and recommended continuation of CJPRMA's current claims handling practices.

- A motion was made by Director Ehrenstrom and seconded by Director Green to approve the 2025 Excess Claims Audit . A roll call vote was held: Directors Shen, Martin, Milton, Schwarz, O'Toole, Jensen, Curtis, Chin, Bolman, Naranjo, Davis, Michaelsen and Carranza approved the motion. Sunnyvale was absent at the time of voting. Santa Rosa was absent from the meeting. Motion passed.

## **12. Insurance Programs Renewal Update for Program Year 2026-27 (I)**

Staff met with liability reinsurance underwriters during the week of 2/23/2026 and held an in-depth claims review meeting with underwriters on 3/17/2026. We do not anticipate having trouble obtaining capacity, and we do not expect any increases to our retention (currently at \$7,500,000).

We will request formal quotes as soon as possible, but, in recent years, carriers have not released quotes until as late as June.

The property program is currently comprised of a \$30 million layer that is shared by the London market and two domestic carriers and \$370 million of excess coverage through the APIP (Alliant Property Insurance Program) structure. This structure should remain essentially the same in the new program year. The General Manager met with the property underwriters during the week of 3/9/2026. Premium rates could stay flat or even see a decrease this year.

We have a new London wholesale intermediary to support the renewal process. CJPRMA had previously worked with Howden in this role for many years. However, Howden recently entered

the retail brokerage market in the United State, placing them in direct competition with the pool’s broker of record, Alliant Insurance Services. To avoid this potential conflict, the London placement role has been transitioned to Price Forbes. The team that previously supported CJPRMA at Howden has moved to Price Forbes as well, so the individuals working on the pool’s program will remain the same. This change does not affect CJPRMA’s broker of record relationship with Alliant.

- This item was for information only.

### 13. Cash Assessment for Liability Program (A)

#### How We Got Here

Beginning with program year 2018/19, CJPRMA began to experience a steady decline in its net position in the liability program. The table below shows the program’s net position at the end of each program year from 2017/18 through 2024/25.

<b>Evaluation Date</b>	<b>Net Position</b>
6/30/2018	\$22,052,565
6/30/2019	\$4,059,956
6/30/2020	(\$5,153,964)
6/30/2021	(\$23,315,095)
6/30/2022	(\$33,351,480)
6/30/2023	(\$58,082,815)
6/30/2024	(\$46,870,431)
6/30/2025	(\$87,427,178)

The CJPRMA Annual Comprehensive Financial Report (ACFR) for June 30, 2025 reports that the pool’s net position was (\$87,427,178). In other words, CJPRMA has a deficit of \$87,427,178. Net position represents the difference between CJPRMA’s assets and liabilities, the largest of which are claim reserves.

Several factors contributed to the decline in net position. The liability environment in California has changed significantly in recent years, with higher jury verdicts and settlements becoming more prevalent. Social inflation, changing public sentiment regarding law enforcement, and the growth of third-party litigation funding have all contributed to increased claim costs. Also, CJPRMA historically used an actuarial method based on a ten-year rolling average of claims to determine funding rates for the liability program. While this method provided stability for member contributions, it did not adjust quickly to the rapidly changing claims environment. Following the hiring of the current General Manager and Claims Administrator in 2018, a comprehensive review of open claims revealed that several reserves were no longer adequate given the evolving litigation environment. Updating those reserves increased CJPRMA’s recognized liabilities and further contributed to the current deficit.

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The CJPRMA's net position is comprised of both program years with positive equity and program years with negative equity. While the overall net position deficit is \$87,427,178, several individual program years currently have negative equity.

The combined negative equity across those deficit program years totals \$139,691,116, which is partially offset by \$52,343,264 in positive equity from other program years, resulting in the current net position deficit of \$87,427,178 reported in the ACFR.

Following several large verdicts, CJPRMA reviewed claims involving fatalities and catastrophic injuries and adjusted reserves accordingly. These reserve adjustments significantly affected the prior-year development used by the actuary and further increased the deficits within certain program years.

#### Prior Board Actions

In December 2023, the Board approved a cash assessment totaling \$14,160,364. The intent of that assessment was to begin addressing deficit program years while allowing the Board time to evaluate whether revised funding methodologies could restore CJPRMA to a positive net position without assessing the full deficit.

The assessment became payable on July 1, 2024. Members were offered the option to pay the assessment in full or over three annual installments. Members who selected the installment option will make their final payment on July 1, 2026.

Despite these efforts, the litigation environment has continued to evolve and claim costs across the industry have continued to rise. As a result, the previous assessment and changes to our funding methodology have not been sufficient to restore CJPRMA to a positive net position. This challenge is not unique to CJPRMA, as many public entity risk pools and insurers across the country are facing similar pressures.

#### Assessment Authority

The CJPRMA by-laws defines a cash assessment as "an amount determined by the *Board of Directors* to be paid by each member entity as necessary to meet the *Authority's* obligations." The bylaws continue, "A two-thirds vote of the entire Board is required to levy a cash assessment for any pooled coverage program."

Article XII of the by-laws addresses assessments.

"Upon a two-thirds vote of the *entire Board*, the *Board* shall have the authority to levy a *cash assessment* for any *pooled coverage program*. There must be a finding by the *Board* that there are insufficient funds available to the *Authority* to meet its legal obligations.

A *cash assessment* shall be directed only to those *member entities* or former *member entities* which participated in the *pooled coverage program* during the *program year* in which the *covered loss*, causing the assessment, was incurred.

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Any costs, including attorney fees incurred by the *Authority* in collecting any *cash assessment*, shall be reimbursed in full by the *member entity* against which such collection action has been taken.”

Article XVIII of the CJPRMA Joint Powers Agreement also addresses assessments.

“The *Board* by a two-thirds vote of the entire body shall have the authority to levy a *cash assessment* upon a determination that it is necessary to meet the *Authority's* obligations.

All *cash assessments* shall be determined and payable in accordance with the policy contained in the Bylaws.”

The Joint Powers Agreement also discusses the effect of assessments on former members of the pool. Former members of the pool are still responsible to pay any cash assessment for program years in which they participated.

“The withdrawal or expulsion of any *member entity* after the inception of its participation in the *Authority* or any *pooled coverage program* shall not terminate its responsibility:

- A. to cooperate fully with the *Authority* in determining the cause of losses and in the settlement of *claims* incurred during the coverage period, as defined in the *Memorandum of Coverage*;
- B. to pay any cash assessments or other amounts determined by the *Board* to be due and payable for each *program year* of each program in which it participated until all *claims*, or other unpaid liabilities, covering such periods have been finally resolved;”

### **Cash Assessment Proposal**

Staff recommends an assessment approach that addresses the negative equity within deficit program years rather than only eliminating CJPRMA’s current net deficit.

Eliminating only the current net deficit would restore CJPRMA to a zero net position but would leave significant negative equity in individual program years. The proposed approach instead addresses the negative equity within those years so that losses are ultimately funded by the members who participated during those program periods. This approach aligns with the CJPRMA’s long-standing principle that losses should be matched to the program years in which they were incurred.

The current negative equity across deficit program years totals \$139,691,116, while positive equity in other program years totals \$52,343,264. Once declared by the Board of Directors, the assessment becomes an account receivable and a financial asset.

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Here is a proposed timeline for addressing a new assessment:

March 2026 Board Meeting	Approve the elements of a new assessment
April 2026 Executive Committee Meeting	Refine assessment proposal
May 2026 Board Meeting	Revised proposal for assessment presented to Board of Directors with final numbers.
June 2026 Executive Committee Meeting	Final review of assessment proposal
August 2026 Board Meeting	Final Decision on Assessment
July 1, 2027	If assessment is approved, first payment due.

The proposed framework includes the following elements:

- Address the negative equity in deficit program years, currently totaling \$139,691,116.
- Retain positive equity in all program years where it exists, currently totaling \$52,343,264.
- Allow members to pay in as many as ten years in equal annual installments due July 1 of each year.
- Members who elect to pay the assessment immediately will receive a five percent discount.
- First payment would be due 7/1/2027.
- Members who pay via installments will be charged an interest rate equivalent 10 Year Constant Maturity Treasury Index as of 7/1/2027, consistent with Board Policy B15 “Policy on Program Year Deficits.” The 10 Year Constant Maturity Treasury Index rate as of 2/18/2026 was 4.09 percent.

Former members of CJPRMA, City of Vallejo, REMIF, Stockton, and YCPARMIA participated in all these program years and would therefore be subject to the assessment. The general manager has contacted all affected former members to inform them of the proposed assessment.

Ultimately, all losses incurred within a pooled layer of coverage must be funded, through deposit premiums, and, when necessary, assessments. Under our governing documents, the goal is to ultimately match loss experience to the years of each member's participation, and the proposed assessment plan is designed to accomplish this goal.

Rebuilding a positive net position will also allow CJPRMA to once again generate investment income on its assets, which historically has helped offset program costs and reduce the amount that must be collected from members through contributions.

Staff recommended approval of an assessment under the parameters described. Failure to approve an assessment means that CJPRMA will continue to operate with a negative net position, which could adversely affect the pool’s ability to purchase reinsurance and attract new members. Some bond rating agencies are looking at the pooling arrangements of municipalities,

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and a negative net position could affect members' credit ratings. A continued deficit could also lead to negative findings on the pool's financial audit.

- A motion was made by Director Curtis. The motion was to defer to the Executive Committee for review of the Target Equity Policy and to refine the assessment proposal and the motion was seconded by Director Carmona. A roll call was held: Directors Martin, Schwarz, O'Toole, Jensen, Ehrenstrom, Green, Chin, Bolman, Naranjo, Davis, Michaelsen and Carranza approved the motion. Alameda and Sunnyvale were absent at the time of voting. Santa Rosa was absent from the meeting. Motion passed.

#### **14. Succession Planning (I)**

The General Manager has announced his intention to retire on 7/1/2028. To ensure a smooth transition to CJPRMA's next leader, the General Manager and the Board of Directors should establish a succession plan.

Here are some proposed elements of a succession plan for the General Manager position:

1. Plan to hire someone for the Assistant General Manager position. This position already exists at CJPRMA. The current General Manager was hired as the Assistant General Manager as part of the Board's succession plan when his predecessor retired.
  2. Ideally, the Assistant General Manager would have an overlap period with the General Manager. A transition period can allow for the transfer of institutional knowledge, key relationships, and operational context that supports continuity of leadership. This could be potentially as long as two years, starting in July 2026. Other similar pools in California have used this model for succession planning, with Assistants/Deputies serving as long as three years.
  3. Update the salary for the Assistant General Manager classification. When the current General Manager was hired in 2018, the Assistant General Manager position was set at 20 percent below the General Manager. This is proposed in Agenda Item #15 on today's Board agenda.
  4. Recruit and/or appoint an Assistant General Manager as early as July 2026 or any time up to 7/1/2028.
- This item was for information only.

#### **15. Approve Salary Adjustment for Assistant General Manager (A)**

As discussed in Agenda Item #14 regarding succession planning, the General Manager has announced his intention to retire on 7/1/2028, and the Assistant General Manager position may play a role in CJPRMA's leadership transition framework. To support potential recruitment for this position, staff recommends updating the salary schedule for the Assistant General Manager classification. This adjustment is intended to align the assistant general manager classification with the current leadership salary schedule.

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Before the current General Manager was hired in 2018, the Assistant General Manager salary range was set at approximately 20 percent below the General Manager range. The classification has not been used since that time; the salary range has therefore not been adjusted to reflect subsequent updates to the General Manager salary.

Staff recommended that the Board of Directors approve the revised salary schedule with a range of \$162,250 - \$219,038 for the Assistant General Manager position. This range is approximately 20 percent below the current General Manager range, consistent with how the positions were previously structured. Updating the salary will ensure the classification remains aligned with CJPRMA's current compensation structure and will support future recruitment should the Board determine that the Assistant General Manager position is needed as part of the succession plan.

- A motion was made by Director Ehrenstrom and seconded by Director Chin to approve the proposed salary schedule that includes the Assistant General Manager which will be effective July 1, 2026. A roll call vote was held: Directors Shen, Martin, Jensen, Green, Curtis, Bolman, Naranjo, Davis, Michaelsen, Simpson, and Carranza approved the motion. Fairfield and Livermore voted no. Fremont was absent at the time of voting. Santa Rosa was absent from the meeting. Motion passed.

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

The Board of Directors discussed the following risk management issue that is of concern to the members and for the provision of status updates on the risk management program. The following items were discussed:

1. Risk Management report from the Small Cities Organized Risk Effort (SCORE) JPA.
2. Insurance for Fairs – Petaluma, Jordan Green

- This item was for information only.

#### **XI. ADJOURNMENT** – President Jensen adjourned the meeting at 12:46 P.M.