CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS WEBEX MEETING
Thursday March 18, 2021 - 9:00 a.m.

CJPRMA
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.

MEETING LINK:

https://cjprma.webex.com/cjprma/j.php?MTID=m913434a580aee6ef62fcc8c953d0487b

MEETING NUMBER: 187 570 5826 **PASSWORD**: Sd4ibQaRE77

JOIN BY PHONE: 1-844-621-3956, 1875705826## **ACCESS CODE**: 187 570 5826

MINUTES

I. CALL TO ORDER - President Rawe called the meeting to order at 9:00 a.m.

II. ROLL CALL

PRESENT

1) Yibin Shen, Alameda
2) Jamie Cannon, Chico
3) Chris Carmona, Fairfield
4) Steve Schwarz, Fremont
5) Jas Sidhu, Livermore
6) Beverly Jensen, Lodi
7) Dan Sodergren, LPFD
8) Veronica Rodriguez, NCCSIF
9) Erika Leahy, Petaluma
10) Jacob Baldwin, Redding
11) Amy Northam, REMIF
12) Laura Marquez, Richmond
13) David Rawe, Roseville
14) Dominique Blanquie, Santa Rosa
15) Roger Carroll, SCORE
16) Gail Kiyomura, Stockton
17) Scott Mann, Sunnyvale
18) GeorgeAnne Meggers-Smith, Vacaville
19) Marylin Kelley, YCPARMIA

ABSENT – San Leandro and San Rafael

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

OTHERS

20) Byrne Conley, Board Counsel
21) Robert Lowe, Alliant Insurance Services
22) P.J. Skarlanic, Alliant Insurance Services
23) Dan Madej, Alliant Insurance Services
24) William Dennehy, Chandler Asset Management
25) Kami Linan, North Bay Schools Insurance Authority
26) Shaun Calcara, Moonlight Inc.
27) Roberto Alarcon, Moonlight, Inc.
28) Janet Hamilton, Livermore
29) Elizabeth Ehrenstron, NCCSIF
30) Amanda Tonks, Santa Rosa
31) Tim Claiborne, Stockton
32) Anais Aquino, Sunnyvale
33) Andria Borba, Vacaville
34) David Due, YCPARMIA
35) Tony Giles, CJPRMA
36) Lola Deem, CJPRMA
37) Marinda Griese, CJPRMA
38) Saima Kumar, CJPRMA
39) Marcia Hart, CJPRMA
40) Susanna Banuelos, CJPRMA

"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 54956.95 (a)**
   Conference with Legal Counsel – Litigation

   Name of Case: Googooian, Stephen v. City of Rocklin et al. (NCCSIF)
   Court: Superior Court of the State of California, County of Placer
   Case No.: SCV0042659

2. **Government Code Section 54956.95 (a)**
   Conference with Legal Counsel – Litigation

   Name of Case: Gross, Gregory v. City of Yuba City, et al (NCCSIF)
   Court: N/A (Pre-litigation)
   Case No.: N/A (Pre-litigation)

IV. ACTION ON CLOSED SESSION

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

V. PRESENTATIONS

1. CAJPA Accreditation Presentation
   - Kami Linan from North Bay Schools Insurance Authority and CAJPA Membership Committee presented CJPRMA General Manager, Tony Giles, a certificate of accreditation with

excellence after fulfilling the conditions of eligibility as the prescribed by the Association of Accreditation.

2. Moonlight Inc.
   - Shaun Calcara and Roberto Alarcon presented a brief overview of their company to the members.
3. Retirement of Board Vice-President Gail Kiyomura
   - David Rawe, Board President and Tony Giles, CJPRMA General Manager presented Gail Kiyomura a plaque of recognition for her years of service on the Board of Directors and Executive Committee for CJPRMA.

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: Executive Committee (04/22/21) WebEx
Annual Board of Directors (05/20/21) WebEx

VIII. APPROVAL OF MINUTES

- A motion was made by Director Carroll and seconded by Director Northam to approve the minutes from the Board of Directors meetings held on 12/10/20 and 1/28/21. A roll call vote was taken: Directors Shen, Cannon, Carmona, Schwarz, Sidhu, Jensen, Sodergren, Rodriquez, Leahy, Northam, Marquez, Rawe, Baldwin, Blanquie, Carroll, Kiyomura, Mann, Meggers-Smith and Kelley approved the motion. San Leandro and San Rafael were absent from the meeting. 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, 2020 (I)**
5. **Business Calendar for 2021 (I)**
6. **New Board Members/Alternates (I)**

- A motion was made by Director Carmona and seconded by Director Jensen to approve the consent calendar. A roll call vote was taken: Directors Shen, Cannon, Carmona, Schwarz,

Sidhu, Jensen, Sodergren, Rodriquez, Leahy, Northam, Marquez, Rawe, Baldwin, Blanquie, Carroll, Kiyomura, Mann, Meggers-Smith and Kelley approved the motion. San Leandro and San Rafael were absent from the meeting. Motion passed.

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

7. Report Out from Claims Committee (I)

The CJPRMA claims committee met on February 10, 2021. A summary of items was discussed at the meeting and some lessons learned from those discussions. The claims administrator Marinda Griese prepared a report of five closed claims which was presented to the Board and the lessons that could be learned from them. The committee discussed the following topics and exhibits that were provided:

- The committee approved a standard operating procedure for committee participation.
- The claims committee will be collecting and reviewing member policies related to use of force and parole/probation searches.
- The committee reviewed several verdicts/settlements throughout California.

- This item was for information only.

8. Report from the Investment Manager (I)

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, 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, 2021, the Loss Payment Account was valued at $5,952,034. This was a decrease of $497,618 from its valuation of $6,449,652 on November 30, 2020. Transactional activity in the portfolio was muted as a large percentage of the allocation remains in LAIF to account for upcoming liquidity needs. Late in January $500k was withdrawn from 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, 2021, the Long Term Growth Account/Tactical was valued at $15,290,012. This was a decrease of $32,410 from its valuation of $15,322,422 on November 30, 2020.

Several securities were added to the portfolio in the Treasury and Supranational sectors to adjust the structure of the portfolio to be more consistent with the Chandler targets. The purchased securities ranged in maturity from July 2025 to January 2026. Three securities were sold and one matured to help facilitate the new positions in the portfolio.

As of February 28, 2021, the Long Term Growth Account was valued at $32,008,478. This was a decrease of $878,703 from its valuation of $32,887,181 on November 30, 2020. Several securities in the Treasury sector were purchased at the long end of the eligible maturity distribution to adjust the structure of the portfolio to be more consistent with Chandler targets. The purchased securities ranged in maturity from May 2030 to February 2031. Two securities with maturities in 2026 were sold to fund the new positions in the portfolio.

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

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

The Consolidated Monthly Account Statement with a detail listing of the investment holdings is attached for your information.

- This item was for information only.

9. Approval of Revised Salary Schedules Effective February 28, 2021 (A)

Staff was advised by CalPERS that pursuant to California Code of Regulation (C.C.R.) 570.5 a formal salary schedule must be adopted and made available for public inspection for not less than five years. A revised salary schedule effective for through fiscal year 2021/22 was provided.

The Board of Directors adopted a policy in 2004 whereby staff salaries are to be adjusted based on a salary survey every two years. That salary survey was last completed in 2015. A salary survey was conducted in 2020 and 2021, and the findings were presented to the Executive Committee at its February 18, 2021. The Executive Committee reviewed the findings of the salary survey and approved adjustments to the salary schedule for staff to be effective at the beginning of the next full pay period following the meeting, which was February 28, 2021.

According to Article XV of the CJPRMA by-laws, among the powers delegated to the Executive Committee by the Board of Directors are. " personnel matters concerning salary, benefits and working conditions of staff."

The revised salary schedule indicates the top step and bottom step for each job classification excluding the general manager. The salary range for the general manager is adjusted based on

Board of Directors adoption of a formal salary survey in a separate process, and that salary range is not being adjusted at this time.

- A motion was made by Director Jensen and seconded by Director Carroll to approve the revised salary schedule for CJPRMA staff. A roll call vote was taken: Directors Shen, Cannon, Carmona, Schwarz, Sidhu, Jensen, Sodergren, Rodriquez, Leahy, Northam, Marquez, Rawe, Baldwin, Blanquie, Carroll, Kiyomura, Mann, Meggers-Smith and Kelley approved the motion. San Leandro and San Rafael were absent from the meeting. Motion passed.

10. Insurance Programs Renewal Update for Program Year 2021-22 (I)

Alliant Insurance Services now serves as the broker of record for all lines of coverage offered by CJPRMA. Robert Lowe of Alliant attended the meeting to discuss the renewal strategy. In past years, the goal of the renewal strategy was to provide the Board of Directors with a complete renewal plan for approval at the May meeting, and this remains a goal. However, with the volatility of the global insurance market and its continued hardening, it is likely that most carriers will not provide final quotations more than 30 days from renewal. This means that the program presented at the May meeting will probably be based on the best estimates from the brokers based on their ongoing conversations with the carriers.

In December 2020, CJPRMA members provided updated underwriting data for Alliant to use in marketing all programs. Alliant has prepared a submission package for the liability program, and that has been submitted to the market. Alliant is evaluating the structure of CJPRMA's reinsurance program and believes that there are opportunities for efficiency improvements. One part of this is approaching the Lloyd's of London marketplace for coverage in some layers. The general manager and Alliant interviewed three London brokers and selected Howden Specialty to represent CJPRMA in the London market. Howden is the same broker that represents CJPRMA in London for the property program.

Early indications show that we will not have trouble securing sufficient capacity, but the question remains as to what the cost of that coverage will be.

The property program is currently comprised of a $25 million layer that is shared by the London market and two domestic carriers; a $25 million excess layer in the London market; and $350 million is excess coverage through the APIP (Alliant Property Insurance Program) structure. We are hoping to remain with essentially the same structure through the renewal. Our first underwriter meeting with London was held on March 4, 2021, and more will be scheduled. The meeting was positive. For now, it appears that capacity will not be a problem in the liability program, either. However, as with liability, the premium cost for that capacity is unknown yet.

The insurance market continues to be very challenging for all lines of coverage. The global pandemic, high-costs verdicts and settlements, growing cyber threats and natural catastrophes have impacted the profitability of the insurance industry globally. CJPRMA will continue to provide updates to the members until all programs are renewed.

- This item was for information only.

11. Risk Management Issues (I)

- There were no items submitted for discussion.

XI. ADJOURNMENT - President Rawe adjourned the meeting at 11:33 a.m.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.