



Yolo County Public Agency Risk Management Insurance Authority

BOARD MEETING MINUTES June 22, 2023

The meeting of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) was held on June 22, 2023, at the YCPARMIA office located at 77 West Lincoln Ave., Woodland, CA.

BOARD MEMBERS PRESENT: Kathleen Trepa (*President, City of Winters*), Liane Lee (*City of West Sacramento*), Christopher Bensch (*City of Davis*), Kimberly McKinney (*City of Woodland*), Philip Pogledich (*County of Yolo*), Leah Smith (*Esparto USD*)

BOARD MEMBERS ABSENT: none.

OTHERS PRESENT: Barbara Lubben (*YCPARMIA Executive Director*), Lily Viek (*YCPARMIA Program and Services Administrator*), Nicole Jackson (*YCPARMIA Administrative Assistant*), Shelley Tiran (*City of Davis*)

1. CALL TO ORDER

President Kathleen Trepa called the meeting to order at 9:01 am.

2. APPROVAL OF AGENDA

Kimberly McKinney moved to approve the agenda. Motion seconded by Leah Smith. Motion passed unanimously.

3. PUBLIC COMMENTS

None.

4. CLOSED SESSION

- A. Conference with Legal Counsel - Anticipated Litigation (GC 54956.9(d)(2) - 1 Case)
- B. Public Employee Discipline/Dismissal/Release (GC 54957(b)(1))
- C. Discussion of Open Litigated Claim (GC 54956.95) 2020060A Sarkis v. YCPARMIA et al.
- D. Discussion of Open Litigated Claim (GC 54956.95) 2022001A Salvagno v. City of Woodland

The Board adjourned to Closed Session from 9:03 a.m. to 10:14 a.m.

No reportable action was taken by the Board.

5. COMMUNICATIONS

A. Board Members

The Board provided updates regarding labor negotiations, COVID cases, issues regarding claims, new staff and the development of safety committees.

B. Executive Director

Executive Director Barbara Lubben provided a brief update to the Board on her priorities over the next six months, staff changes at YCPARMIA, the Workers' Compensation Program, and financial operations.

6. **CONSENT CALENDAR**

- A. Approval of April 13, 2023 Minutes
- B. Approval of May 5, 2023 Minutes
- C. Resolution 2023-01: Resolution of Appreciation for Chad Rinde
- D. Executive Director Step Increase
- E. Fiscal Year 2021-2022 Audited Financial Statements
- F. Quarterly Financials as of 3/31/23

Kimberly McKinney moved to approve the Minutes of the April 13, 2023 Board Meeting; the Minutes of the May 5, 2023 Board Meeting; Resolution 2023-01; Executive Director Step Increase; Fiscal Year 2021-2022 Audited Financial Statements, so long as no additional adjustments are made except those mentioned in the Staff Report; and Quarterly Financials as of 3/31/23; seconded by Liane Lee. Motion passed unanimously.

7. **ACTION ITEM**

A. CalPERS CERBT

The CalPERS California Employers' Retiree Benefit Trust (CERBT) Fund program is an OPEB trust for California government employers. Financial reporting is compliant with GASB, fiduciary responsibility is assumed by the CalPERS Board, and there are multiple investment strategies with varying risk levels.

Enrollment in the program requires the approval of the Board of Directors of the CERBT Prefunding Agreement and Delegation of Authority to Request Disbursements; completion of the CERBT Valuation packet, including the Certification of Funding Policy by the YCPARMIA Executive Director; and the Summary of Actuarial Information by our OPEB actuary, Kevin Watts, of MacLeod Watts.

Staff is recommending that we initially elect Asset Allocation Strategy 2, and review the asset allocation strategy periodically, in consultation with the YCPARMIA Treasurer. We would fund 100% of the Actuarially Determined Contribution on an ongoing basis. An additional contribution, equal to the total OPEB outstanding liability as of June 30, 2024, could be dollar-cost averaged during FY 2023-24, in order to minimize market timing risk. This amount will be determined by our next OPEB valuation and finalized in discussion with our Board Treasurer. These amounts would be funded by transfers from the existing funds on deposit with the County Treasury.

Christopher Bensch moved to approve YCPARMIA's participation and execute enrollment documents; seconded by Kimberly McKinney. Motion passed.

B. Risk Management and Loss Prevention Services

Mainstream Unlimited, LLC provides risk management and loss prevention services to public entities. They have the capacity to provide formal loss control plans, identify new and emerging trends that may affect YCPARMIA, provide comprehensive technical content and communications for use on the YCPARMIA website.

Mainstream Unlimited's expertise in online content development is essential to enhancing the YCPARMIA website. They are also available to supplement direct training and loss control services currently provided by YCPARMIA staff, if needed.

Kimberly McKinney moved to approve the Mainstream Unlimited contract; seconded by Leah Smith. Motion passed unanimously.

C. Bus Coverage for Esparto Unified School District

The YCPARMIA Liability Memorandum of Coverage and CJPRMA Excess Liability Memorandum of Coverage exclude coverage for most multi-passenger vehicles with over thirty seats; however, both YCPARMIA and CJPRMA have exempted the Esparto Unified School District fleet from this exclusion. As such, the Esparto Unified School District buses are covered by YCPARMIA up to our self-insured retention of \$1,000,000 and then CJPRMA covers amounts above our SIR.

In an effort to protect the pool from a potentially catastrophic loss for multiple injuries in a single accident, YCPARMIA has historically re-insured the bus exposure by purchasing separate commercial coverage for this risk. This additional coverage is primary to our self-insured layer.

The insurance policy purchased also provides physical damage coverage to the buses; however, the cost for the physical damage coverage is paid by the District.

Leah Smith moved to approve the Proposal from National Interstate; seconded by Christopher Bensch. Motion passed unanimously.

D. Final Budget

On April 13, 2023, the Board adopted a Preliminary Administration Budget. The final proposed budget spreadsheet encompassing all programs is attached for Board review and adoption. If the use of equity funds is approved for the workers compensation program, the revenue sources will be adjusted to reflect that action. The final budget will be posted on the YCPARMIA website.

Kimberly McKinney moved to approve the Final Budget; seconded by Philip Pogledich. Motion passed unanimously.

E. Final Rates

The rates charged to members for coverage programs include three components: administrative costs, excess insurance costs, and costs for the self-insured pooled layer. The preliminary rates were presented at the April 13, 2023 Board Meeting utilizing preliminary values for all three components.

The rates presented utilize the proposed Final Administrative Budget for administrative costs, which remains unchanged from that in the preliminary rates, the final actuarial reports for the pooled layers, and the final excess premiums for the workers' compensation, property, and pollution coverages. Estimated premiums are being used for cyber, fidelity, and general liability.

It is recommended that any variance from the June premium estimates for the fidelity and liability programs flow to the equity for each program. Since there is no pooled component to the cyber liability program, it is recommended that any savings in the cyber liability premium be set aside in a rate stabilization fund to moderate any increase in future year premiums, which are expected to increase globally.

The Board was presented with proposed final amounts for the Workers' Compensation, Liability, Property and Fidelity Programs. The proposed Liability rate included a 1% discount factor, and the Workers' Compensation rate proposed a 2% discount factor. However, as the Workers' Compensation amount (including the 2% discount) increased from the April estimate, the Board was given an option to fund the difference through the use of program equity and have final Workers' Compensation amounts remain identical to those presented in April.

Kimberly McKinney moved to approve the Final Rates for the Property and Fidelity Programs, the Liability Program with a 1% discount, and the Workers' Compensation Program using the amounts provided in the April 13, 2023 Estimate; seconded by Liane Lee. Motion passed unanimously.

F. Memorandums of Coverage and Declarations

On an annual basis, YCPARMIA reviews and approves updated Declarations and Memorandums of Coverage for its various coverage programs with YCPARMIA retained limits. The following changes have been made to the Declarations and Memorandums of Coverage for FY 2022-23:

LIABILITY: There have been no changes to the terms and conditions of the Memorandum of Coverage. The Declarations have been updated to reflect the new coverage period of July 1, 2023 to July 1, 2024.

WORKERS' COMPENSATION: There have been no changes to the terms and conditions of the Memorandum of Coverage. The Declarations have been updated to reflect the new coverage period of July 1, 2023 to July 1, 2024 and updated payrolls.

PROPERTY & BOILER & MACHINERY PROGRAM: Last year, significant changes were made to the Memorandum of Coverage for the Property Program. The Memorandums of Coverage for the Property and Boiler and Machinery Programs were condensed into one document, since they underlie the same excess insurance coverage. The MOC was reorganized so that the Endorsements are at the end of the text of the MOC. The schedule of deductibles was expanded to show the deductibles by member under the different coverages included in the property program.

Coverage provisions under different causes have been further clarified for the FY 2023-2024 plan year. Coverage provisions in the event of a flood or earthquake are slightly different than under special/all risk coverage, and a separate section has been created delineating these differences.

An endorsement has been added to mirror the added endorsement to our excess policy that delineates those properties at the Port District of West Sacramento that have been excluded from coverage at the request of the Port.

The Declarations have been updated to reflect the changes in the total insured values and the new coverage period of July 1, 2023 to July 1, 2024, and the changes to the deductibles for all risk, flood, and earthquake coverage, and for vehicles under \$250,000.

FIDELITY PROGRAM: Our three-year policy with Fidelity and Deposit Company of Maryland expires July 1, 2023. The Memorandum of Coverage will be updated when the new policy is received.

Christopher Bensch moved to approve the revised Memorandums of Coverage and Declarations pages for the Liability, Workers' Compensation, and Property & Boiler & Machinery coverages; seconded by Kimberly McKinney. Motion passed unanimously.

G. Election of Officers and Appointment of Treasurer

YCPARMIA Bylaws require the YCPARMIA Board of Directors to elect officers prior to the end of each fiscal year. The Bylaws state the position of Board Secretary will be held by the Executive Director and the Treasurer is appointed by the Board. There is no term limit on any of these roles.

Although elected annually, traditionally, the President and Vice-President serve for two consecutive terms. President Kathleen Trepa and Vice President Amanda Berlin have each completed two one-year terms in their respective roles.

Our current Board Treasurer, Chad Rinde, Chief Financial Officer for Yolo County, left County employment on June 23, 2023, so the Board needed to appoint a replacement.

On June 13, 2023, the Yolo County Board of Supervisors appointed Tom Haynes as Interim CFO, effective June 16, 2023, while a formal recruitment was completed. The Executive Director has discussed the Board Treasurer responsibilities with Tom Haynes and he is willing to serve in this role.

Kathleen Trepa nominated Amanda Berlin as President; seconded by Leah Smith. Approved unanimously.

Liane Lee nominated Kimberly McKinney as Vice President; seconded by Leah Smith. Approved unanimously.

Kathleen Trepa nominated Thomas Haynes as Treasurer; seconded by Philip Pogledich. Approved unanimously.

8. INFORMATION ITEMS

A. New Liability Claims

A list of claims reported between January 1 and May 31, 2023 was attached for review.

B. Closed Liability Files

A list of claims closed between January 1 and May 31, 2023 was attached for review.

C. Liability and Property Claims Audit

The Board was provided with a copy of the RMS YCPARMIA Liability and Property Report - 2023 for review.

The audit has resulted in changes to claims administration practices. To date, the recommended defense counsel evaluation form has been implemented and a YCPARMIA team consisting of the Executive Director, the Program and Services Administrator, and the Claims Administrator have been meeting biweekly with SPEAR, our claims system provider, to troubleshoot the existing claims system, and develop additional business rules to increase the efficiency of the claims administration process. Other process improvements are anticipated over the next year.

D. Loss Prevention Program Update

Statistics on loss prevention services delivered by YCPARMIA staff and some services provided by our Workers' Compensation and Wellness Nurse Case Manager were provided for review.

YCPARMIA now has the capacity to train member staff as trainers for CPR/AED/First Aid, and to train member personnel to perform fit-testing.

There are additional loss prevention services available directly from our excess pool PRISM. Please reach out to YCPARMIA staff if you would like more information on this.

With the addition of the Workers Compensation Nurse Case Manager role, YCPARMIA has begun working with our First Responder Members to develop additional services focused on First Responder well being. POST-certified Peer Support training will be offered at the YCPARMIA office this summer, taught by Ken Hardesty of the Davis Police Department; and operational issues surrounding our current First Responder programs are being addressed on an ongoing basis.

E. Framework for Compensation Benefits Study

Staff retention and development was identified as a priority in the Board's Strategic Plan. In order to retain staff and remain competitive within the pooling industry, YCPARMIA is developing a payroll and compensation study for staff and the executive director positions.

Proposed components of the plan and data sources consist of compensation, benefits, succession planning considerations, and emerging pool needs.

Executive Director Barbara Lubben welcomes recommendations on any additional factors to consider in developing this study.

F. Next Meeting

The next YCPARMIA Board Meeting will be held in-person at the YCPARMIA Office on August 24, 2023 at 9:00 a.m.

9. ADJOURNMENT

The June 22, 2023 YCPARMIA Board Meeting adjourned at 12:02 p.m. by general consent.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lily Viek", with a long horizontal line extending to the right.

Lily Viek
Program and Services Administrator, YCPARMIA