



Yolo County Public Agency Risk Management Insurance Authority

BOARD MEETING MINUTES **August 24, 2023**

The meeting of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) was held on August 24, 2023, via teleconference in accordance with the Brown Act.

BOARD MEMBERS PRESENT: Amanda Berlin (*President, City of West Sacramento, arrived during Item 5A*), Kimberly McKinney (*Vice President, City of Woodland*), Christopher Bensch (*City of Davis, arrived during Item 4*), Kathleen Trepá (*City of Winters*), Philip Pogledich (*County of Yolo*), Rebecca Spiva (*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*), Cathy Mathews (*City of Winters*)

1. CALL TO ORDER

Vice President Kimberly McKinney called the meeting to order at 9:04 am.

2. APPROVAL OF AGENDA

Kathleen Trepá moved to approve the agenda; seconded by Rebecca Spiva. A roll call vote was taken. Motion passed unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A. Approval of June 22, 2023 Minutes

B. Resolution 2023-02: Resolution of Appreciation for Kathleen Trepá

C. County of Yolo Department of Financial Services Authorization Form

D. Appointment of YCPARMIA Designated Representative for AGRiP

E. OPEB Actuarial Report

Kathleen Trepá moved to approve the Minutes of the June 22, 2023 Board Meeting; Resolution 2023-02; the County of Yolo Department of Financial Services Authorization Form; the Appointment of Barbara Lubben as the YCPARMIA Designated Representative for AGRiP; the OPEB Actuarial Report; and to delegate authority to the Executive Director to enter into a contract with MacLeod Watts for the OPEB actuarial valuation for the June 30, 2023 measurement date; seconded by Alberto Lara. A roll call vote was taken. Motion passed unanimously.

5. **ACTION ITEM**

A. Actuarial Valuations of Pooled Programs

YCPARMIA members have requested that estimated rates for pooled programs be available earlier in the fiscal year to facilitate timely incorporation into entity budgets. Rates for pooled programs are highly dependent on the amount needed to fund our retained risks. Historically, actuarial valuations of retained risk have been performed using data as of December 31 of the current fiscal year to determine rates for the next year, with results available in late March or April. At the June 22, 2023 meeting, the Board provided direction that the valuation date be shifted to June 30 of the preceding year to allow estimated rates to be developed earlier in the budget process. Members also expressed interest in studying the impact of increasing member deductibles on program costs. Bickmore Actuarial has begun work on the valuations using data as of June 30, 2023.

Results from the actuarial valuations will be presented at our October 26, 2023 meeting, and preliminary rate estimates would then be available by the January meeting.

Components of Pool Deductible studies

At a minimum, Bickmore will need to do a special study to calculate the deductible factors to be applied to the pooled loss costs should the member elect a particular deductible, for each program under consideration. Bickmore can provide an additional optional evaluation of which deductible level would be appropriate for each member based on their size and claims experience. This is an optional, separately priced option. The deductible factors would be re-evaluated every three years; and regular actuarial valuations would continue on an annual basis.

Staff recommends implementing the deductible studies in a staged manner, completing the studies for the liability and property program this year, including the optional study of the best deductibles for each member. Our liability program currently has deductibles of \$1,000, \$2,000, and \$5,000, depending on the size and choice of the member. In this study, we would also look at deductibles at \$10,000, \$25,000, and \$50,000. We would be looking at similar levels for the property program.

Member-specific studies

Members requested cost estimates to determine the funding needs for their entity, should they decide to elect a higher deductible. The studies would be based on the data already submitted by YCPARMIA. Members would need to allow four weeks for completion of their individual study. Bickmore can include required funding at a few different deductible options if necessary, so the member doesn't necessarily need to have decided upon a specific deductible prior to the study. YCPARMIA would bill members electing to have Bickmore perform an individual study as a pass-through cost.

Revisions to Underwriting Policy

Staff and Bickmore reviewed the YCPARMIA underwriting and target equity policies. Nominal changes will be made to the underwriting policy to address the new valuation date. Additional language will be added describing the deductible factor calculations. The County of Yolo discounts will continue to be calculated in accordance with our existing agreement. The revised underwriting policy will be submitted to the Board for approval, prior to rate finalization.

Christopher Bensch moved to approve the deductible study and member retained limit study for the liability program, and to authorize the Executive Director to engage Bickmore Actuarial to perform the studies; seconded by Amanda Berlin. Motion Failed. An amendment was proposed to include additional actions.

Christopher Bensch moved to approve the deductible study and member retained limit study for the liability program and the property program, to authorize the Executive Director to engage Bickmore Actuarial to perform the studies, and to update the valuation date of the actuarial studies to use data as of June 30; seconded by Kathleen Trepa. A roll call vote was taken. Motion passed unanimously.

B. Delegate Authority to Executive Director to Contract for Audit Services

Our JPA Agreement requires the Board to contract with a certified public accountant to make an audit of our annual financial statements that should be completed within 6 months of the end of the fiscal year.

Crowe LLP has performed the Financial Audits for YCPARMIA for the past eleven years. Last year's and the prior year's audit processes were managed by Joseph Kowalczyk, a partner with Crowe LLP, utilizing different Audit Managers.

Crowe has provided a draft proposal for one additional year of audit services. An identical, final engagement letter will be sent via DocuSign, after our Board Meeting. Fieldwork will begin on September 11, 2023, and is expected to conclude by November 17, 2023. The audit is priced in two tiers, depending on when fieldwork is completed.

The YCPARMIA Executive Director and Program and Services Administrator will be meeting with LSL CPAs on August 29, 2023 to allocate responsibility for audit responses to ensure that information is provided in a timely manner.

Amanda Berlin moved to authorize the Executive Director to execute a contract for Audit Services with Crowe LLP; seconded by Kathleen Trepa. A roll call vote was taken. Motion passed unanimously.

C. Approve Fidelity Memorandum of Coverage for FY 2023-2024

On an annual basis, YCPARMIA reviews and approves updated Declarations and Memorandums of Coverage for its various pooled coverage programs. The Fidelity Program was still being marketed as of the June 22, 2023 Board Meeting where MOCs for most pooled programs were approved. Our broker, Marsh, provided quotes and policy forms for both a one-year and a three-year renewal option, and the Board selected a one-year policy. The 2023-2024 policy is again provided by Fidelity and Deposit Company of Maryland, with no change in coverage terms or limits. A copy of the Declarations page for the excess policy was provided to the Board.

Solely for clarification purposes, we have highlighted several related coverages or loss causes that continue to be excluded under the policy, adding the language below to the MOC:

“The Government Crime Policy does not cover losses due to Nuclear Hazard, Pollution, Virtual Currency, War and Military Action and Insured Activity Violating any Applicable Trade or Economic Sanctions Law. It also excludes losses related to disclosure of confidential and

personal information, data security breaches, governmental actions, and certain indirect losses.”

Kathleen Trepa moved to approve the revised Memorandum of Coverage and Declarations page, retroactive to July 1, 2023; seconded by Amanda Berlin. A roll call vote was taken. Motion passed unanimously.

6. COMMUNICATIONS

A. Board Members

The Board provided updates regarding COVID cases, staff changes and retention, and negotiations.

B. Executive Director

Executive Director Barbara Lubben provided a brief update to the Board on her priorities over the next six months, the CAJPA conference in September, the compensation study, a workers' compensation staff change at LWP, updates from the excess pools and offered to meet with members regarding litigated claims along with Claims Administrator David Due.

7. INFORMATION ITEMS

A. New Liability Claims

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

B. Closed Liability Files

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

C. Loss Prevention/Risk Control Program Statistics through July 31, 2023

A summary of Loss Prevention Services provided by YCPARMIA from June 1, 2023 to July 31, 2023 and a log of contract insurance reviews completed by YCPARMIA were provided for review. Statistics on Vector Solutions utilization for the months of June and July 2023 as well as a 12 month summary were also provided to the Board for review.

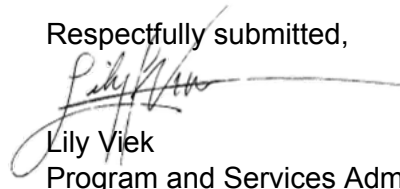
D. Next Meeting

The next YCPARMIA Board Meeting will be held in-person at the YCPARMIA Office on October 26, 2023 at 9:00 a.m.

8. ADJOURNMENT

The August 24, 2023 YCPARMIA Board Meeting adjourned at 9:43 a.m. by general consent.

Respectfully submitted,



Lily Viek
Program and Services Administrator, YCPARMIA