



Yolo County Public Agency Risk Management Insurance Authority

AGENDA

YCPARMIA BOARD MEETING

Thursday, May 25, 2017 at 8:30 a.m.

LOCATION:

YCPARMIA

77 W. Lincoln Ave.

Woodland, CA 95695

1. Call to Order
2. Approval of Agenda
3. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON ANY MATTER WHETHER OR NOT IT IS ON THE AGENDA, BUT STATE LAW PROHIBITS ACTION BY THE BOARD ON NONAGENDA ITEMS
4. Communications
 - A. Board Members
 - B. CEO/Risk Manager
 - C. Next Meeting
5. Consent Calendar
 - A. Approval of Minutes
6. Action Item
 - A. Membership Application of the Valley Clean Energy Alliance JPA
 - B. California SR 1 Accident Reporting
 - C. CJPRMA Director
7. Information Items
 - A. YCPARMIA Financial Report
 - B. YCPARMIA Investment Statement
 - C. Notification of New Claims Received Since the Previous Board Meeting
 - D. Closed Liability Files
 - E. Workers' Comp Monthly Summary
 - F. Certificates Issued
 - G. Strategic Planning
8. Closed Session
 - A. Section 54956.9 – Liability Claims

The meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact our office at (530) 666-4456 or Fax (530) 666-4491. Requests for such modifications or accommodations must be made at least 48 hours before the start of the meeting.

Yolo County Public Agency Risk Management Insurance Authority

		COMMUNICATIONS
		AGENDA ITEM NO. <u>4B</u>
		DATE: <u>May 25, 2017</u>
SUBJECT:	CEO/Risk Manager's Report	
RECOMMENDED ACTION:	Information Only	

BACKGROUND INFORMATION:

1. CAJPA is scheduled for September 12th thru the 15th in South Lake Tahoe; please let Charlotte know early if you are planning to attend.
2. PARMA is scheduled for February in Monterey this year.
3. We are anticipating that Holly Lyon will be on pregnancy leave in June and July, returning just in time for the annual financial audit.
4. YCPARMIA will be re-carpeting in July; the current carpet dates back to the building's construction in 1985.
5. Just a reminder: we are looking at President Perry's retirement at the end of December, CEO Tonks' retirement at the end of March, and Director Mills and Howard's retirements at the end of June. Succession in all of these positions will impact the Authority.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

		COMMUNICATIONS
		AGENDA ITEM NO. <u>4C</u>
		DATE: <u>May 25, 2017</u>
SUBJECT:	Next Meeting	
RECOMMENDED ACTION:	Information Only	

BACKGROUND INFORMATION:

The next Board meeting is scheduled for:

DATE: June 22, 2017

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

CONSENT CALENDAR
AGENDA ITEM NO. 5A

DATE: May 25, 2017

SUBJECT: Minutes

RECOMMENDED ACTION: That the Minutes of the Regular Board Meeting of March 23, 2017 be Approved as Submitted

BACKGROUND INFORMATION:

Attached is a copy of the minutes of the YCPARMIA Regular Board Meeting for March 23, 2017 for your review.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6A</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	Membership Application of the Valley Clean Energy Alliance JPA
RECOMMENDED ACTION:	That the Board review and accept the membership application of VCEA effective 7/1/17

BACKGROUND INFORMATION:

Attached is the membership application of the Valley Clean Energy Alliance JPA—it is essentially a blank application as our traditional underwriting questions are not applicable to their proposed operations.

The JPA, currently made up of the City of Davis and County of Yolo, with other members interested in joining, will purchase clean energy that will be distributed to participating members over the existing (PG&E) distribution grid. Activities will be confined to the purchase of energy by a single staff member, overseen by a governing Board made up of member staff already covered by YCPARMIA. The JPA will work out of City facilities for the foreseeable future.

There are no underwriting concerns that argue against membership. While the single employee would trigger a \$5K minimum premium for both Workers' Compensation and Liability, it is proposed that until additional staff and activity is added, we treat the JPA in the same manner as the Habitat JPA with a minimum premium of \$2,500 for each program.

FISCAL IMPACT

Approval of the proposed action would result in a minor increase in revenue for each program, with the potential of an adverse impact should/when any claims are made.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6B</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	California SR 1 Accident Reporting
RECOMMENDED ACTION:	That the Board modify its Policy Regarding Increase of Entity's Deductible to \$100K for Certain Auto Liability Claims by adding a YCPARMIA reporting element for employee Auto Accidents

BACKGROUND INFORMATION:

The State of California Vehicle Code, section 16000, requires that a driver involved in a vehicle accident that occurred in California must report it to DMV if

- There was property damage of more than \$1,000.
- Anyone was injured (no matter how minor), or
- Anyone was killed.

A report is not required if the vehicle involved in the accident was owned or leased by, or under the direction of a local California agency. If an employee is in an accident in their own vehicle while on entity business, they must report the accident to the State. If, however, they are in the same accident in an entity vehicle, they do not have to report it, and therefore will suffer no potential consequences. We are probably looking at less than ten accidents per year.

The DMV retains information on every collision reported to the DMV regardless of who caused the collision. Reported collisions can lead to points on a driver's license and can have an impact on the driver's private insurance rates.

YCPARMIA has an existing Board policy that increases a member's deductible to \$100K per occurrence (K-8) for accidents that occur when the entity has notice that their employee's license is suspended or revoked, but they still allow them to drive at work. The purpose of the policy is to promote good risk management practices in the face of auto liability exposures. Consistent with that purpose, it is proposed that the current policy be modified by adding:

"YCPARMIA, consistent with the principles of VC 16000 and notwithstanding the possible limitations of VC 16000(b), shall report all motor vehicle accidents to the State using a SR 1 form, where a claim is made by a third party, or by a member's employee for injury while operating a member agency vehicle."

FISCAL IMPACT

There is no anticipated fiscal impact from the recommended action.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6C</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	CJPRMA Director
RECOMMENDED ACTION:	That the Board appoint Marinda Griese as YCPARMIA's Director position on the CJPRMA Board, and Jeff Tonks as Alternate

BACKGROUND INFORMATION:

YCPARMIA's excess liability pool, the California Joint Powers Risk Management Authority, (CJPRMA). Is governed by a Board with one director appointed by each participating member. Jeff Tonks has been YCPARMIA's appointed director since 1995; Marinda Griese has been the appointed alternate for the last few years.

As part of the succession plan, it is recommended that effective 7/1/17 the roles be reversed with Marinda assuming the Director's position. This will allow for overlap and develop continuity for our continuing activity on the CJPRMA Board.

FISCAL IMPACT

Adoption of the recommended action has no anticipated fiscal impact

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7A</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	YCPARMIA Financial Report
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached are the YCPARMIA's Financial Report through April 30, 2017 for your review.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>7B</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	YCPARMIA Investment Statement
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached are the YCPARMIA Investment Statements through April 30, 2017 for your review.

	<u>Investment Statement</u>
For your information:	
LAIF as of 3/31/2017	\$ 5,307,927.65
Chandler as of 4/30/2017:	\$ 13,826,799.00

	<u>Outstanding Reserves</u>
For your information:	
Total as of 4/30/2016:	\$ 6,855,846.00
Total as of 4/30/2017:	\$ 7,010,349.00

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7C</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	Notification of New Claims Received Since the Previous Board Meeting
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached is a list of new Liability claims that have been received by YCPARMIA since the last Board Meeting. For your convenience, we have also included a list of all open Liability claims.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM	
AGENDA ITEM NO. <u>7D</u>	
DATE: <u>May 25, 2017</u>	
SUBJECT:	Closed Liability Files
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached is our report on closed liability files. Recognizing that this agenda is a public document, it should be emphasized that the information provided is general. It is probable during the course of the year, that some files that close with a denial will re-open for litigation.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>7E</u>
	DATE: <u>May 25, 2017</u>
SUBJECT:	Workers' Comp Loss Run Summary
RECOMMENDED ACTION:	Information Only; no action required.

BACKGROUND INFORMATION:

Attached is the April 30, 2017 WC loss run summary reflecting first ten months of the year's results for the Workers' Compensation Program.

Summary:

- The first 10-month's frequency is trending closely to, but lower than, last year's numbers.
- Severity is flat when measured by indemnity versus medical only claims.
- Benefit costs are a bit lower on average, but vulnerable to a bad month.
- Future reserves on open files are up when compared to last year's February numbers, and flat with the numbers for the start of this fiscal year.
- **When you combine the increase of future reserves with the decrease of benefits paid, you come out to what amounts to \$0 – in other words, our financial position in this program is essentially unchanged during this fiscal year.**

Frequency:

We have received 286 new claims during the 10 months, or an average of 28.6 claims per month. We averaged 30.3 last year, and 25.5 the year before that. It is important to remember the adage that "frequency breeds severity;" more claims increase the odds of a serious injury/claim.

Severity:

Of the 286 new claims, only 16 were coded as indemnity, but an additional 35 claims were converted from medical only, meaning that 17.8% of new claims had exposures for temporary disability and/or permanent disability. This is slightly higher than the 17% that we had at this point last year,

Benefits:

Our average monthly benefit payments this year are \$216,650. This compares well to last year's average of \$232,266. It is important to recognize how one bad month can affect

this picture. Year to date we are \$261,539 better /lower than last year at the same time, and on a pro rata basis we are \$223,687 better.

Temporary Disability: This number continues to trend up significantly, and should be a concern. Claims with TD exposures often trigger Permanent Disability payments down the road. The developing numbers suggest a year that will threaten an historical high for this category.

Permanent Disability: Permanent Disability payments are trending flat.

Medical Costs: Our biggest benefit exposure is trending substantially lower, but again small number can be impacted by the presence or absence of a few extra surgeries. It is interesting that TD is up and medical is flat; we would expect to see more of a connection where injuries that lead to someone missing work would suggest more expensive medical treatment.

Vocational Rehabilitation: is inconsequential.

Legal, Investigative, Sub-rosa: This area is trending up slightly.

Future Reserves:

Future reserves on existing open files are at \$6,180,612, or \$210,050 more than the reserves a year ago, and remain consistent with the projections that our actuary made from 12/31 figures. It has been an internal goal to keep future reserves at about \$6M with roughly 300 open files (we are currently at 316).

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 7F

DATE: May 25, 2017

SUBJECT: Certificates Issued

RECOMMENDED ACTION: Information Only; no action required.

BACKGROUND INFORMATION:

Attached is a list of the certificates that have been issued since the last Board Meeting.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM

AGENDA ITEM NO. 7J

DATE: May 25, 2017

SUBJECT: Strategic Planning

RECOMMENDED ACTION: Information Only; No Action Required

BACKGROUND INFORMATION:

This agenda item is intended to allow the Board to discuss trends, actions, future risk management plans, and to direct YCPARMIA staff as needed.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

Closed Session

A. Section 54956.9 – Liability Claims