



Yolo County Public Agency Risk Management Insurance Authority

AGENDA

YCPARMIA BOARD MEETING
Thursday, June 27, 2019 at 8:30 a.m.

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. Closed Session
 - A. Section 54956.9 – Liability Claims
 - B. Cola Adjustment for YCPARMIA Employees
 - C. Public Employee Performance Evaluation (CG54957)
CEO/Risk Manager
5. Communications
 - A. Board Members
 - B. CEO/Risk Manager
 - C. Next Meeting
6. Consent Calendar
 - A. Approval of Minutes
7. Action Item
 - A. Year-end Program Projections
 - B. Cash Payment for the General/Auto Liability Program for FY19/20
 - C. Cash Payment for the Workers' Compensation Program for FY19/20
 - D. Fidelity Cash Payment
 - E. Cash Payment for the Property/Boiler Machinery Program for FY19/20

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.

- F. Reinsurance of the Esparto School Bus Fleet
- G. Election of Officers
- H. Resolution of Appreciation – Charlotte Garber
- I. Budget Adjustments
- J. Investment Policy Changes
- K. Wireless Communication Device Stipend
- L. Revision of the Endorsement #2 of YCPARMIA General Liability and Auto Liability Coverage
- M. Cordico Pre-Employment Evaluations and Wellness Services, Rate Increase and App Introduction

8. 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

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

Closed Session

- A. Section 54956.9 – Liability Claims
- B. Cola Adjustment for YCPARMIA employees
- C. Public Employee Performance Evaluation (CG54957)
CEO/Risk Manager

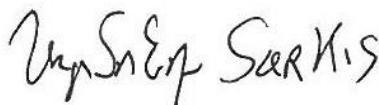
Yolo County Public Agency Risk Management Insurance Authority

	COMMUNICATIONS
	AGENDA ITEM NO. <u>5B</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	CEO/Risk Manager's Report
RECOMMENDED ACTION:	Information Only

BACKGROUND INFORMATION:

1. CAJPA is scheduled for September 10-13, 2019 in South Lake Tahoe; please let Lily know early if you are planning to attend.
2. PARMA is scheduled for February 25-28, 2020 in Monterey Conference Center
3. YCPARMIA CEO/Staff Weekly Meetings and Biweekly Coaching
4. Port of West Sacramento Property Premium Repayment Plan
5. Google Drive, Real Time Data and Enhanced Transparency
6. Misc. Savings, a Continued Commitment
7. CJPRMA & CSAC Board Meetings
8. Occu-Med Job Analysis Project
9. Municipal Service Review by LAFCO – In Progress
10. Reinsurance Market Conditions – Aviation, etc.

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	COMMUNICATIONS
	AGENDA ITEM NO. <u>5C</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Next Meeting
RECOMMENDED ACTION:	Information Only

BACKGROUND INFORMATION:

The next Board meeting is scheduled for:

DATE: August 22, 2019

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

CONSENT CALENDAR
AGENDA ITEM NO. 6A

DATE: June 27, 2019

SUBJECT: Minutes

RECOMMENDED ACTION: That the Minutes of the Regular Board Meeting of April 2, 2019 be Approved as Submitted

BACKGROUND INFORMATION:

Attached is a copy of the minutes of the YCPARMIA Regular Board Meeting for April 2, 2019 for your review.

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM	
AGENDA ITEM NO. <u>7A</u>	
DATE: <u>June 27, 2019</u>	
SUBJECT:	Year-end Program Projections
RECOMMENDED ACTION:	Information Only; No Action Required, but this in needed information for action on premiums and rebates.

BACKGROUND INFORMATION:

Part of the annual premium process allows the Board to consider premium rebate/credits to offset member costs for the coming year. There is a Board policy (K-41 in the Blue Binder) that addresses this process.

Attached are our year-end projections found in an estimated Statement of Revenues, Expenses and Retained Earnings for the four applicable programs – these are conservative projections.

A quick overview of the year-end projections finds:

Liability: The year-end is projected to end with fully funded Reserves and Confidence Margin. Despite a positive change in fund balance, there is still an anticipated deficit of \$355,724. This was mainly due to the confidence margin adjustment of \$251,052 and continual recovery from the previous fiscal year deficit of \$760,341. The Board has previously instructed staff to allow the Catastrophic Fund to “float up” to a number covering three times our SIR or \$1,500,000. We have yet to see enough improvement in our liability program to allow for this. However, as things change staff will continually reevaluate.

Workers' Compensation: The year is projected to end with fully funded Reserves, Confidence Margin, and Catastrophic Fund, and a surplus in our net position of \$855,692. This is not outside the historical norm, and reflects a return to a fully funded position after years of underfunding premiums. Last year the Board declared a \$650,00 rebate out of this program. This year, we are recommending the Board declare a rebate of \$425,000 which keeps premium trends in line with prior years.

Fidelity: This program benefited from the absence of losses again, and has generated an anticipated surplus of \$8,993 with a recommended \$7,000 rebate/credit that would keep premiums flat when compared to the previous fiscal year. The current policy is in force through 6/30/2020 and will continue to provide coverage for FY19/20 for a total cost of \$13,077 plus administrative fees.

Property: While this program's expenses have come in under budget, it is anticipated to end the year with a \$72,354 deficit. The excess premium in the property program has increased by about 3% due to increases in declared values and a hardening market. This year's declared values total is \$1,381,218,374 up from last year's \$1,305,481,914, or a 6% increase. With the repayment plan in place with the Port for unbilled excess premium costs, we expect this program to return to a fully funded status by the end of next fiscal year.

YCPARMIA's By-laws do not allow the transferring of funds between the programs. When compared to last year's total paid premiums before rebates, this year's total premiums increase is \$689,384 or about 6.4%. Applying a portion of the available surplus of \$436,607 to the total increase will further reduce this total.

Respectfully submitted,

A handwritten signature in black ink that reads "Armond Sarkis". The signature is written in a cursive, slightly slanted style.

Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 7B

DATE: June 27, 2019

SUBJECT: Cash Payment for the General/Auto Liability Program for FY19/20

RECOMMENDED ACTION: That the Board:
- Approve the General/Auto Liability Program's cash payment for FY19/20;

-Direct the CEO/Risk Manager to bill these cash payments after July 1, 2019

BACKGROUND INFORMATION:

The General/Auto Liability payment is determined by using the Board approved formula found in the YCPARMIA bylaws based on known and projected costs, credits, 2018 calendar year payroll and a three-year incurred loss history ending December 31, 2018. The board has a policy of funding the actuarially determined confidence level of 70%. The Board's approval of the FY19/20 budget adjustment and acceptance of the 12/31 Actuary Study, along with the premium charge from our excess pool essentially locks the bottom line generated by the premium formula found in our By-laws in place. By applying that premium formula to program figures we generate a premium/cash payment total of \$4,688,196.

Significantly, this figure represents a \$666,054 increase when compared to last year's premium. The increase is made up of a number of items:

- Excess costs charged by CJPRMA have increased by \$397,000 with no anticipated rebate available.
- The actuarial claims cost component of our premium has increased \$120,000 – expected given the catastrophic claims of the past few years.
- Incurred loss history has increased by \$217,683

It is important to remember that while the bottom line of the liability premium changes, each member's individual share of the total premium will be affected by their three-year claims history, and how it relates to the performance of other members.

It should also be noted that the Liability program is ending FY18/19 fully funded in program reserves and confidence margin with catastrophic funds at 74% Board approved levels (which is an improvement from 44% last year). It also should be remembered that the Board previously directed that the catastrophic fund should be allowed to float up to the industry approved level of three times our SIR, or \$1.5M. We are currently \$150K short of that but will continue to monitor and evaluate.

Under the premium formula found in the By-laws, the shares of the premium/cash payment will be as follows:

City of Davis	\$743,498.53
Esparto USD	\$80,120.26
City of West Sacramento	\$1,105,584.66
City of Winters	\$48,401.78
City of Woodland	\$524,285.77
Yolo County	\$2,031,425.03
YECA	\$34,334.04
Yolo-Solano AQMD	\$48,012.14
Capay Valley FPD	\$5,000.00
IHSS	\$5,000.00
Davis Cemetery District	\$5,000.00
Madison Fire District	\$5,000.00
Winters Cemetery District	\$5,000.00
Cottonwood Cemetery District	\$500.00
Clarksburg FPD	\$5,000.00
Winters FPD	\$500.00
Dunnigan FPD	\$5,000.00
Yolo Habitat JPA	\$2,500.00
Madison Service District	\$5,000.00
Law Library	\$533.83
LAFCO	\$500.00
No Man's Land FPD	\$500.00
East Davis FPD	\$500.00
Springlake FPD	\$500.00
Port District	\$8,500.00
Woodland-Davis CWA	\$500.00
Willow Oak FPD	\$5,000.00
West Plainfield FPD	\$5,000.00
Valley Clean Energy	\$2,500.00
Esparto FPD	\$5,000.00
	<hr/>
	\$4,688,196.03

No premium rebate is recommend out of this program as we continue to return the program to a fully funded status and increase our Catastrophic Fund to the Board approved level.

FISCAL IMPACT:

The recommended funding level is reflected in the approved fiscal year 19/20 budget.

Respectfully Submitted,

A handwritten signature in black ink that reads "Armond Sarkis". The signature is written in a cursive, slightly stylized font.

Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7C</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Cash Payment for the Workers' Compensation Program for FY19/20
RECOMMENDED ACTION:	That the Board: -Approve the Workers' Compensation Program's cash payment for FY19/20 -Approve a rebate credit of \$425,000 to be applied to FY19/20 WC premiums, and -Direct the CEO/Risk Manager to bill the member cash payments after July 1, 2019

BACKGROUND INFORMATION:

The Workers' Compensation cash payments are determined by using the Board approved formula found in YCPARMIA's Bylaws. This formula uses known and projected costs, credits, 2018 calendar year payroll, and a three-year paid-to-date history ending December 31, 2018. Catastrophic claims are capped at \$75,000 and deductible payments are rolled into the calculations. The Board, as a matter of policy, funds at the actuarially determined 70% confidence level. The premium total, with the Board's approval of our budget and acceptance of the annual actuary study in April, was basically set, but it should be noted that an individual member's share of the total is subject to change based on their three-year claim history and its relation to our other participating members (essentially an "ex-mod factor)."

The program will end the year with:

- Fully funded program reserves;
- Fully funded confidence margin;
- Fully funded catastrophic fund; and
- A net surplus estimated at \$855,692.

This program has a number of inflationary pressures. The State has legislated benefit inflation that can only be avoided by reducing the number of injuries. During the current fiscal year, we have experienced an uptick in both frequency and severity, along with an increase in benefit costs. We have also experienced a steady increase in excess premium costs which are driven, in part, by payroll increases.

The FY19/20 cash payment, generated by the premium formula found in our By-laws, is \$6,114,597 which is essentially flat compared to last year. Last year the Board declared a \$650K rebate for this program, and we are recommending a \$425K rebate this year. This would leave a net surplus of \$430,692 in the Workers' Compensation program. That amount can be used to further reduce the program's premium if the Board so desires.

The premium/cash payment will be as follows:

	<u>Premium</u>
City of Davis	\$1,040,142.01
Esparto USD	\$221,681.06
City of West Sacramento	\$1,062,008.53
City of Winters	\$104,848.74
City of Woodland	\$732,659.14
Yolo County	\$2,810,420.00
YECA	\$49,639.76
Yolo-Solano AQMD	\$18,539.93
Capay Valley FPD	\$5,000.00
IHSS	\$7,407.36
Davis Cemetery District	\$5,000.00
Madison Fire District	\$5,000.00
Winters Cemetery District	\$5,000.00
Cottonwood Cemetery District	\$500.00
Clarksburg FPD	\$5,000.00
Dunnigan FPD	\$5,000.00
Yolo Habitat JPA	\$2,500.00
Madison Service District	\$5,000.00
Port District	\$5,000.00
LAFCO	\$500.00
West Plainfield FPD	\$11,250.00
Willow Oak FPD	\$5,000.00
Esparto FPD	\$5,000.00
Valley Clean Energy	\$2,500.00
	<hr/> \$6,114,596.52

FISCAL IMPACT:

The recommended funding amount is reflected in the approved budget.

Respectfully Submitted,

A handwritten signature in black ink that reads "Armond Sarkis". The signature is written in a cursive, slightly slanted style.

Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7D</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Fidelity Cash Payment
RECOMMENDED ACTION:	That the Board: -Approve the Fidelity Cash Payment for FY19/20 -Approve a rebate credit of \$7,000 to be applied against next year's premium; and -Direct the CEO/Risk Manger to bill these cash payments after July 1, 2019

BACKGROUND INFORMATION:

The premium formula for this program is found in YCPARMIA's bylaws. The total premium cost is determined by adding the cost of excess coverage, administrative expenses (1% of the YCPARMIA total) and pooled claim costs; the individual member share of the total is based on the participating member's proportionate share of total employee headcount. Per the attached Premium Worksheet, this year's premium is \$29,776, or the same as last year's premium.

There were no new claims reported for this program, and we are in the last year of a three-year excess policy so coverage cost remained unchanged. The absence of claims has led to an excess surplus available for premium rebate. We recommend that the Board declare a \$7,000 rebate credit for this program. After the rebate/credit the program will:

- Have a fully funded confidence margin;
- Have a fully funded catastrophic margin; and
- A very small remaining surplus.

The recommended action will result in a net premium of \$22,776 or essentially a flat premium when compared to last year.

The premium/cash payment assuming that the rebate is approved, will be as follows:

	<u>Premium</u>
City of Davis	\$4,426.19
Esparto USD	\$1,106.55
City of West Sacramento	\$4,551.94
City of Winters	\$561.66
City of Woodland	\$3,520.83
Yolo County	\$13,982.74
YECA	\$360.47
Yolo-Solano AQMD	\$184.42
IHSS	\$33.53
Yolo Courts	\$838.29
Clarksburg FPD	\$16.77
Dunnigan FPD	\$58.68
Madison Service District	\$8.38
Willow Oak FPD	\$41.91
West Plainfield FPD	\$58.68
Esparto FPD	\$16.77
Yolo Habitat JPA	\$8.38
	<hr/>
	\$29,776.20

FISCAL IMPACT:

The recommended premium is consistent with the approved budget.

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7E</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Cash Payment for the Property/Boiler & Machinery Program for FY19/20
RECOMMENDED ACTION:	That the Board: -Approve the Property/Boiler & Machinery cash Payment for FY19/20 -Direct the CEO/Risk Manager to bill these cash payments after July 1, 2019

BACKGROUND INFORMATION:

The YCPARMIA Bylaws contain the premium formula for this combined program. The formula calls for adding excess coverage, pooled risk funds, and administrative expenses (3% of the YCPARMIA total) to determine the total premium. This amount is then apportioned among the participating members based on their percentage share of declared property values. The excess insurance group charges a higher rate for the Port, which in turn generates a surcharge over normal member costs that is passed through to them.

There is a unique aspect to this program that needs to be understood. All YCPARMIA members, with the exception of the Port, are underwritten on the same basis. The Port, due to what the excess carrier identifies as heightened risk, is underwritten at a higher rate. YCPARMIA includes the Port in its premium calculations after backing out the higher rate so that their premium paid to YCPARMIA is at the same rate as any other member. The additional amount charged by the excess carrier is then charged to the Port on a pass-thru basis.

We will end the fiscal year with:

- This program does not have actuarially determined program reserves, but the Board does budget for anticipated claims.
- A deficit in the confidence margin, and
- A deficit in the catastrophic fund

Declared values spiked up 6% this year to \$1,381,218,374. However, total premiums are essentially flat from last year coming in at \$650,183 or \$12,454 more than last year. This means we have effectively experienced a rate decrease of close to 6%.

The program deficit figure will keep shrinking as Port of West Sacramento makes payments in accordance with the agreed repayment arrangement. We expect the program to return to a fully funded status by the end of FY19/20.

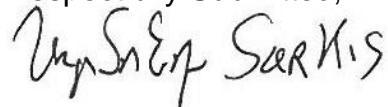
The premium/cash payment apportioned by declared values will be as follows:

	<u>Premium</u>
City of Davis	\$93,349.09
Esparto USD	\$16,270.86
City of West Sacramento	\$107,905.77
City of Winters	\$13,126.69
City of Woodland	\$76,757.86
Yolo County	\$163,672.09
YECA	\$2,288.34
Yolo-Solano AQMD	\$404.31
Capay Valley FPD	\$1,365.60
IHSS	\$44.62
Davis Cemetery District	\$983.90
Yolo Law Library	\$107.42
Yolo Courts	\$3,471.27
Clarksburg FPD	\$1,295.62
Madison Fire District	\$963.14
Winters Cemetery District	\$357.82
Cottonwood Cemetery District	\$25.85
Dunnigan FPD	\$810.24
Port District	\$61,595.20
Madison Service District	\$51.63
Yolo Habitat JPA	\$10.36
Willow Oak FPD	\$2,309.97
West Plainfield FPD	\$870.51
Woodland-Davis CWA	\$99,104.13
Esparto FPD	\$3,040.93
	<hr/>
	\$650,183.19

FISCAL IMPACT:

The recommended funding amount is reflected in the approved budget.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7F</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Reinsurance of the Esparto School Bus Fleet
RECOMMENDED ACTION:	That the Board authorize the CEO/Risk Manager to bind coverage reinsuring the Esparto School Bus Fleet for an annual premium of \$29,104

BACKGROUND INFORMATION:

The YCPARMIA Liability Memorandum of Coverage excludes coverage for multi-passenger vehicles with over twenty seats, but endorsement #2 exempts the Esparto School Bus fleet from this exclusion. There is a similar endorsement on our excess coverage that is grounded on our agreeing to Self-insure the first \$500,000. In effect, this means that the buses are covered for the first \$500K by YCPARMIA and by CJPRMA, our excess carrier, for amounts above our retention, but this coverage would sit behind the purchased coverage which would be primary on any loss.

In an effort to protect the risk sharing pools from a potentially catastrophic exposure for multiple injuries in a single accident, YCPARMIA has historically re-insured the bus exposure by purchasing separate commercial coverage for the risk. This coverage would be primary, and would satisfy our retention by paying the first \$500,000 of any covered occurrence, with the CJPRMA excess pool attaching above that. In the past, YCPARMIA had purchased stand alone school bus insurance with a total of \$5M in limits, which was unnecessary since the coverage provided by CJPRMA is available in excess of \$500,000. Technically speaking, in the years past we were placing duplicate and unnecessary coverage in the \$500,000 to \$5M layer.

The premium for this coverage is included (with our CJPRMA excess coverage costs) in the budget under Excess Liability Coverage. Our insurance broker initially quoted the renewal premium at \$38,927 (@ \$5M). YCPARMIA requested the underwriter to quote the same policy with a reduced limit of \$500,000 which is both sufficient and appropriate. The new renewal quote is \$29,104 which saves the District and YCPARMIA a total of \$9,823 without jeopardizing or compromising any coverage.

The insurance policy also provides physical damage coverage for the buses; the cost of this coverage is passed back to the District. Subject to a \$1,000 deductible, the renewal premium is about \$7,411; this number fluctuates as changes in the makeup of the bus fleet impact insurable values.. The District approves the binding of this coverage prior to placement.

FISCAL IMPACT:

The cost of the reinsurance is already included in the approved budget under Liability Excess Coverage.

Respectfully Submitted,

A handwritten signature in black ink that reads "Armond Sarkis". The signature is written in a cursive style with a large initial "A" and "S".

Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM	
AGENDA ITEM NO. <u>7G</u>	
DATE: <u>June 27, 2019</u>	
SUBJECT:	Election of Officers
RECOMMENDED ACTION:	That the Board nominates and elects a President and a Vice-President for FY19/20

BACKGROUND INFORMATION:

YCPARMIA's bylaws require that the officers of the YCPARMIA Board of Directors be elected on an annual basis prior to the beginning to the new fiscal year. Traditionally the President and Vice-President, while elected annually, serve for two successive terms. President McShane has finished her second year in office; as has Vice-President Emmett.

As a matter of information, under our By-laws the other two officer positions for the YCPARMIA Board are:

- Board Secretary: by the By-laws, the position is held by the CEO/Risk Manager; and
- Treasurer: by appointment by the Board, the Yolo County Auditor-Controller, Chad Rinde, is our Treasurer.

FISCAL IMPACT:

There is no anticipated cost associated with the recommended action.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM	
AGENDA ITEM NO. <u>7H</u>	
DATE: <u>June 27, 2019</u>	
SUBJECT:	Resolution of Appreciation to Charlotte Garber
RECOMMENDED ACTION:	That the Board review and adopt the attached Resolution of Appreciation for Charlotte Garber

RECOMMENDATION:

Recognize Charlotte Garber, Administrative Assistant, for close to 26 years of service.

BACKGROUND INFORMATION:

The YCPARMIA Board, in the past, has passed resolutions expressing its appreciation for the contributions of retiring employees for YCPARMIA. A plaque memorializing the resolution is then presented to the retiring employee by the Board President.

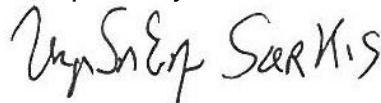
Charlotte Garber was hired by YCPARMIA in 1993 as the Administrative Assistant, and has served continuously since. Charlotte's exceptional work ethic, keen attention to detail, and personal dedication to helping employees and YCPARMIA members have made her many contributions to YCPARMIA and its members extraordinary.

Charlotte is always willing to help others resolve an issue, regularly going above and beyond to make things right. Her dedication to YCPARMIA and compassion for her fellow employees is an inspiration to many of us who will greatly miss her. We wish her well in her retirement.

FISCAL IMPACT:

The recommended action has no anticipated fiscal impact.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>71</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Budget Adjustments
RECOMMENDED ACTION:	That the Board review and accept the changes to the budget for FY 2019/2020

BACKGROUND INFORMATION:

Attached is the proposed updated budget FY 2019/2020. A review of the budget was performed by the undersigned upon commencement of my duties. The proposed budget appears to be acceptable and accurate. The proposed changes are necessary and mostly inevitable.

The changes include a negligible increase of \$1,300 to the budget of \$1.17M for the Administrative and Services Expenses. The \$1,300 is comprised of \$800 increase in CAJPA annual membership fees and \$500 for Positive Pay safety/risk mitigation feature added to Authority's checking accounts.

We propose to increase Coverage Expenses by about 2.16% which are offset by proposed increases in coverage revenues amounting to about 2%.

The 2.16% increase in Coverage Expenses is comprised of a 9% increase in Excess Liability Premium underwritten by CJPRMA, a 15% increase in Cordico's basic rate, anticipated increase in State of California assessment for workers' compensation program, a 3% decrease in Excess Property Coverage Premium underwritten by CSAC EIA and a 5% savings achieved in renewal of the Fidelity Insurance coverage.

Accordingly, proposed Revenue changes include a 4% and 1% premium increases for Liability and Workers' Compensation programs respectively, and a 3% proposed rate cut for the Property program offered to our members.

FISCAL IMPACT:

Approval of the proposed action would result in a minor increase in allocations for the members (on average).

Respectfully Submitted,

A handwritten signature in black ink that reads "Armond Sarkis". The signature is written in a cursive, slightly stylized font.

Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7J</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Updated YCPARMIA's Investment Policy
RECOMMENDED ACTION:	That the Board Review and Approve the Attached Amended YCPARMIA's Investment Policy

BACKGROUND INFORMATION:

In 1990 the YCPARMIA Board of Directors adopted an Investment Policy (the Policy). Since that time, the policy has been reviewed and revised nine times.

Chandler Asset Management periodically reviews Authority's Investment Policy for compliance with the statutes of California Government Code ("Code") that govern the investment of public funds, as well as for inclusion of current industry best practices.

Chandler Asset Management recently reviewed the Policy and found it to be well written and effective. They did, however, recommend some modifications which will update the policy with the latest changes to California Government Code, enhance the clarity and readability of the policy and will include the latest California best practices in the Policy.

I personally have had several conversations, via email and phone, with Chandler Asset Management staff seeking clarification to the proposed changes, consequences/expectation of outcomes as well as how the Authority's Investment Policy compares to that of other California risk management JPAs.

Holly Lyon and I met with Carlos Oblites of Chandler Asset Management on May 28, 2019, where we discussed, in detail, additional questions about the proposed changes to the Investment Policy.

Having reviewed proposed changes to the Policy and their impact, I recommend that the Board adopts amended Investment Policy.

FISCAL IMPACT:

There is no measurable short term or mid-term fiscal impact associated with this recommended action.

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 7K

DATE: June 27, 2019

SUBJECT: YCPARMIA Wireless Communication Stipend Policy

RECOMMENDED ACTION: That the Board review and adopt the attached YCPARMIA Wireless Communication Stipend Policy

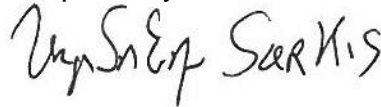
BACKGROUND INFORMATION:

To provide interrupted and appropriate service to YCPARMIA members and for safety reasons, YCPARMIA employees should be encouraged to use, and be reimbursed for doing so, their personal wireless devices during business hours.

FISCAL IMPACT:

The recommended action will cost \$1,920 annually.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>7L</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Revision of the Endorsement #2 of YCPARMIA General Liability and Auto Liability Coverage
RECOMMENDED ACTION:	That the Board authorize CEO/Risk Manager to amend the Endorsement #2

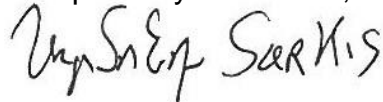
BACKGROUND INFORMATION:

During a routine review of the coverage documents, we found that the Endorsement #2 contained erroneous reference and did not reflect the intent of the Endorsement. Proposed revised Endorsement would amend the Endorsement to reflect the original intent.

FISCAL IMPACT:

None.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM	
AGENDA ITEM NO. <u>7M</u>	
DATE: <u>June 27, 2019</u>	
SUBJECT:	Cordico Pre-Employment Evaluations and Wellness Services Rate Increase, Wellness App
RECOMMENDED ACTION:	That the Board acknowledge and approve 15% rate increase, discuss Wellness App

BACKGROUND INFORMATION:

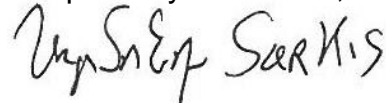
Cordico provides wellness and therapy sessions to employees of our members. Based on marked increase in utilization of the services, and only one rate increase within last 11 years, it has requested a 15% increase in monthly rates.

Wellness App information is attached. We will discuss whether the Wellness App should be provided through YCPARMIA.

FISCAL IMPACT:

Recommended increase of \$30,000 in budgeted expenses for the Wellness Program.

Respectfully Submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>8A</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	YCPARMIA Financial Report
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached are the YCPARMIA's Financial Report through May 31, 2019 for your review.

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>8B</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	YCPARMIA Investment Statement
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:

Attached are the YCPARMIA Investment Statements through May 31, 2019 for your review.

For your information:

	<u>Investment Statement</u>
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<i>LAIF</i>	\$ <i>no report</i>
Chandler as of 5/31/2019:	\$ 14,386,696

For your information:

	<u>Outstanding Reserves</u>
Total as of 5/31/2018:	\$ 6,940,410.00
Total as of 5/31/2019:	\$ 7,966,307.49

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>8C</u>
	DATE: <u>June 27, 2019</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,



Armond Sarkis
CEO/Risk Manager

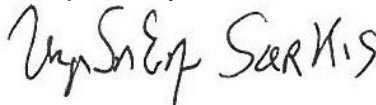
Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>8D</u>
	DATE: <u>June 27, 2019</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,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>8E</u>
	DATE: <u>June 27, 2019</u>
SUBJECT:	Workers' Comp Loss Run Summary
RECOMMENDED ACTION:	Information Only; no action required.

BACKGROUND INFORMATION:

Attached is the May 31, 2019 WC loss run summary reflecting first eleven months of the year's results for the Workers' Compensation Program.

Summary:

- The first 11-month's frequency is trending higher than last year's numbers and very close to the top of historical ranges.
- Severity is higher when measured by indemnity versus medical only claims.
- Benefit costs are a bit higher on average, but vulnerable to a bad month.
- Average future reserves on open files for the current fiscal year is much higher than that of this time last year. This means that in our claim adjuster's opinion the mix of, and the type of claims, filed this fiscal year will wind up costing more than they did this time last year.
- **Should the current unfavorable trend continue, it will affect our financial position in this program. We are closely monitoring and will report on how the program progresses within next few months.**

Frequency:

We received 385 new claims during the 11 months, or an average of 35 claims per month. We averaged 25 last year, and 32 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 385 new claims, 46 were coded as indemnity and an additional 32 claims were converted from medical only, meaning that 20.3% of new claims had exposures for temporary disability and/or permanent disability. This is slightly higher than the 18.9% that we had at this point last year,

Benefits

Our average monthly benefit payments this year are \$273,226. Last year's average was \$260,938. Year to date we are \$132,159 higher than last year at the same time, and on a pro rata basis we are \$135,165 higher.

Temporary Disability: This number continues to trend down, which is one of few positive categories registered this year. Claims with TD exposures often trigger Permanent Disability payments down the road.

Permanent Disability: Permanent Disability payments are higher this year in line with increases in both frequency and severity.

Medical Costs: Our biggest benefit exposure is trending higher, but again small number can be impacted by the presence or absence of a few extra surgeries. Compared to last year this time, we have incurred \$103,528.28 more in medical costs, which is 7.5% higher than last year and in line with increased TD, we see more injuries that lead to someone missing work which, in turn, suggests more expensive medical treatment.

Vocational Rehabilitation: is lower, but inconsequential.

Legal, Investigative, Sub-rosa: This area is essentially flat.

Future Reserves:

Future reserves on existing open files as of 4/30/2019 were at \$6.41 M, which is \$682k, or about 11.9%, higher than last year's \$5.73 M reserves, 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 280).

Respectfully submitted,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 8F

DATE: June 27, 2019

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,



Armond Sarkis
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM	
AGENDA ITEM NO. <u>8G</u>	
DATE: <u>June 27, 2019</u>	
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,



Armond Sarkis
CEO/Risk Manager