



# Yolo County Public Agency Risk Management Insurance Authority

## **BOARD MEETING MINUTES** **May 26, 2021**

The meeting of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) was held on May 26, 2021, via teleconference in accordance with Executive Order N-29-20.

**BOARD MEMBERS PRESENT:** Jill Cook (*President, County of Yolo*), Christopher Bensch (*City of Davis*), Amanda Berlin (*City of West Sacramento*), Kathleen Tropa (*City of Winters*), Sheila McShane (*City of Woodland*), Rebecca Spiva (*Esparto USD*)

**BOARD MEMBERS ABSENT:** None.

**OTHERS PRESENT:** James Marta (*YCPARMIA Interim CEO/Risk Manager*), Marilyn Kelley (*YCPARMIA Interim CEO/Risk Manager*), Lily Viek (*YCPARMIA Administrative Assistant*), David Due (*YCPARMIA Staff Investigator II*), Tom McGuire (*YCPARMIA Loss Prevention Analyst*), Kellie Murphy (*YCPARMIA Legal Counsel*), Cha Yang (*County of Yolo*), Christopher Bensch (*City of Davis*)

### **1. CALL TO ORDER**

President Jill Cook called the meeting to order at 1:03 p.m.

### **2. APPROVAL OF AGENDA**

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

### **3. PUBLIC COMMENTS**

None.

### **4. COMMUNICATIONS**

#### **A. Next Meeting**

The next regularly scheduled meeting of the YCPARMIA Board of Directors will be on Thursday, June 24, 2021.

#### **B. Board Members**

Time was provided to allow Board members to discuss any risk management communications.

President Cook welcomed YCPARMIA's new Interim Executive Director Carol Richardson and expressed her appreciation for James Marta and Marilyn Kelley for extending their contract for an additional month to help with the transition.

Sheila McShane, City of Woodland, asked the Board what each entity's plan is regarding the State's potential reopening date of June 15, 2021. Kathleen Tropa, City of Winters, advised

the City is open and has been complying with COVID Safety guidelines. City of West Sacramento and City of Woodland have been open; however, many City employees have been continuing to work remotely. President Jill Cook, County of Yolo, informed the County is waiting to see how the plan to officially reopen progresses and will report back as things progress in June.

C. Executive Director

Interim Executive Directors James Marta and Marylin Kelley provided an update on administration, claims administration, loss prevention, the property and liability programs, workers' compensation, finance, and risk management.

Marta advised the excess carriers are facing structure and rate changes from carriers and are not yet able to provide final rates. While we are in a hard market, it should be noted that YCPARMIA compares favorably to other JPAs when it comes to premium rates. It was pointed out that the primary driver of the rate increases is the increase of market rates, not losses or exposure of members. While not much can be done about the general state of the market, ways to reduce the increase in costs each year is to establish and support Safety Committees and work to get ahead of risks. Additionally, it is important to attract and retain staff, which could mean increasing compensation to attract a high level of leadership. Marta made the following recommendations regarding strengthening of positions:

- Additional loss control position that trains on what Tom does and augments his services, this person could also perform additional loss analysis.
- Elevate position for Program and Member Services Administrator
- Provide for a clerical position
- Add to the budget loss control funds so that we will have the resources loss control seed money to encourage members to implement programs.

**5. ACTION ITEMS**

A. Memorandum of Understanding Between the Yolo County Department of Financial Services and YCPARMIA Regarding Accounting and Related Services

Holly Alves with the County of Yolo has been providing accounting support to YCPARMIA. The County of Yolo is in the process of reconciling a Memorandum of Understanding with YCPARMIA Legal Counsel to provide the financial services on an interim basis until the position can be filled on a permanent basis. YCPARMIA's Legal Counsel Kellie Murphy went through each section of the MOU with the Board. It was noted that this version of the agreement is a draft and still under review.

Kathleen Trepa moved to delegate authority to Interim Executive Director regarding this agreement; seconded by Amanda Berlin. A roll call vote was taken. Motion passed with Bensch, Berlin, Trepa, McShane, and Spiva voting in favor; Cook abstained.

B. Approval of Usage of FY 20/21 Loss Control funds of \$10,000 from Sidewalks to Other Loss Control Purposes

Members requested that funds be available to assist in the management of sidewalk deviations. An allocation of \$10,000 was established under Account # 6411 for this purpose; however, as Members have asked for funds to assist with other Risk Control uses such as

the purchase of sharps containment equipment, it is being proposed that the Sidewalk funds be expanded to allow for usage toward other loss control purposes.

Rebecca Spiva moved to approve the expanded usage of loss control funds; seconded by Amanda Berlin. A roll call vote was taken. Motion passed unanimously.

C. Part Time Clerical Position/Permanent Part Time Secretary

Interim Executive Directors James Marta, Marylin Kelley, and Carol Richardson are recommending a six month extension of the temporary part-time clerical position to allow time to determine permanent part-time costs with benefits. The Part Time Clerical staff currently works 16 hours a week and does not qualify for benefits. We are not planning on changing this at this time; however, the consideration of creating a permanent part time position may be brought to the Board at a later date. The position provides needed clerical support to the office so other staff can focus on specialized high-level tasks.

Kathleen Trepa moved to approve extending the Part Time Clerical Position for six months; seconded by Rebecca Spiva. A roll call vote was taken. Motion passed unanimously.

D. Consideration of Action if a YCPARMIA Member Has Not Adopted the Resolution to Join ERMA as of July 1, 2021

During the April 29, 2021 Board Meeting, YCPARMIA decided to pass a resolution to join ERMA. The ERMA JPA Agreement requires that participants joining ERMA make a 3 year commitment to the ERMA program. This is a common clause in JPA Agreements along with the six month notice of intent to withdraw. As ERMA requires each underlying member of YCPARMIA to also pass a resolution to join, there was concern over if each member has a 3-year commitment to ERMA as well or if this is solely YCPARMIA's commitment.

YCPARMIA received clarification from ERMA that if a member leaves YCPARMIA within this 3-year commitment period, that individual member will not be required to stay with ERMA. As such, members are able to use a slightly modified resolution clarifying this if preferred.

No action taken.

E. Approval of Workers' Compensation Rates

Interim Executive Director James Marta discussed how the revised rating method was designed to more adequately measure each member's exposure and losses as it would relate to future rating. The revised rating is based on the board-approved Underwriting Policy. When the policy was being drafted and approved, it was requested that the Board could view the calculation using the old and the new methodology. It was also proposed that the board could approve a phase-in period to allow for the smoothing of the impact of moving to the new policy. Below are three options:

1. Option 1 - New Policy - implement the new underwriting 100% for the members
2. Option 2 - adjust members for direct add-in, ensure that rate balancer is adjusted for and then implement only 50% of the change impact of the new policy to the old method.
3. Option 3 - adjust members for direct add-in, ensure that rate balancer is adjusted for and then implement only 33.33% of the change impact of the new policy to the old method.

Jill Cook moved to defer any implementation of the new rating method in Fiscal Year 2021-2022; motion failed due to lack of a second.

Rebecca Spiva moved to choose Option 1; seconded by Christopher Bensch. A roll call vote was taken. Bensch, McShane, and Spiva voted in favor; Trepas and Cook voted against; and Berlin abstained. Motion failed.

Kathleen Trepas moved to choose Option 3; seconded by Amanda Berlin. A roll call vote was taken. Berlin, Trepas, and Cook voted in favor; Bensch, McShane, and Spiva voted against. Motion failed.

Christopher Bensch moved to choose Option 2; seconded by Amanda Berlin. A roll call vote was taken. Bensch, Berlin, McShane, and Spiva voted in favor; Trepas and Cook voted against. Motion passed.

F. Approval of Liability Preliminary Rates

This year's allocations have been revised according to the updated underwriting policies. The policy allocated fixed operating and excess insurance based on exposure and loss costs only to members who had losses and in their proportion in the last three years. This method did not adequately consider member exposure and the board approved a revision of this policy; including the capping and the years of data used. In addition, add-in services or programs (i.e. Lexipol) are added to each member separately.

Christopher Bensch moved to approve the preliminary liability rates; seconded by Amanda Berlin. A roll call vote was taken. Motion passed unanimously.

G. Approval of Property Preliminary Rates

This year's allocations have been revised according to the updated underwriting policies.

Amanda Berlin moved to approve the preliminary property rates; seconded by Rebecca Spiva. A roll call vote was taken. Motion passed unanimously.

H. Approval of Fidelity Preliminary Rates

The Fidelity program is a 3 year fixed rate program and the program premium is finalized. The only potential change would be to the administrative expenses of the program.

Amanda Berlin moved to approve the fidelity rates; seconded by Kathleen Trepas. A roll call vote was taken. Motion passed unanimously.

**6. INFORMATION ITEMS**

A. PRISM Pollution Market Update

The Board was provided with an update from PRISM on the Pollution Market

B. Notice of Intent to Amend Bylaws at the June 24 Board Meeting

The Bylaws state under Article XII AMENDMENT TO THE BYLAWS that they may be amended by submitting a written request to the Board of Directors at least thirty (30) days prior to the proposed date change. As required, a report was sent to all agencies to allow for comments prior to any final action of the Board. Participating members may provide comments regarding the change up to the date of the June 24 YCPARMIA Board of Directors meeting.

7. **ADJOURNMENT**

The May 26, 2021 YCPARMIA Board Meeting adjourned at 3:18 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  
Administrative Assistant, YCPARMIA