**California JPIA**

**MINUTES**

**EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS**

**REGULAR MEETING (TELECONFERENCE)**

**April 22, 2020**

**5:30 P.M.**

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| **CALL TO ORDER** | | President Finlay called the regular meeting of the Executive Committee of the California JPIA to order at 5:34 p.m. This meeting was conducted pursuant to the provisions of the Governor’s Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act. |
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| **ROLL CALL** | | A quorum was established by roll call. |
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|  | PRESENT: | Marshall Goodman |
|  | | Darcy McNaboe |
|  | | Sonny Santa Ines |
|  | | Sylvia Muñoz Schnopp |
|  | | Steve Tye |
|  | | Mark Waronek |
|  | | Secretary, Tom Chavez |
|  | | Vice President, Mary Ann Reiss |
|  | | President, Margaret Finlay |
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|  | EX OFFICIO: | Thaddeus McCormack, Managers Committee Chairman |
|  | | Jose Gomez, Finance Officers Committee Chairman |
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|  | ATTENDEES: | Chris Kustra, Carl Warren & Company |
|  | | Mike Egan, Tripepi Smith |
|  | | Dolores Gascon, Human Resources Director, City of Vista |
|  | | Analisa Holbrook, Risk and Safety Analyst, City of Vista |
|  | | Patrick Johnson, City Manager, City of Vista |
|  | | David Carmany, City Manager, City of West Covina |
|  | | Mark Persico, Assistant City Manager, City of West Covina |
|  | | Robbeyn Bird, Finance Director, City of West Covina |
|  | | Helen Tran, Director of Human Resources/Risk Management, City of West Covina |
|  | | Molly Brennan, Administrative Services Director, City of Lemon Grove |
|  | | Roberto Hidalgo, Human Resources Manager, City of Lemon Grove |
|  | | Mike James, Public Works Director, City of Lemon Grove |
|  | | Lydia Romero, City Manager, City of Lemon Grove |
|  | | Ericka Murphy, Executive Analyst, City of Hemet |
|  | | Chris Lopez, City Manager, City of Hemet |
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|  | STAFF: | Jon Shull, Chief Executive Officer |
|  | | Maria Galvan, Senior Risk Manager |
|  | | Tammie Haller, Administrative Programs Manager |
|  | | Tim Karcz, Senior Risk Manager |
|  | | Lam Le, Financial Analyst |
|  | | Norm Lefmann, Assistant Executive Officer |
|  | | Alex Mellor, Senior Risk Manager |
|  | | Veronica Ruiz, Agency Clerk |
|  | | Carl Sandstrom, Business Projects Manager |
|  | | Alex Smith, Chief Financial Officer |
|  | | Jim Thyden, Insurance Programs Manager |
|  | | Paul Zeglovitch, Liability Program Manager |

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| **ORAL COMMUNICATIONS** | There were no requests to address the Executive Committee. |
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| **CONSENT CALENDAR** | President Finlay presented the items appearing on the Consent Calendar.  Director Chavez moved that the Consent Calendar items be approved, received and filed in one action. The motion was seconded by Director Goodman. The motion carried unanimously by roll call vote.  The Consent Calendar included:   * Executive Committee minutes from the special meeting of March 18, 2020 and the regular meeting of March 25, 2020 * Treasurer’s Monthly Compliance Report for March 2020 * Quarterly Financials as of September 30, 2019 and December 31, 2019 * Executive Committee Assignments |
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| **APPROVAL**  Membership Consideration of the City of Vista Beginning on July 1, 2020 | President Finlay presented the Membership Consideration of the City of Vista Beginning on July 1, 2020 item.  Jon Shull, Chief Executive Officer, introduced Alex Mellor, Senior Risk Manager. Mellor provided details and answered questions from the Committee regarding the City of Vista’s request for Membership. Shull noted that the Underwriting Committee reviewed the City of Vista’s membership application and initial risk management evaluation report on April 1, 2020 and recommended the Executive Committee approval.  Staff recommended that the City of Vista’s application for membership in the California Joint Powers Insurance Authority be approved, effective July 1, 2020. Vista will participate in the Excess Liability Program with a $150,000 member retained limit and $443,500 annual contribution.  Director Chavez moved to approve the City of Vista’s application for membership beginning on July 1, 2020. The motion was seconded by Director Waronek. The motion carried unanimously by roll call vote. |
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| **APPROVAL**  Membership Consideration of the City of Lemon Grove Beginning on July 1, 2020 | President Finlay presented the Membership Consideration of the City of Lemon Grove Beginning on July 1, 2020 item.  Jon Shull, Chief Executive Officer, introduced Alex Mellor, Senior Risk Manager. Mellor provided details and answered questions from the Committee regarding the City of Lemon Grove’s request for Membership. Shull noted that the Underwriting Committee reviewed the City of Lemon Grove’s membership application and initial risk management evaluation report on April 6, 2020 and recommended the Executive Committee approval.  Staff recommended that the City of Lemon Grove’s application for membership in the California Joint Powers Insurance Authority be approved, effective July 1, 2020. Lemon Grove will participate in the Primary Liability Program with an initial annual contribution of $207,800. The City will participate in Excess Workers’ Compensation Program with a $150,000 member retained limit and $120,200 annual contribution.  Director McNaboe moved to approve the City of Lemon Grove’s application for membership beginning on July 1, 2020. The motion was seconded by Director Chavez. The motion carried unanimously by roll call vote. |
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| **APPROVAL**  Membership Consideration of the City of Hemet Beginning on July 1, 2020 | President Finlay presented the Membership Consideration of the City of Hemet Beginning on July 1, 2020 item.  Jon Shull, Chief Executive Officer, introduced Tim Karcz, Senior Risk Manager. Karcz provided details and answered questions from the Committee regarding the City of Hemet’s request for Membership. Shull noted that the Underwriting Committee reviewed the City of Hemet’s membership application and initial risk management evaluation report on April 14, 2020 and recommended the Executive Committee approval with the following two membership conditions:  1) Delegation of Settlement Authority to the California JPIA: As a condition of membership, the city will be required to delegate settlement authority in the amount of $250,000.  2) Delegation of Claims Handling: As a condition of membership, the city will be required to delegate to the Authority claims handling authority allowing the Authority to send notice of the rejection and shortening the timeframe in which to file a lawsuit to six months.  Staff recommended that the City of Hemet’s application for membership in the California Joint Powers Insurance Authority be approved, effective July 1, 2020. Hemet will participate in the Excess Liability Program with a $250,000 member retained limit and $954,900 annual contribution. The City will participate in Primary Workers’ Compensation Program with a $1,997,900 annual contribution.  Director Santa Ines moved to approve the City of Hemet’s application for membership beginning on July 1, 2020. The motion was seconded by Director Waronek. The motion carried unanimously by roll call vote. |
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| **APPROVAL**  Membership Consideration of the City of West Covina Beginning on July 1, 2020 | President Finlay presented the Membership Consideration of the City of West Covina Beginning on July 1, 2020 item.  Jon Shull, Chief Executive Officer, introduced Maria Galvan, Senior Risk Manager. Galvan provided details and answered questions from the Committee regarding the City of West Covina’s request for Membership. Shull noted that the Underwriting Committee reviewed the City of West Covina’s membership application and initial risk management evaluation report on April 1, 2020 and recommended the Executive Committee approval with the following membership conditions: 1) Delegation of Settlement Authority to the California JPIA: As a condition of membership, the city will be required to delegate settlement authority in the amount of $750,000 to the California JPIA ($1,000,000 for employment practices claims). This  delegation of settlement authority within the Member Retained Limit is expected to be reevaluated in subsequent years to determine if it should remain in force.  2) Delegation of Claims Handling: As a condition of membership, the city will be required to delegate to the Authority claims handling authority allowing the Authority to send notice of the rejection and shortening the timeframe in which to file a lawsuit to six months.  3) Completion of IRME Action Items: As a condition of membership, the city will be required to complete the action items noted in the IRME report within a period of 18 months.  Staff recommended that the City of West Covina’s application for membership in the California Joint Powers Insurance Authority be approved, effective July 1, 2020. West Covina will participate in the Excess Liability Program with a $1 million member retained limit and $1,072,900 annual contribution. The City will participate in Excess Workers’ Compensation Program with a $1 million member retained limit and $347,500 annual contribution.  Director Tye moved to approve the City of West Covina’s application for membership beginning on July 1, 2020. The motion was seconded by Director Santa Ines. The motion carried unanimously by roll call vote. |
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| **APPROVAL**  COVID-19 Response and Impact | President Finlay presented the COVID-19 Response and Impact item.  Jon Shull, Chief Executive Officer, reported on the Authority’s efforts in regard to delivering resources to the members  pertaining to COVID-19. In order to assist members while maintaining the Authority’s own prudent financial practices, Shull proposed a partial deferral of payments for contributions to the liability and workers’ compensation programs.  Director Goodman moved to direct staff to 1) continue its efforts in regard to delivering resources to the members pertaining to COVID-19 as well as all other risk management needs; 2) develop and implement a “virtual” Risk Management Educational Forum; and 3) invoice members for their liability and workers’ compensation program contributions in two installments. The motion was seconded by Director McNaboe. The motion carried unanimously by roll call vote. |
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| **APPROVAL**  Annual Contribution 2020-21 Excess Programs | President Finlay presented the Annual Contribution 2020-21 for the Excess Programs item.  Alex Smith, Chief Financial Officer, presented a review of the Annual Contribution computations for 2020-21 for the Excess Liability Program and the Excess Workers’ Compensation Program.  Director Waronek moved to approve the 2020-21 Annual Contribution Computations for the Excess Programs. The motion was seconded by Director Schnopp. The motion carried unanimously by roll call vote. |
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| **RESOLUTION**  **NO. 2020-04 WR**  Warrant Register | President Finlay read, by title only, Resolution No. 2020-04 WR,  A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY ALLOWING CERTAIN CLAIMS AND DEMANDS IN THE TOTAL OF  $8,698,116.73.  Director Waronek moved to waive further reading and adopt Resolution 2020-04 WR. The motion was seconded by Director McNaboe. The motion carried unanimously by roll call vote. |
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| **ADJOURNMENT** | President Finlay adjourned the meeting at 7:35 p.m. to the next regular meeting on May 27, 2020, at 5:30 p.m., in the El Capitan Room at the California JPIA, 8081 Moody Street, La Palma, CA 90623. |
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|  | Tom Chavez, Secretary |