

**BOARD OF DIRECTORS
MEETING MINUTES
May 8, 2019**

Board President Viegas called the regular Board meeting of the Golden State Risk Management Authority to order at 6:00 PM.

1. WELCOME AND INTRODUCTIONS:

2. ROLL CALL:

Board Members present:

John Viegas, Keith Corum, Rick Beale, James Ward, Michael Craddock (replacing Andy Roberts' remaining term)

Board Members joined via WebEx:

None

Board Member Absent:

Sarbdeep Atwal, Doug Turner

Also present:

Executive Director Scott Schimke, Counsel Gary Krup, Chief Operations Officer Rick Krepelka, Assistant Risk Manager Jennifer Peters, Administrative Assistant Sam Taylor

3. UNSCHEDULED MATTERS

No unscheduled matters were discussed.

4. CONSENT AGENDA:

Executive Director Schimke reviewed the consent agenda including the March 13, 2019, meeting minutes.

A motion to approve the consent agenda, including the March 13, 2019 meeting minutes, as presented was moved by Board Member Corum and seconded by Board Member Ward. The motion carried by the following vote:

Ayes: Board Members Beale, Ward, Corum, Viegas, Craddock
Noes: None
Absent: Board Member Atwal, Turner

5. INFORMATION - REPORTS:

a) Member Services/Loss Prevention

Assistant Risk Manager Peters updated the Board on the following items:

- Review of Member visits and training programs since the March 13, 2019 meeting
- Current status of the Loss Prevention Subsidy Fund Program
- Upcoming Ethics and Sexual Harassment training to be held at Granzella's in Williams, May 9. Employee level training due by January 1, 2020 and available on-line through Target Solutions and webinars
- Save the Date for GSRMA's 15th annual training October 23-24, 2019
- CAJPA Accreditation audit was performed last week. Results report should be received in July.
- Review/update regarding members who gave timely notice of withdrawal effective July 1, 2019

No action was taken by the Board.

b) Claims

Executive Director Schimke updated the Board on the following item:

- Review status of liability and workers' compensation biannual claims audit(s)

No action was taken by the Board.

c) Executive Director

Executive Director Schimke updated the Board on the following items:

- CAJPA conference reminder September 10-13, 2019 in South Lake Tahoe
- PARMA save the date for February 25-28, 2020
- Legislative update regarding Workers' Comp benefits for out of state, off-duty peace officers
- Update regarding pending legislation requirements for all public agencies to have active/current website effective January 1, 2020

No action was taken by the Board.

d) Board Comments:

- Follow up inquiry regarding Workers' Comp benefits for out of state, off duty peace officers and 'in state' incidents/coverage

6. FINANCE REPORTS:

- a) Current bills for payment approval, claims payment accounts transaction summaries, and financial reports.

Chief Operations Officer Krepelka reviewed with the Board the disbursements made between February 1, 2019 through March 31, 2019; claims payments made between February 1, 2019 through March 31, 2019.

A motion to approve the financial reports as presented was moved by Board Member Ward and seconded by Board Member Corum. The motion carried by the following roll call vote:

Ayes: Board Members Beale, Ward, Corum, Viegas, Craddock
Noes: None
Absent: Board Member Atwal, Turner

7. MEMBERSHIP

- a) New members for Board ratification

Executive Director Schimke presented the following new Members for Board ratification.

- Cooperative Agricultural Support Services Authority
- Owens Valley Groundwater Authority
- Washington Valley Water District

A motion to ratify the new Members as presented was moved by Board Member Beale and seconded by Board Member Corum. The motion carried by the following roll call vote:

Ayes: Board Members Beale, Ward, Corum, Viegas, Craddock
Noes: None
Absent: Board Member Atwal, Turner

EMPLOYEE BENEFITS PROGRAM

- b) New EmpBen member for Board ratification

Executive Director Schimke presented the following new Member for Board ratification.

- California Association for Park and Recreation Indemnity (CAPRI)

A motion to ratify the new Member for the Employee Benefits Program as presented was moved by Board Member Corum and seconded by Board Member Ward. The motion carried by the following roll call vote:

Ayes: Board Members Beale, Ward, Corum, Viegas, Craddock
Noes: None
Absent: Board Member Atwal, Turner

c) Review of membership for Butte City Community Services District

Executive Director Schimke updated the board on the status of Butte City CSD's compliance since the March meeting. He noted that the District has shown definite improvement and cooperation. GSRMA staff attended one of their board meetings and has reached out to their general counsel. He noted that they are moving in the right direction.

No action was taken by the Board.

8. ADMINISTRATION:

a) Incoming Board member election for Fire and Special District representation

Executive Director Schimke reviewed with the Board the election results for the Fire District representation. The Williams Fire Protection Authority received the most votes, 8 of the 13 cast.

Executive Director Schimke reviewed with the Board the election results for the Special Districts. Artois Community Services District was tied with Lake Shastina Community Services District. Per the election policy, in case of a tie, a random drawing will be held. Board Member Craddock drew Artois Community Services District as the Special District representation.

A motion to ratify the election results confirming Williams Fire Protection Authority and Artois Community Services District, was moved by Board Member Beale and seconded by Board Member Corum. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Ward, Craddock, Beale, Corum
Noes: None
Absent: Turner, Atwal

b) 2018/19 Risk Management Accreditation Program (RMAP) awards

Assistant Risk Manager Peters reviewed with the Board the 2018/19 RMAP awards. Peters reported 46 members applied, 42 will receive awards with 22 being fully accredited. Per the RMAP rules, a random drawing was conducted to select one accredited member to receive attendance for up to two attendees to attend the Public Agency Risk Management Association (PARMA) 2020 conference. Board Member Craddock drew three applicants in the event that a selected member could not attend. 1) Cottonwood Cemetery District, 2) County of Glenn, and 3) Fair Oaks Cemetery District.

A motion to approve the 2018/19 awards subject to the RMAP program requirements was moved by Board Corum and seconded by Board Member Craddock. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Craddock, Beale
Noes: None
Absent: Turner, Atwal

c) 2019/20 actuarial studies for the Liability and Workers' Compensation Programs

Executive Director Schimke reviewed with the Board the actuarial studies for Liability and Workers' Compensation programs for 2019/20. He noted that there were no changes since the March 13, 2019 presentation.

A motion to approve the actuarial studies for Liability and Workers' Compensation programs for 2019/20 was moved by Board Member Ward and seconded by Board Member Beale. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Beale, Craddock
Noes: None
Absent: Turner, Atwal

d) Excess Insurance program renewal costs for 2019/20

Executive Director Schimke reviewed with the Board the excess insurance program renewal costs for 2019/20.

A motion to approve the excess insurance program renewal costs for 2019/20 was moved by Board Member Beale and seconded by Board Member Corum. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Beale and Craddock
Noes: None
Absent: Turner, Atwal

e) Proposed contributions by line of coverage for 2019/20

Executive Director Schimke reviewed with the Board the contributions by line of coverage for 2019/20.

A motion to approve the contributions by line of coverage for 2019/20 was moved by Board Member Ward and seconded by Board member Corum. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Beale, Craddock
Noes: None
Absent: Turner, Atwal

f) Analysis of possible dividend for 2019/20

Executive Director Schimke reviewed with the Board the analysis of a possible dividend for 2019/20. Current conditions do not meet the Board's Capital Target Equity Policy.

No action was taken by the Board.

g) Contribution to CAJPA Study

Executive Director Schimke reviewed with the Board the CAJPA Tort Liability Feasibility Study contribution requesting a \$10,000 contribution among the JPA's to fund the plan.

A motion to approve the CAJPA Tort Liability Feasibility Study was moved by Board Member Ward and seconded by Board member Craddock. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Beale, Craddock
Noes: None
Absent: Turner, Atwal

h) Proposed budget for 2019/20

Chief Operations Officer Rick Krepelka reviewed with the Board the proposed budget for 2019/20. Krepelka mentioned that if there were any additional changes he would include them in a revised budget for the July 10, 2019 meeting.

A motion to approve the proposed budget for 2019/20 was moved by Board Member Corum and seconded by Board member Ward. The motion carried by the following roll call votes:

Ayes: Board Members Viegas, Corum, Ward, Beale, Craddock
Noes: None
Absent: Turner, Atwal

i) Renewal of Proposed Ardee, Inc. Risk Management Services Agreement

Executive Director Schimke presented to the Board his proposed *Ardee, Inc.'s Risk Management Services Agreement* for the period of July 1, 2020 – June 30, 2025 as contained in the board packet. He noted to the board that he was proposing a 5 year term, eliminate the 1 year cancellation notice, eliminate the board approval process in regards to designating an alternate and allowing for more than 1 designated alternate. In addition, he advised the board that CAJPA, through their Reaccreditation process, wanted specific language addressing conflict of interest issues. He then shared with the board the specific conflict of interest language and notification process. During the presentation process the Risk Manager addressed in detail the rationalization behind each of his proposed changes in the new contract.

Thereafter each board member asked questions regarding the contract, changes proposed as well as their support of Ardee, Inc. , Scott Schimke and staff.

Board member Corum noted that in the future he would appreciate a red lined version of any proposed changes to any GSRMA contract. Executive Schimke acknowledged said request and will ensure future compliance.

Board member Beale expressed that he had reservations about the 5 year term, elimination of the 1 year notice as well as the elimination of the board approval provision in regards to designation of an alternate.

The Risk Manager again addressed each area of concern and the reasoning behind each change. He also noted that the board can still move to termination for cause and that this contract requires each party to go to mediation before an active lawsuit.

General Counsel Krup confirmed with the board that he had reviewed this contract, supported the additional language as required by CAJPA and approved this contract as amended. He noted that he supports the mediation language as well as Executive Director Schimke's position requiring termination for cause. There was continued discussion regarding Board member Beale's concerns as well as Executive Director Schimke's responses.

A motion to approve the Agreement as presented, with the addition of CAJPA's conflict of interest language, was moved by Board Member Corum and seconded by Board Member Ward. The motion carried by the following votes:

Ayes:	Board Members Viegas, Ward, Corum, Craddock
Noes:	Board Member Beale
Absent:	Turner, Atwal

j) Renewal of Proposed Ardee, Inc. Agreement of Administration Services for GSRMA Health Plan

Executive Director Schimke presented to the Board his proposed *Ardee, Inc.'s Health Benefit Plan Services Agreement* for the period of July 1, 2020 – June 30, 2025 as contained in the board packet. He noted to the board that he was proposing a 5 year term to eliminate the 1 year cancellation notice, the elimination of the board approval process in regards to designating an alternate and allowing for more than 1 designated alternate. In addition, the he advised the board that CAJPA, through their Reaccreditation process, wanted specific language addressing conflict of interest issues. He then shared with the board the specific conflict of interest language and notification process. During the

presentation process the Risk Manager addressed in detail the rationalization behind each of his proposed changes in the new contract.

General Counsel Krup confirmed with the board that he had reviewed this contract, supported the additional language as required by CAJPA and approved this contract as amended. He noted that he support the mediation language as well as Executive Director Schimke's position requiring termination for cause.

A motion to approve the contract was moved by Board Member Corum and seconded by Board Member Craddock. The motion carried by the following votes:

Ayes: Board Members Viegas, Ward, Beale, Corum, Craddock

Noes: None

Absent: Turner, Atwal

9. FUTURE MEETINGS:

- July 10, 2019
- September 18, 2019 (Due to CAJPA conference)
- November T.B.D.

CLAIMS REPORTS:

a) Current Claims

Nothing to report.

b) Closed Session (Pending Litigation):

Pursuant to Government Code §54954.9(a) and 54956.95, the Board of Directors of the Golden State Risk Management Authority met in closed session at 7:52 PM.

c) Reconvene to Open Session

The Board reconvened to open session at 7:58 PM.

d) Report any action taken during Closed Session

Nothing to report.

10. ADJOURNMENT:

The Board meeting adjourned at 7:58 PM.