

**BOARD OF DIRECTORS
MEETING MINUTES
March 8, 2023**

President Taylor 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:

Rick Beale (arriving at 6:14), Ron Goings, John Viegas, Jim Yoder, Tom Arnold, Gina Taylor

Board Members joined via Zoom: None

Board Member Absent: Isaiah Wright

Also present:

Executive Director Scott Schimke, Chief Operations Officer Rick Krepelka, Assistant Risk Manager Jennifer Peters, Director of Claims Tricia Alderman, Executive Assistant Erica House, Chief Michael Connolly from Broadmoor PPD, and Counsel Derek Hanes from Porter Scott. Via Zoom: Risk Control Analyst Brian Edinger, General Counsel Gary Krup, Mike Harrington from Bickmore Actuarial.

3. UNSCHEDULED MATTERS:

No unscheduled matters were discussed.

4. COMMUNICATION FROM THE PUBLIC - PUBLIC COMMENT

No comment from the public.

5. CONSENT AGENDA:

Executive Director Schimke reviewed the consent agenda including the January 11, 2023, meeting minutes, Reaffirmation of the Treasurer's Authority to Invest, and the GSRMA Conflict of Interest Code.

A motion to approve the consent agenda was moved by Board Member Arnold and seconded by Board Member Yoder. The motion carried unanimously as follows:

Ayes: Board Members Gina Taylor, Ron Goings, John Viegas, Jim Yoder, Tom Arnold
Noes: None
Absent: Rick Beale, Isaiah Wright

6. INFORMATION - REPORTS:

a) Member Services/Loss Prevention

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

- Member visit reports
- Cyber assessment review
- Brown Act Training April 7, 2023
- Cal-OSHA's finalized Covid "permanent" standard

No action was taken by the Board.

b) Claims

Claims Manager Tricia Alderman updated the Board on the following items:

- Closure of Chico Immediate Care February 17th, 2023.
- Successful results from Prism's General Liability bi-annual claims audit.

No action was taken by the Board.

c) Executive Director

Executive Director Schimke updated the Board on the following items:

- CAJPA Spring Workshop May 15-16, 2023.
- CAJPA Conference September 12-15, 2023.
- Elizabeth "Liz" Smith's CPCU Designation.

No action was taken by the Board.

d) Board Comments

None

7. 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 December 1, 2022, and January 31, 2023; claim payments made between December 1, 2022, and January 31, 2023, the Treasurer's report, and the financial statements through January 31, 2023.

Chief Operations Officer Krepelka updated the Board on the following items:

- Red Canary acquired in a group purchase for members' cyber security efforts.
- James Marta and Co will no longer be GSRMA auditor since they are providing consulting services for the implementation of Intacct accounting software.
- Investments have turned the corner and are now positive.
- Increase in self-insured retention for property will have a significant impact on member premiums.

A motion to approve the financial reports as presented was moved by Board Member Beale and seconded by Board Member Viegas. The motion carried unanimously as follows:

Ayes: Board Members Gina Taylor, Ron Goings, John Viegas, Jim Yoder, Tom Arnold, Rick Beale

Noes: None

Absent: Isaiah Wright

8. GSRMA MEMBERSHIP

- a) Appeal of termination of coverage for Broadmoor Police Department

Executive Director Schimke presented staffs recommendation to cancel Broadmoor PPD's membership effective July 1, 2023. The Dispute Resolution process has been started by Broadmoor Police Chief Michael Connolly.

Comments were made by Counsel Gary Krup stating the bylaws and appeal process.

Broadmoor Police Chief Michael Connolly gave a PowerPoint presentation on his district's general liability and workers' compensation loss trends. He appealed to the Board that Broadmoor had changed and was a good risk for the pool.

A motion to approve the cancellation of Broadmoor PPD's membership in GSRMA effective 7/1/23 was moved by Board Member Viegas and seconded by Board Member Arnold. The motion carried unanimously as follows:

Ayes: Board Members Gina Taylor, Ron Goings, John Viegas, Jim Yoder, Tom Arnold,
Rick Beale
Noes: None
Absent: Isaiah Wright

Broadmoor Police Chief Michael Connolly left Board Meeting at 6:50pm.

9. ADMINISTRATION:

a) Preliminary excess insurance program renewal costs for 2023-2024

Executive Director Schimke stated that GSRMA is still working with the excess carrier to address the significant increase especially in property and liability.

No action was taken by the Board.

b) Draft 2023-24 actuarial studies – presentation of draft actuarial studies by Mike Harrington, President of Bickmore Actuarial.

Mike Harrington presented the actuarial studies for the Liability and Workers' Compensation programs. The program losses were progressing favorably and both programs are funded at a conservative confidence level. Director Schimke advised that premium indications for individual members will be available by the end of March.

No action was taken by the Board.

c) Preliminary contributions by line of coverage for 2023-24

Executive Director Schimke stated that, overall, contributions were currently estimated to be increasing 13% while exposure (payroll) was increasing 4% resulting in an average 9% rate increase overall for the pool. Individual member contributions would vary based on individual exposure change and the application of an experience modifier.

No action was taken by the Board.

d) Analysis of a possible dividend for 2023-24

Executive Director Schimke stated that per the Capital Target Reserve Policy, funds are available for dividends. He noted that final staff recommendation will likely be to use the funds to take on more risk to keep rates lower. Executive Director Schimke noted that the general liability program is extremely well funded, and, while not to the same extent, the workers' compensation program is as well.

No action was taken by the Board.

e) Proposed budget for 2023-24

Chief Operations Officer Krepelka presented the preliminary budget handout for board review. This will be discussed in greater detail at the Board's next meeting.

No action was taken by the Board.

f) Review of draft bylaw changes

Executive Director Schimke presented to the Board proposed changes to GSRMA's Bylaws effective 7/1/23. He noted that these changes would:

- Confirm that the Board can make an exception to the requirement that members join for all "Basic Risk Coverage."
- Removes the ability to pay board stipends and institutes a \$5,000 annual payment to represented districts for professional development.
- Relaxes requirement for Board rescheduling of regular meetings.
- Simplifies new member underwriting and contribution calculation.
- Eliminates 3-year fixed rate requirement for new members.
- Eliminates 3-year membership commitment for new members.

He reported to the Board that General Counsel Krup has reviewed and supports these proposed changes.

He noted that final proposed changes would be brought back to the Board at the 5/10/23 meeting for final review and approval.

No action was taken by the Board.

g) Approval of candidate districts for incoming Board member election for Fire and Special District Representation (July 1, 2023)

No Special District nominations were made by members per the Board Election Policy. Executive Director Schimke noted that per the policy the Board could appoint an individual from a Special District. Glenn County IHSS has proposed John Viegas.

A motion to approve John Viegas as Special District representative effective 7/1/23 was moved by Board Member Beale and seconded by Board Member Goings. The motion carried unanimously as follows:

Ayes: Board Members Gina Taylor, Ron Goings, Jim Yoder, Tom Arnold, Rick Beale
Noes: None
Abstention: John Viegas
Absent: Isaiah Wright

h) Proposal of General Counsel Douglas Alliston Contract effective July 1, 2023

Executive Director Schimke advised the Board as to General Counsel Gary Krup's retirement effective 7/1/23. As such, a new General Counsel would be needed for GSRMA. Executive Director Schimke reviewed with the Board Douglas Alliston's contract for General Counsel effective 7/1/23.

A motion to approve a contract with General Counsel Douglas Alliston was moved by Board Member Viegas and seconded by Board Member Yoder. The motion carried unanimously as follows:

Ayes: Board Members Gina Taylor, Ron Goings, John Viegas, Jim Yoder, Tom Arnold, Rick Beale
Noes: None
Absent: Isaiah Wright

10. FUTURE MEETINGS:

- May 10, 2023
- July 12, 2023
- September - TBD

11. CLAIMS REPORTS:

a) Current Claims:

Executive Director Schimke updated the board on storm losses.

No action was taken by the Board.

b) Closed Session (Pending Litigation):

The Board of Directors of the Golden State Risk Management Authority did not meet in closed session.

ADJOURNMENT:

The Board meeting adjourned at 7:55 PM.