



AGENCY: City Council
MEETING DATE: May 24, 2021
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
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AGENDA ITEM SUMMARY

TITLE: Receive Staff Report and Adopt a Resolution to Approve Joining the Employment Risk Management Authority (ERMA) Joint Power Authority (JPA) for Employment Liability Coverage

ISSUE:

Rather than purchase commercial insurance through a commercial insurance carrier, the City of Fort Bragg participates in an intergovernmental arrangement through which a group of cities and towns (referred to as the members) contribute to a shared fund that pays for liability and workers' compensation claims and provides risk management services. That fund is often commonly referred to as a pool. Pools are empowered to exist through the sections of the California Government Code known as joint powers authority (JPA), which allow two or more like entities to pool funds to pay for claims.

The City of Fort Bragg participates in a pool named the Redwood Empire Municipal Insurance Fund (REMIF). REMIF is merging with another pool named the Public Agency Risk Sharing Authority (PARSAC) to become the California Intergovernmental Risk Authority (CIRA). CIRA, like REMIF, will function as an extension of the City of Fort Bragg and will be governed by a board of directors comprised of members in the pool.

The City of Fort Bragg will become a member of the California Intergovernmental Risk Authority (CIRA) on July 1, 2021, which will obtain employment practices liability (EPL) coverage for its members from ERMA, a statewide risk sharing pool that provides EPL coverage and loss prevention services to California public entities. To be considered by the ERMA Board of Directors, the City is required to submit a Council Resolution authorizing participation in ERMA, complete an application, submit seven years of EPL loss information, and the most recent financial audit. If approved by the ERMA Board, the City would join as an underlying member of CIRA.

ERMA reduces employment practices risk by proactive claims management, innovative training and education, and subject matter expertise. They are the first and only state-wide public section employment practices liability risk sharing pool. They have over 200 public entity members and are CAJPA accredited. They are financially stable and well-funded.

Some of the advantages of joining ERMA are:

- Sharing the cost of risk among similar entities,
- Proactive litigation management, and
- The pool determines scope of coverage, develops governing documents, risk control programs, and target performance standards

ERMA offers: Live Training Workshops (Individual and Regional), Online Training, ERMANet, Hot Topic Trainings, Jackson Lewis and Liebert Cassidy Whitmore, Employee Reporting Line (24/7 access via telephone or online), Attorney Hotline (one hour per month).

Staff recommends Council Adopt the enclosed Resolution authorizing participation in the Employment Risk Management Authority (ERMA).

RECOMMENDED ACTION:

Adopt Resolution Authorizing Participation in the Employment Risk Management Authority (ERMA).

ALTERNATIVE ACTION(S):

Do not adopt Resolution and provide staff alternative direction.

FISCAL IMPACT:

In November 2020, the City Council committed to participate in CIRA for at least two years. Adoption of this Resolution does no change the costs Liability coverage. The estimated cost of Fort Bragg Workers Liability Program for Fiscal Year 2021-22 is \$187,213. This is a 22% increase from the FY 2020-21 Cost of \$153,211.

GREENHOUSE GAS EMISSIONS IMPACT:

There is no impact to Greenhouse Gas Emissions from adopting this resolution.

CONSISTENCY:

Adopting this Resolution is consistent with the actions taken in November 2020.

IMPLEMENTATION/TIMEFRAMES:

The transition to CIRA from REMIF is effective 7-1-2021 as would joining ERMA.

ATTACHMENTS:

1. Att. 1 - Resolution

NOTIFICATION:

1. Amy Northam, REMIF General Manager,