

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT  
(PRISM)**

**EXECUTIVE COMMITTEE**

**MINUTES**

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The Claremont Hotel  
41 Tunnel Road  
Berkeley, California 94705  
(510) 843-3000

Thursday, October 6, 2022  
9:00 a.m.  
Eleventh Meeting – 2022

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The meeting was called to order by the President, Scott Schimke, at 9:00 a.m.

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**ROLL CALL/INTRODUCTIONS**

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**1.A. Members Present**

1. Mark Howard, ACCEL/City of Santa Barbara
2. Karen Caoile, Contra Costa County
3. Scott Schimke, GSRMA
4. Matt Gutierrez, Kern County
5. Richard Egan, Lassen County
6. Heather Rose, Mendocino County
7. Kerry John Whitney, Napa County
8. Janell Crane, Sonoma County
9. Nathan Black, Sutter County

**Members Absent**

1. Lance Sposito, Santa Clara County
2. Leonardo Selvaggi, Ventura County

**Others Present**

1. Klaus Leitenbauer, Alpine County
2. Julia Ogonowski, Butte County
3. Rebecca Desmond, CFSA
4. John Quiroz, CFSA
5. Janice Galleher, City of Chula Vista
6. Adam Nguyen, Contra Costa County
7. Mike James, City of El Cajon
8. Michael Andersen, El Dorado County
9. Scott H. De Moss, Glenn County
10. Jennifer Peters, GSRMA
11. Brenda Olivas-Neujahr, Imperial County
12. Aaron Holmberg, Inyo County
13. Karen Shelar, Marin County

14. James Brown, Merced County Retiree
15. Sommer Moniz, Merced County
16. Barbara Esquivel, MPA
17. Nicholas Poole, Nevada County
18. Andrew Lathrop, City of Oakland
19. Rhonda Haynes, Orange County Fire Authority
20. Terry M. Butrym, Placer County
21. Jim Kotey, Placer County
22. Michael Fleming, PRISM ARC (PRISM Retiree)
23. Henie Ring, San Benito County
24. Tanya Moreno, San Joaquin County
25. Ashleigh Szkubiel, San Luis Obispo County
26. Samantha Francis, Santa Barbara County
27. Greg Milligan, Santa Barbara County
28. C. Paul Frydendal, SDRMA Retiree
29. Jim Johnson, Shasta County
30. Steve Taylor, Shasta County
31. Melissa Cummins, Siskiyou County
32. Craig Schweikhard, SMCSIG
33. Karyn Watson, Stanislaus County
34. Sean Houghtby, Tehama County
35. Andrew Fischer, Trindel Insurance Fund
36. Nathan Birtwhistle, Tuolumne County
37. Susan Cox, Tulare County
38. Barbara Lubben, YCPARMIA
39. Nazie Arshi, Alliant Insurance Services
40. Kevin Bibler, Alliant Insurance Services
41. Tom Bryson, Alliant Insurance Services
42. Seth Cole, Alliant Insurance Services
43. Tom E. Corbett, Alliant Insurance Services
44. Gordon DesCombes, Alliant Insurance Services
45. Kristen DesCombes, Alliant Insurance Services
46. Ralph Hurst, Alliant Insurance Services
47. Shawn Kraatz, Alliant Insurance Services
48. Michael Menerey, Alliant Insurance Services
49. Laurinda Newell, Alliant Insurance Services
50. Tom Sher, Alliant Insurance Services
51. Brenna Smith, Alliant Insurance Services
52. Allison Spaulding, Alliant Insurance Services
53. Steve Underwood, PRISM Legal Counsel
54. John Alltop, PRISM Staff
55. Puneet Behl, PRISM Staff
56. Rick Brush, PRISM Staff
57. Gina Dean, PRISM Staff
58. Sidney DiDomenico, PRISM Staff

59. Heather Fregeau, PRISM Staff
60. Jen Hamelin, PRISM Staff
61. Danielle Heim, PRISM Staff
62. Max Larkin, PRISM Staff
63. Roberto Lozano, PRISM Staff
64. Tom Pelster, PRISM Staff
65. Mike Pott, PRISM Staff
66. Omar Rahim, PRISM Staff
67. Marlene Reed, PRISM Staff
68. Lisa Sandoval, PRISM Staff
69. Kelli Snelling, PRISM Staff
70. Karen Somers, PRISM Staff
71. Charles Williams, PRISM Staff
72. Maria Williams, PRISM Staff

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## **CONSIDERATION OF OFF AGENDA ITEMS**

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There were no items to consider.

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## **PUBLIC COMMENT**

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There was no public comment.

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## **CONSENT AGENDA**

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- 2.A. Approval of Minutes, September 1, 2022**
- 2.B. PRISM Membership Applications**
- 2.C. Informational Reports**
  - 1. Interim Financial Statements as of June 30, 2022**
  - 2. Disclosure of Underwriting Authority**
  - 3. Report on the Budget**

(Motion 1) Moved by Mark Howard and seconded by Kerry John Whitney to approve the Consent Agenda, as presented. Motion passed unanimously with 9 voting yes (Howard, Caoile, Schimke, Gutierrez, Egan, Rose, Whitney, Crane, and Black).

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## **COMMITTEE REPORTS**

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- 3.A. -3.J.** The Executive Committee received reports on recent meetings of the following committees: Claims Review 2, Claims Review, Legislative, Member Services, Technology, Medical Malpractice, Property, PRISMHealth, Employee Benefits, and Finance.

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## **INSURANCE PROGRAMS**

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### **4.A. Budget Estimates and Process**

Staff reviewed the early budget projections that are provided to members each year, as well as the process used to calculate the estimates. Early premium estimates are intended to help members with their internal budgeting process. The 2022/23 premium amounts are used as a starting point for the 2023/24 budget estimates, with the premium amounts being refined as the renewal process progresses. All of the factors that are considered in estimating premiums for the members was also provided.

### **4.B. Program Performance Reports as of June 30, 2022**

Staff presented the Program Performance Reports, as of June 30, 2022 for the EWC, GL1, GL2, and Medical Malpractice Programs. These new reports were previously called the Claim Summary Reports; they have been revamped and reformatted for an easier review of the information. Staff noted that the PWC and Property Programs' reports will likely be ready by the March 2023 Board of Directors meeting.

## **Master Rolling Owner Controlled Insurance Program**

### **4.C. State of the Program**

Alliant reviewed the state of the Program with the Committee. Since the last update, 2 projects, one for Humboldt County and one for Kern County, were anticipated to begin; however, both projects have once again been delayed. Kern County's project was actually bound in June of this year, and the project for Humboldt County is now anticipated to be bound in Q4 of this year or Q1 of 2023. Both projects have a combined estimated construction value of \$43.9M in Tower 1. The current total construction values covered in the Program total around \$3.8B.

## **Miscellaneous Programs**

### **4.D.1. Policy Regarding Allocation of Limit in Misc. Programs**

At the Committee's September meeting, this item was initially addressed. After that meeting while compiling the Minutes, it was discovered that formal action had not been taken to adopt this Policy. Staff recommended retroactively approving this Policy to September 1, 2022.

(Motion 2) Moved by Janell Crane and seconded by Matt Gutierrez to approve the

Policy Regarding Allocation of Limit in Miscellaneous Programs, retroactively effective September 1, 2022. Motion passed unanimously with 9 voting yes (Howard, Caoile, Schimke, Gutierrez, Egan, Rose, Whitney, Crane, and Black).

#### **4.D.2. Cyber Liability Program – Cyber Audit Services**

At the last meeting, the Committee discussed requiring cyber audit services (also referred to as cyber health checks), as part of the Cyber Liability Program. While the Committee agreed that the services would be beneficial, they voiced some concerns over the confidentiality of the information obtained through the proposed health checks. At this meeting, staff reported that *Government Code Section 6254.19* exempts documents of this nature from disclosure under the California Public Records Acts. The other portion of these services that was discussed at the September meeting, was regarding the completion of health checks for members of JPAs participating in the Cyber Program. Staff reported that it is not feasible to run all of the agencies (approximately 700 entities) within the JPA members through the health check at this time. Staff will bring a recommendation for the JPA entities at the Committee's next meeting.

(Motion 3) Moved by Janell Crane and seconded by Matt Gutierrez to approve: 1) requiring each Cyber Program member to go through a health check, via Synoptek, once every 3 years, with the Cyber Program covering the cost of \$1k per member, and the funding sources being determined annually by the Committee through surplus or an administrative charge of the members; 2) delegating authority to staff and Alliant to determine the schedule of health checks to be completed over the 3 year period; and 3) directing staff and Alliant to propose a cybersecurity control measure verification process for members of JPAs participating in the Cyber Program for consideration at a future meeting. Motion passed unanimously with 9 voting yes (Howard, Caoile, Schimke, Gutierrez, Egan, Rose, Whitney, Crane, and Black).

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## **FINANCIAL MATTERS**

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#### **5.A. Amendments to Investment Policy – Participation in the California Asset Management Program (CAMP)**

Staff informed the Committee on the CAMP pool, which is an alternative to the Local Agency Investment Fund (LAIF). Both are California agencies and are required to comply with California code. The CAMP pool is managed with a shorter duration than LAIF, so in times of rising interest rates, the yield is higher than with LAIF. Opening a CAMP account would provide PRISM with another option to invest liquid funds. Staff recommended approval of opening a CAMP account.

(Motion 4) Moved by Janell Crane and seconded by Nathan Black to recommend to the Board of Directors to approve the amendments to the Investment Policy authorizing PRISM's participation in the CAMP. Motion passed unanimously with 9 voting yes (Howard, Caoile, Schimke, Gutierrez, Egan, Rose, Whitney, Crane, and Black).

#### **5.B. PRISM ARC Capital Replenishment**

When PRISM's captive, the Affiliate Risk Captive (ARC), was formed, it was funded with an initial \$5M in capital contributions from the various PRISM programs, based on the average cash balances in the PRISM Treasury. The state of Utah Department of Insurance (DIR) requires captives domiciled in Utah to maintain a minimum capital of \$250k at all times. Staff discovered at June 30, 2022, PRISM ARC would have a deficit of \$3.2M, due to investment adjustments and adverse loss development in the GL1 Program. Therefore, PRISM was required to contribute an additional \$3.45M to ARC in order to reach the \$250k minimum surplus requirement. Staff recommended a \$3.5M contribution be made, retroactive to April 1, 2022. Staff also recommended that the \$3.5M be allocated amongst the PRISM programs in the same proportion as the original capital contributions.

(Motion 5) Moved by Mark Howard and seconded by Heather Rose to: 1) approve the additional capital contribution of \$3.5M from PRISM to ARC, retroactively effective April 1, 2022; and 2) allocate the 2022 capital contribution, as well as any future capital contributions, amongst the PRISM programs in the same proportion as the original capital contributions. Motion passed unanimously with 9 voting yes (Howard, Caoile, Schimke, Gutierrez, Egan, Rose, Whitney, Crane, and Black).

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### **GENERAL BUSINESS**

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#### **6.A. PRISM ARC Board of Directors Appointments**

Pursuant to the ARC Bylaws, ARC Board members' terms are from the PRISM ARC annual meeting to the PRISM ARC annual meeting each year. The appointment of the ARC Board of Directors is to be done at the annual meeting of the members, immediately preceding the ARC annual Board meeting. PRISM's CEO has historically been designated to represent PRISM at the annual Member Meeting for the purpose of appointing the ARC Board of Directors. It was recommended that the CEO be designated to represent PRISM once again, and that the CEO be directed to reappoint the current Board, with one change, as follows:

- Gina Dean, PRISM CEO
- Scott Schimke, Underwriting & Executive Committee Representative
- Brian Kelley, PRISM COO

- Nathan Black, Finance & Executive Committee Representative
- Michael Fleming, Outside Individual
- Brent Andrewsen, Utah Legal Counsel
- Janell Crane, Underwriting & Executive Committee Representative

Lance Sposito had been serving on the PRISM ARC Board since its inception; however, Mr. Sposito was not seeking reappointment for the upcoming year. Janell Crane had expressed interest to serve in his place.

(Motion 6) Moved by Matt Gutierrez and seconded by Karen Caoile to designate the PRISM CEO and direct her to appoint the PRISM ARC Board of Directors at the annual PRISM ARC Board meeting on October 17, 2022, as follows: Gina Dean, Scott Schimke, Brent Andrewsen, Michael Fleming, Nathan Black, Brian Kelley, and Janell Crane. Motion passed with 8 voting yes (Howard, Caoile, Schimke, Gutierrez, Rose, Whitney, Crane, and Black) and 1 absent for the vote (Egan).

#### **6.B. Strategic Plan & Milestone Review**

Staff presented updates to PRISM's Strategic Plan, and also reviewed the status of the various milestones. Staff focused on the status of the prioritized milestones with some detail at the meeting. Full details and statuses were also provided to the Committee in the Agenda.

#### **6.C. Member Services Update**

Staff updated the Committee on member services since the last meeting. The updates included: the Toolbox; 2022 Cyber Symposium on November 10<sup>th</sup>; Enterprise Risk Consultants (ERC) Services Update; and Pass the Baton Mentorship (PBM) Program.

#### **6.D. PRISM Communications Report**

Staff reported on the Q2 2022 communications report that was provided to the Committee as a handout. Included was the various ways information was communicated to the membership including the website, newsletters/emails, social media, video (PRISMtv), Coming Soon!, and others.

#### **6.E. Staff Report**

Staff provided updates/information on the following matters:

- Staff informed the Committee that PRISM was awarded the Triple Crown of reporting from the GFOA;
- Staff reminded the Committee of the upcoming Cyber Symposium on

- November 10<sup>th</sup> in Long Beach; and
- Staff noted the afternoon workshop would include a demo from the DnA Department and session for members to discuss matters of interest.

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## FUTURE MEETINGS

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The next regularly scheduled meeting will be on **Thursday, December 1, 2022**, at **10:00 a.m.**, to be held at **the PRISM office in Folsom.**

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## ADJOURNMENT

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The meeting adjourned at 11:02 a.m.

Respectfully submitted,



Kelli Snelling  
Executive Secretary