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To: Lemoore City Council SS Item # 3
From: JP Prichard, Administrative Analyst
Date: January 29, 2013
Subject: Participation in the Employment Risk Management Authority

Discussion:

The Employment Risk Management Authority (ERMA) is a statewide joint powers authority designed to provide broad coverage and tailored loss prevention services to reduce employment practices liability exposure. There is coverage to \$1,000,000 per occurrence for both indemnity and defense and various retention levels are offered between \$25,000 and \$500,000. ERMA provides coverage for:

- Harassment
- Discrimination
- Wrongful Termination
- Retaliation
- Workplace Torts

Participation in ERMA is optional for Central San Joaquin Valley Risk Management Authority member cities. Of the 58 cities that make up the CSJVRMA, 31 of them participate in ERMA. If the City is interested in pursuing membership in ERMA, we would need to submit the following items:

- Completed application including the requested policies and financial statements
- Employment practices liability loss information for the period of 7/1/06 to 7/1/11; if Lemoore has no known losses, a statement to that effect;
- Completed resolution authorizing participation in ERMA
- Completed intent to participate form

Membership in ERMA includes:

- Live regional training sessions that are AB 1825 compliant (harassment, discrimination) & various employment practices liability “hot topic” trainings. ERMA has instituted an interactive map on the website to assist members with locating training sessions near their area

- Online training for AB 1825 compliance, AB 1234 (ethics), as well as a human resources suite of available training topics (this is through in2vate, formerly AGOS)
- Attorney hotline through one of ERMA's attorney firm partners, Liebert Cassidy Whitmore and Jackson Lewis – each member has access to 1 hour per month for employment practices liability related matters
- Employee Reporting Line – provides an avenue for employees to report workplace wrongdoings anonymously

Attached for the Council's review are the price indications for various levels of self-insured retention (SIR). The price indications are estimates based on current year information; we likely would not be able to begin participation before July 1, 2013, which will have similar deposit requirements.

Budget Impact:

Should the Council choose to have the City participate in ERMA, the immediate effect would be the need to provide the deposit premium for which SIR level is chosen. On an ongoing basis, the deposit premium will vary, sometimes requiring more, other times providing a credit based on experience modifications, and investment return on deposit, etc.

The deposit variance may be offset by as much as \$2,000 per year in training costs that would be provided through ERMA.

Recommendation:

For Council discussion at this time.