



2330 E. Bidwell Street, Suite 150 | Folsom, CA 95630
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Member cities/towns: Arcata, Cloverdale, Cotati, Eureka,
Ft. Bragg, Fortuna, Healdsburg, Lakeport, Rohnert Park,
St. Helena, Sebastopol, Sonoma, Ukiah, Willits, Windsor

AGENDA

REMIF BOARD OF DIRECTORS MEETING (TELEPHONIC)

Thursday, October 6, 2022 – 9:00 a.m.

- | | |
|-----------------------|-------------------------|
| 1. City of Arcata | 9. City of Rohnert Park |
| 2. City of Cloverdale | 10. City of Sebastopol |
| 3. City of Cotati | 11. City of Sonoma |
| 4. City of Eureka | 12. City of St. Helena |
| 5. City of Fortuna | 13. City of Ukiah |
| 6. City of Fort Bragg | 14. City of Willits |
| 7. City of Healdsburg | 15. Town of Windsor |
| 8. City of Lakeport | 16. REMIF |

All portions of this meeting will be conducted by teleconferencing in accordance with the State of California AB 361.

Members of the public may observe and address the meeting telephonically by dialing + 669 900 9128 (Meeting ID: Meeting ID: 893 9708 584; Passcode: 254979). No physical location will be available from which members may observe the meeting and offer public comment.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Yahaira Martinez at (916) 927-7727 or ymartinez@cira-jpa.org. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Board of Directors less than 72 hours prior to a meeting will be available for public inspection. Please contact Yahaira Martinez at (916) 927-7727 or ymartinez@cira-jpa.org.

[Note: The Board of Directors may take action on any item listed on the Agenda. The Deputy General Manager's recommendation for each item is solely the recommendation of staff and does not limit the Board's authority to take action on any Agenda item.]

CALL TO ORDER: 9:00 A.M.

ROLL CALL

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS

COMMUNICATIONS

None.

PRESENTATIONS

None.

CONSENT CALENDAR (A, ACTION; I, INFORMATIONAL)

Page 3

1. Approve AB 361 resolution (A)

CLOSED SESSION

Government Code Section 54956.95 – Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers’ compensation liability incurred by the joint powers’ agency or a local agency member of the joint powers’ agency.

Claimant: K. Clements

Agency claimed against: City of Sonoma

Confidential request for settlement authority will be sent under separate cover.

ACTION CALENDAR (A, ACTION; I, INFORMATIONAL)

Page 7

2. REMIF Health Plan: renewal of Medicare Supplement plan (A), waiver of copay on telehealth (I), updates on Health Care Committee (I)

Page 10

3. Finance: adoption of resolution establishing 115 Trust (A)

ADJOURNMENT OF REGULAR MEETING



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AGENDA ITEM SUMMARY

TITLE: APPROVE AB 361 RESOLUTION (A)

PRESENTED BY: AMY NORTHAM, CIRA DEPUTY GENERAL MANAGER

ISSUE:

The Board of Directors must adopt a resolution that “the state of emergency continues to directly impact the ability of the members to meet safely in person” so that REMIF may conduct remote meetings under the requirements of AB 361.

BACKGROUND:

AB 361 amends the Brown Act to allow legislative bodies of local agencies to meet remotely during state-declared emergencies under certain conditions. AB 361 was introduced to extend executive order (N-29-20) that applied to public agencies and teleconferencing during the Covid-19 pandemic.

A number of provisions of the Brown Act are suspended under AB 361. Some new rules include:

- agendas need not be posted at all teleconference locations.
- each teleconference location need not be identified in the notice and agenda of the meeting.
- each teleconference location need not be accessible to the public.
- a quorum of the members of the legislative body do not need to participate in the meeting from locations within the boundaries of the territory over which the public agency exercises jurisdiction.

Following are requirements for invoking AB 361 the first time that a public agency does so:

- there is a proclaimed state of emergency by the governor.
- and one of these circumstances must exist:
state or local officials have imposed or made recommendations for social distancing measures; or the meeting is held of the local legislative body to determine, by majority vote, that an in-person meeting would pose “imminent risks to the health or safety of attendees.”

Once invoked, legislative bodies may continue to use AB 361 if the following criteria are met:

- there is still an active state of emergency or local measures or recommendations for social distancing.
- every 30 days, the legislative body must make finding by majority vote that “the state of emergency continues to directly impact the ability of the members to meet safely in person.”

Staff recommends that the Board of Directors approve continuing to allow remote meetings as necessary since the state of emergency still exists. Governor Newsom has extended the current emergency proclamation through January 1, 2024.

FISCAL IMPACT:

None.

RECOMMENDED ACTION:

Approve adoption of resolution.

ATTACHMENT:

AB 361 Resolution.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
MAKING FINDINGS AND DETERMINATIONS UNDER AB
361 FOR THE CONTINUATION OF VIRTUAL MEETINGS**

WHEREAS, the Ralph M. Brown Act (Gov. Code § 54950 *et seq.*) generally requires local agencies meeting via teleconference, including through other virtual or electronic means to, among other things, provide public access at each location in which members of the legislative body are teleconferencing; and

WHEREAS, the Legislature recently enacted Assembly Bill 361 (AB 361), which amended Government Code section 54953 to allow local agencies to meet fully virtually, without fully adhering to the rules otherwise applicable to teleconferencing, during a proclaimed state of emergency if state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Governor issued a proclamation declaring a state of emergency on March 4, 2020 due to the COVID-19 pandemic, pursuant to section 8625 of the California Emergency Services Act, and this proclaimed state of emergency currently remains in effect; and

WHEREAS, state or local officials continue to recommend measures to promote social distancing to prevent the spread of COVID-19, and in particular, Cal-OSHA regulation 3205 recommends physical distancing in the workplace generally and regulates a “close contact,” defined as being within 6 feet of another under certain circumstances; and

WHEREAS, the continuation of virtual meetings will allow for full participation by members of the public and compliance with the recommendations of state and local officials with regard to social distancing; and

WHEREAS, the Board of Directors of the Redwood Empire Municipal Insurance Fund desires to continue to hold virtual meetings pursuant to AB 361 and Government Code section 54953(e).

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDWOOD EMPIRE MUNICIPAL INSURANCE FUND AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Board of Directors has considered the circumstances of the state of emergency.

SECTION 3. As stated in the recitals, state or local officials continue to recommend measures to promote social distancing.

SECTION 4. The Board of Directors of the Redwood Empire Municipal Insurance Fund are required to hold public meetings shall continue to meet virtually in accordance with Government Code section 54953(e) and without compliance with section 54953(b)(3), based upon the findings and determinations hereby made by the Board of Directors.

Approved at a Regular Meeting of the Redwood Empire Municipal Insurance Fund on September __, 2022, by the following vote:

Ayes:

Nos:

APPROVED:

ATTEST:

Larry McLaughlin, Board President

Amy Northam, Deputy General Manager of
CIRA



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AGENDA ITEM SUMMARY

TITLE: REMIF SELF-INSURED HEALTH PLAN

PRESENTED BY: AMY NORTHAM, CIRA DEPUTY GENERAL MANAGER

ISSUE

Changes to the REMIF self-insured health care plan (medical, dental, vision) require ratification by the Board of Directors. A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provide recommendations to the Board of Directors for ratification.

BACKGROUND

REMIF has offered a self-insured health plan since 2015. The Board of Directors has contracted with RealCare/NFP as the broker for health care and other benefits. The plan uses the Anthem Blue Cross network and is administered through a third party, HealthComp. The Plan contracts with Elixir (formerly EnvisionRx) as the Pharmacy Benefits Manager.

A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provide recommendations to the Board of Directors for consideration. The Committee recently addressed the following:

1. Renewal – Medicare Supplement Plan

The retiree medical benefits (Medicare Supplement and Prescription Drug Program) are tied to Medicare and renew on January 1st each year.

REMIF partners with wholesale broker AmWINS to purchase the REMIF Medicare Supplement and Prescription Drug Programs. United American underwrites the medical plan, and the prescription program is underwritten by Express Scripts. In addition to our current carriers (United American and Express Scripts), AmWINS had one carrier who agreed to quote the renewal, which was a 20.77% increase.

The renewal for the current carriers ranges between a 6.51% increase and a 7.04% increase. The rates are as follows:

	Current Medical/Rx	Renewal Medical/Rx	% increase
% Plan Fort Bragg	\$426.00	\$456.00	7.04%
Flat Plan Arcata, Cloverdale, Cotati, Fortuna, Lakeport, Rohnert Park, Town of Windsor	\$442.00	\$472.00	6.79%
Option B Plan REMIF Staff Office, Sebastopol, Sonoma, Ukiah	\$553.00	\$589.00	6.51%

Cities not participating: Eureka, Healdsburg, St. Helena, Willits

The Health Care committee recommends the REMIF Board of Directors renew with United American and ESI.

2. Waiver of copay on telehealth

Earlier this year, President Biden signed The Consolidated Appropriations Act of 2022, which included a provision to extend the safe harbor that allows a high deductible health plan to cover telehealth/telemedicine services pre-deductible, starting April 1st, 2022 through December 31st, 2022, without jeopardizing HSA eligibility. The extension is voluntary and not mandated.

Previous guidance under the 2020 CARES Act and Notice 2029-29 had allowed telehealth/telemedicine pre-deductible; however, the guidance reinstated the requirement to charge cost sharing for telehealth/telemedicine services beginning with plan years that began after December 31st, 2021.

As such, the extension will go through December 31st, 2022.

3. Upcoming issues

The Health Care Committee is actively working on a few projects. They are working on updating the SPDs (summary of plan descriptions), exploring extending the EPO plans to apply out of state, and the viability of a wellness plan. **FISCAL IMPACT**

None.

RECOMMENDED ACTIONS

The Health Care committee recommends the REMIF Board of Directors renew with United American and ESI for the Medicare Supplement and Prescription Drug Program.

ATTACHMENTS

None.



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AGENDA ITEM SUMMARY

TITLE: PERS LIABILITY

PRESENTED BY: AMY NORTHAM, CIRA DEPUTY GENERAL MANAGER

ISSUE/BACKGROUND:

In recent years several public entities, including Joint Powers Authorities, have defaulted on their obligation to CalPERS after dissolving or terminating their contract with the retirement plan. As a result, these entities' employees' retirement benefits were significantly reduced. Legislation was passed to ensure retirement benefits are fully funded to protect employees and retirees. The law requires a Joint Powers Authority to develop an allocation plan to fund the Authority's pension liability should the organization dissolve or no longer participate in the CalPERS retirement plan. The CIRA Board of Directors adopted an "Agreement for Apportionment of Retirement Obligations and Resolution Establishing Procedures for Disposition of Real Property" to be signed by all members. The agreement stipulates that the proceeds from the sale of the building first be applied to any unfunded retirement liability.

Article XV.B. of the CIRA JPA Agreement states: *"The debts, liabilities or obligations incurred by either the PARSAC or the REMIF prior to the effective date of this Agreement shall not constitute the debts, liabilities or obligations of the other"*.

Article XII.D. of the CIRA JPA Agreement states: *"As soon as administratively feasible after the Effective Date, the Members of the Authority shall agree on the method of apportioning the CalPERS retirement obligations of the Authority in the event of a default event as defined by Government Code Section 6508.2. Until such time, and in the event of a default event, the terms of the Public Agency Risk Sharing Authority of California (PARSAC) Agreement for Apportion of Retirement Obligations dated May 25, 2017, and attached hereto as Exhibit "C", shall apply with respect to all Members of the Authority."*

As of June 30, 2020, CalPERS estimates REMIF's termination liability is \$9,817,804 (based on a .75% investment return) or \$6,962,665 (based on a 2.50% investment return). The adopted Agreement for Apportionment of Retirement Obligations stipulates that members agree that all current and former CIRA members shall fund 100% of CIRA's retirement liability. The allocation is based on a pro-rata share of historical premiums in the Liability and Workers' Compensation programs.

In May of 2022, REMIF sold the building located at 414 W. Napa Street, Sonoma, CA 95476, and the final distribution of funds to REMIF as a result of the sale was \$2,325,472.81.



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At the September 2022 Board of Directors meeting, staff was directed to explore a 115 Trust and return to a subsequent Board of Directors meeting with a recommended approach. In addition, staff was directed to have an actuary review the aspects of the unfunded liability to determine if some pieces should be paid off now (and invest the rest).

PARS has developed the PARS Post-Employment Benefits Trust Program to help public agencies address and manage their pension liability. Through an IRS-approved program, PARS will provide REMIF with the necessary services required to pre-fund pension and retiree health care liabilities. The program has been established as a multiple employer trust so that public agencies, regardless of size, can join the program to receive the necessary economies of scale to keep administrative fees low and avoid setup costs. Funds are set aside in an irrevocable trust that creditors cannot access. The trust permits REMIF, under federal and state law, to invest in a more diversified array of investments to maximize long-term investment returns and reduce REMIF's overall liabilities.

Expected benefits offered by the PARS Post-Employment Benefits Trust program include:

- Contributions placed in an exclusive benefit trust could address REMIF's future pension liabilities
- Investment flexibility with Section 115 Trust compared to restrictions on CalPERS CEPPT Fund and CREBT Fund.
- Increased risk diversification of plan assets

PARS has over thirty-five years of experience and is recognized as an industry leader. PARS currently has over 400 members participating in Section 115 Trust Program, 213 of which are public agencies. PARS has established quite a few 115 Trust programs with CIRA members, so there is some comfort and familiarity with our program. These members include but are not limited to the City of Rancho Cucamonga, City of Healdsburg, City of Placentia, City of Fort Bragg, City of Rohnert Park, City of Twentynine Palms, Town of Yountville, and Town of Yucca Valley. PARSAC also has a PARS Trust.

To participate in the program, the REMIF Board of Directors must adopt a resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS).

Staff will be working with an actuary (Bartel and Associates) to provide recommendations to the Board of Directors if some pieces of the unfunded liability should be paid off now (and invest the rest).

REMIF has an investment policy for the organization's assets and an investment policy for the OPEB fund. Staff recommends that the Board of Director's direct staff work with PARS and



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investment advisors to create an investment policy for the 115 Trust. Staff will work with the Finance Committee in developing the policy.

FISCAL IMPACT:

\$2,325,472.81 to be applied to REMIF's unfunded retirement liability.

RECOMMENDED ACTION:

Adopt a resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS).

Direct staff to work with the REMIF Finance Committee and PARS in creating an investment policy.

Direct staff to enter into an administrative agreement with PARS.

ATTACHMENTS:

Resolution.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS, the Redwood Empire Municipal Insurance Fund ("REMIF") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, REMIF's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, REMIF's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, REMIF reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective __November 1, 2022__; and
2. The Board of Directors hereby appoints the President of the Board of Directors, or his/her successor or his/her designee as REMIF's Plan Administrator for the Program; and
3. REMIF's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of REMIF and to take whatever additional actions are necessary to maintain REMIF's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer REMIF's Program.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF PLACER

_____, the Secretary of the Board of Directors of the Redwood Empire Municipal Insurance Fund, State of California, hereby certifies that the above foregoing resolution was duly and regularly adopted by REMIF at a regular meeting thereof held on __October 6, 2022__ and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2022.

Secretary of the Board