



**FAIRA BOARD & EXECUTIVE
BOARD SPECIAL MEETING
May 8, 2023**



FAIRA Key Contacts

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FAIRA MEETING CALENDAR 2023

MEETING DATES	TIME	MEETING	LOCATION
Monday, June 12, 2023	9:30 a.m.	Annual Board Meeting	San Diego Gallagher Office 3655 Nobel Dr. Suite 450 San Diego, CA 92122
Monday, September 11, 2023 AS CALLED ON BY THE BOARD PRESIDENT	TBD	Board and Executive Meeting	TBD
Monday, December 11, 2023 AS CALLED ON BY THE BOARD PRESIDENT	TBD	Board and Executive Meeting	TBD
Monday, March 11, 2024	TBD	Board and Executive Meeting	TBD

*All dates and meeting venues are subject to change as directed by the President of the Board

President

Chief Criss Brainard
San Miguel Consolidated FPD
Spring Valley, CA

Director

**Assistant Chief
Ryan McIntosh**
Central Lyon County FPD
Dayton, NV

Director

Ken Musso
South Placer FPD
Granite Bay, CA

Vice President

Chief Don Butz
Lakeside FPD
Lakeside, CA

Director

Chief Mike Sims
Bonita-Sunnyside FPD
San Diego, CA

Director

Chief Howard Wood
Vacaville FPD
Vacaville, CA

Treasurer

Vacant

Director

Chief Jason Gibeaut
Northstar CSD
Truckee, CA

Director

Chief George Nunez
Aromas Tri-County FPD
Monterey, CA

Secretary

Chief Dustin Hail
Fresno FPD
Sanger, CA

Director

Chief Brian Boggeln
Alpine FPD
Alpine, CA

Elected Executive Board Member

Rhonda Haynes
Orange County Fire Authority
Irvine, CA

Director

Vacant



1 Call to Order and Determination of a Quorum

Call to Order and Determination of a Quorum

2 Confirmation of Agenda

NOTICE AGENDA OF THE FIRE AGENCIES MEETING OF THE BOARD

May 8, 2023 at 3:00 p.m.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

This meeting will be conducted in a manner that protects the statutory and constitutional rights of the parties or public appearing before the FAIRA Board of Directors. The Fire Agencies Insurance Risk Authority (FAIRA) will hold the Board Meeting on Monday May 8, 2023.

This meeting will be accessed by the Directors of the FAIRA Board at the following locations:

1001 Commonwealth Drive, Kings Beach, CA 96143

1364 Tavern Road, Alpine, CA 91901

210 S. Academy Ave, Sanger, CA 93657

6900 Eureka Rd, Granite Bay, CA 95746

Telephonic meeting instructions are as follows:

Microsoft Teams

Meeting ID: 226 802 967 322

Passcode: QdMvhS

Call In (Audio Only)

+1 323-694-9686,,847182426# United States, Los Angeles

Phone Conference ID: 847 182 426#

AGENDA

1	<i>Call to Order and Determination of a Quorum</i>	5
2	<i>Confirmation of Agenda</i>	6
3	<i>Public Comment</i>	8
	Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda. --	8
	This portion of the Agenda may be utilized by any person to address the Board of Directors' on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the Agenda for a future meeting. Speakers are limited to three (3) minutes.	8
4	<i>Broker's Report</i>	9
4.1	2023-2024 Insurance Renewal (Susan Blankenburg & Natalie Bates)	9
	Consideration and Possible Action	9
5	<i>General Manager's Report</i>	10
5.1	New Program Structure (Susan Blankenburg)	10
	Consideration and Possible Action	10
5.2	2023 Annual Education Forum Sponsorship (Tay Gonzalez)	11

Receive and File ----- 11

6 Financial Report-----12

6.1 2023-2024 Budget (Zack Phillips) ----- 12
 Consideration and Possible Action ----- 12

7 Closed Session Conference with Legal Counsel -----13
 The Board may enter into closed session at this time.----- 13

7.1 Potential Litigation. [Government Code § 54956.9(b)] ----- 13

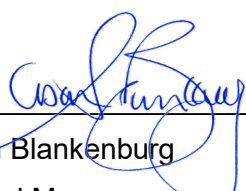
7.2 Pending Litigation. [Government Code § 54956.9(a)] ----- 13

7.3 FAIRA Claims and Loss Reports----- 13
 The above matters described on the agenda may be held in closed session as a conference with counsel under the provisions of Government Code § 54956.9 (a) and (b). If closed sessions are held, a report of actions subject to disclosure will be made by the Authority’s Counsel upon return to open session respectively. ----- 13

8 Other Business -----14
 Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act. ----- 14

9 Correspondence and Informational Items-----15

10 Adjournment-----16
 I certify that this Authority Agenda was posted and sent by email to all Members of the Authority 72 hours before the noted meeting.----- 16



 Susan Blankenburg
 General Manager

Date: May 8, 2023

FAIRA, in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to disability, to please contact the General Manager at 415-536-4005 at least two (2) business days prior to the scheduled meeting to ensure that the Authority may assist you. Others with questions concerning this Agenda please contact the General Manager at 415-536-4005.

3 Public Comment

Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda.

This portion of the Agenda may be utilized by any person to address the Board of Directors' on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the Agenda for a future meeting. Speakers are limited to three (3) minutes.

4 Broker's Report

4.1 2023-2024 Insurance Renewal (Susan Blankenburg & Natalie Bates)

The purpose of the special meeting was to set rates earlier than the annual meeting, allowing Staff to provide members with renewal premiums. Most importantly, we will have time to alert members to significant premium increases for years when the marketplace delivers significant rate increases.

Forecasts for the coming year are as follows:

For this year's renewal, EPL claims continue to grow, and pricing for wildfire coverage for property is at an all-time high. This is a growing concern for all carriers.

Gallagher reviews options each year to:

- Remain in the current package policy that we have through JPRIMA.
- Go into an SIR program where a separate policy is needed for Liability, Property, Auto Physical Damage, Crime, and Cyber. (Crime and Cyber are included as part of the package at no cost.)

A report from Natalie Bates will be presented, providing a review of the effort in the marketplace. The insurance proposal is being finalized and will be presented during the meeting. If it is finalized prior to Monday's meeting, a copy will be sent.

Consideration and Possible Action

5 General Manager's Report

5.1 New Program Structure (Susan Blankenburg)

We have been granted one last renewal from JPRIMA. They have three, possibly four EPL claims that will exceed their \$1 million limit. JPRIMA provides FAIRA with full service that includes full claims handling. If we were to pay a third-party claims administrator, it would cost us approximately \$150,000 - \$200,000 per year.

Options for securing coverage on a Self-Insured basis will require the following:

- Finalize Memorandum of Coverage to be used for FAIRA's Liability Reinsurance
- Reviewing the policy form proposed by Safety National
- Hiring of a Third Party Claims Administrator
- Select Attorneys
- Secure a claims auditor for annual audit

With the best option for our second Liability layer coming from Safety National, being self-insured is required. The primary liability layer with JPRIMA will act as a buffer layer, attaching at \$1,500,000 and serving as reinsurance for what Safety National will view as protection for FAIRA's self-insured retention. For the 23/24 term we will have a hybrid program with a portion of the claims handled by Homesite's internal claims team at no cost. TPA options, such as Safety National and Munich, will be adjusted by whichever one is secured.

Over the course of the 2024/2025 we will be analyzing:

- Stand-alone coverage and/or higher SIRs for members with adverse frequency and/or severity.
- The current panel of attorneys for EPL and others.
- Create short-and long-term plans to mitigate employment Issues
- Send an email to members alerting them of the trend in the marketplace, if overall increase are in excess of 25%.

Consideration and Possible Action

5.2 2023 Annual Education Forum Sponsorship (Tay Gonzalez)

FAIRA was approached by the Administrative Fire Services Section (AFSS) of the Cal Chiefs Association with an opportunity to sponsor their Annual Education Forum. The Board approved a sponsorship donation of \$2,500. Unfortunately, by the time we confirmed approval, we had missed the deadline to submit the FAIRA logo and information. The purpose of the new sponsorship was to get FAIRA additional name recognition.

Tay Gonzalez will calendar this for the next scheduled meeting on June 12th.

Receive and File

6 Financial Report

6.1 2023-2024 Budget (Zack Phillips)

The Budget projections for fiscal year 2023-2024 have been prepared with two sets of three scenarios. The first set is limited to renewing members. The second set includes the addition of Sacramento Metropolitan Fire District (Sac Metro). The differences between each of the three scenarios are:

- a) Actuarial 75% Confidence for funding aggregate deductible, with minimal cyber coverage per expiring
- b) Actuarial 75% Confidence for funding aggregate deductible, with broad cyber coverage
- c) Actuarial 80% Confidence for funding aggregate deductible, with broad cyber coverage

For FAIRA members, after changes in exposures and loss experience, premiums are projected to have an average increase of approximately 23%, 26.5% or 28.5%, respective to the three scenarios. With the addition of Sac Metro, subject to changes in exposures and loss experience, the premium increases are approximately 13%, 16%, or 16%, respectively.

Consideration and Possible Action

7 Closed Session Conference with Legal Counsel

The Board may enter into closed session at this time.

7.1 Potential Litigation. [Government Code § 54956.9(b)]

7.2 Pending Litigation. [Government Code § 54956.9(a)]

7.3 FAIRA Claims and Loss Reports

The above matters described on the agenda may be held in closed session as a conference with counsel under the provisions of Government Code § 54956.9 (a) and (b). If closed sessions are held, a report of actions subject to disclosure will be made by the Authority's Counsel upon return to open session respectively.

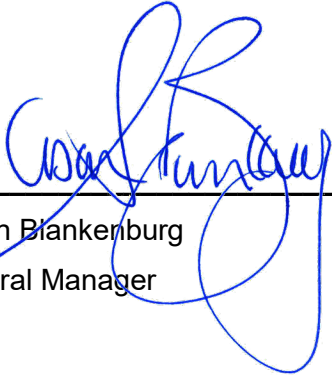
8 Other Business

Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.

9 Correspondence and Informational Items

10 Adjournment

I certify that this Authority Agenda was posted and sent by email to all Members of the Authority 72 hours before the noted meeting.



Susan Blankenburg
General Manager

Date: May 8, 2023

