

The Californian

The Quarterly Newsletter of



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REGISTRATION NOW OPEN
2018 ANNUAL CONFERENCE

October 16, 2018 6:00 pm President's Reception
October 17-18, 2018 Seminar & Exhibits



NEW FOR 2018

The Awards Dinner will take place on Wednesday night.
Please make plans to attend this special event
honoring our California security professionals.

For the first time we are offering a session dedicated to
tackling the multi-faceted topic of cannabis in California.
This is one session you won't want to miss!

AS ALWAYS we strive to bring you
the most relevant
information to help you run your business as efficiently
and productively as possible!

Session topics include: Legal Update Affecting the
California Security Industry, Legislative Update,
Terrorism 101, Human Resource Challenges, The Business
of Worker's Compensation and General Liability, BSIS
Update, Candidate Sourcing and Recruitment and more.

Click here to view the schedule
Sponsor and vendor opportunities are still available!

CALSAGA

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PRESIDENT'S REPORT

David Chandler,
CALSAGA President

Welcome to the second installment of The Californian!

This edition is packed with important and relevant information for operating your business in California.

We just wrapped up the successful events Managing Private Security (formerly PPO 101) and Growing Your Private Security Company (formerly PPO 102) in both Sacramento and Orange County. Our board elected to update the names of those management training programs to better explain the scope of the programs. These events are applicable to those who are just applying for their PPO license as well as industry veterans!

We have even had individuals attend those events multiple times who have told us that they've gathered new information each time they attend. I hope that you will make plans to attend when we hold those events in August in San Jose and in November in Southern California. Location details and tickets will be available soon. Additionally, our biggest event of the year, the CALSAGA Annual Conference, is only five short months away! This year we'll have new speakers as well as new vendors. You won't want to miss it.

As always, I appreciate the opportunity to serve as your CALSAGA President. Membership in the association is growing which provides us with additional capabilities as an organization. Thank you for your continued membership and your desire to see our industry advanced.



Executive Director Roy Rahn and CALSAGA President David Chandler at the 2017 Awards Dinner

BSIS UPDATE

Roy Rahn, Executive Director



As you may know, the BSIS Chief Laura Alarcon has announced her upcoming retirement. We appreciate Chief Alarcon's service to our industry and wish her the best.

The position of BSIS Chief is an appointment by the governor; Governor Brown's office has posted the position and has begun the search for qualified candidates. We will keep you apprised of the situation.

In our last newsletter, we informed you of upcoming BSIS fee increases for the first time in 15 years. Those fees are scheduled to take effect on July 1, 2018. The bureau has also updated their renewal and reinstatement applications to include the new fees. The updated applications are available on the BSIS website. Please note that if your expiration date is before July 1, 2018, the current renewal or reinstatement fee will apply. However if your expiration date is after July 1, 2018, the new renewal or reinstatement fee will apply even if you pay the renewal fee before July 1, 2018.

[Click here](#) to review specific fee increases and for links to updated renewal and reinstatement applications.

REGULATION CORNER

David Chandler, CALSAGA President

Did you know?

The California Code of Regulations is very specific concerning certificates for security officer training modules.

Division 7 of Title 16 Section 7583 of the California Code of Regulations:

The certificate shall identify the course(s) taken, the number of hours of training provided, identification of the issuing entity, name of the individual and instructor and a date, and state that the course(s) comply with the Department of Consumer Affairs' Skills Training Course for Security Guards. The certificate shall be serially numbered for tracking.

Please make sure that all certificates that you are accepting from employees and that you are issuing to officers comply with all requirements.

Included as a benefit of membership, CALSAGA members have access to the CALSAGA Training Database. The database allows trainers to track officer's training and to generate compliant certificates. [Click here](#) to learn more about the database and how you can get started using it today!

2019 WORKERS COMPENSATION- THE FIRST \$250 OF EVERY CLAIM IS EXCLUDED

Shaun Kelly, Tolman & Wiker,
CALSAGA Preferred Broker



Employers in California will be receiving some relief on their Workers Compensation Experience Modifications in 2019. The Workers Compensation

Insurance Rating (WCIRB) will be eliminating the first \$250 of each claim, before the calculation of an employers' experience modification in 2019. The rationale behind the change is as follows:

- Increase the reporting of all claims (Including First Aid) to obtain credible information on injury and accident experience.
- Eliminate disincentives to reporting claims which will enable insurance carriers to improve their ability to manage claims.
- Improve healthcare to employees, by giving employers an incentive to file first aid claims.
- The change will benefit the employer by lowering their experience modification, however the effect overall will be modest for employers. So, please do not expect significant reductions.



Here are some "Frequently Asked Questions" that were published on the WCIRB website regarding the change:

How does the \$250 loss exclusion work?

Under California's Experience Rating Plan only the amount of each of your claims, up to your primary threshold, is used in the experience modification computation. With the \$250 loss exclusion, that amount is reduced by \$250. For example, if you have a \$10,000 primary threshold and a single claim of \$5,000. The amount used in the experience modification computation is \$4,750. If you have a single claim of \$15,000 the amount used in the experience modification computation is your primary threshold (\$10,000) less \$250, or \$9,750.

Is the first \$250 excluded from all claims?

Yes, any claim incurred against policies incepting during the experience period for your 2019 experience modification, which include 2015, 2016 and 2017 policies, will be used in the experience modification computation at \$250 less than its reporting value.

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“HOW MUCH YOU MAKING?” -- FIGHTING WORDS IN THE 9TH CIRCUIT AND CALIFORNIA

Barry A. Bradley, Esq. & Lindy Bradley, Esq., Bradley & Gmelich,
CALSAGA Network Partner



The Rizo Case: The full bank of Appellate Justices, in a recent federal Ninth Circuit Court of Appeals case, Aileen Rizo vs. Yovino (April 9, 2018), unanimously ruled that employers may no longer consider an employee’s prior salary history, either alone or combined with other factors, to justify gender-based pay disparities.

Ms. Rizo, a math teacher, filed a lawsuit against her employer when she discovered that her employer had recently hired another math consultant at a salary which was roughly \$13,000 greater than her own, despite the fact that she had more experience and education than the new hire. She alleged that the Fresno County Superintendent of Schools (Yovino), violated the federal Equal Pay Act by improperly setting the salary of employees based on adding 5% to a new hire’s prior salary. When she addressed the disparity in pay with her employer, she was told that her own lesser pay was based on her prior salary, following which she filed a lawsuit.

The ruling, written by (now deceased) Justice Stephen Reinhardt, held that allowing employers to consider prior salaries in setting pay is “wholly inconsistent” with the 1963 federal Equal Pay Act. Justice Reinhardt’s ruling notes that “[T]he financial exploitation of working women embodied by the gender pay gap continues to be an embarrassing reality of our economy.” The federal Equal Pay Act bars wage disparity except in cases of seniority, merit, quantity or quality of production or “any other factor other than sex.”

Effect on California Businesses: The Ninth Circuit’s ruling applies to nine Western states, including California.

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REMINDER to all SECURITY COMPANIES: California Labor Code §201.3 requires that security officers employed by licensed private patrol operators who are assigned to work for a client be paid weekly, regardless of when the officer’s assignment ends.

PPO 101 is now:
Managing Private Security
PPO 102 is now:
*Growing Your
Private Security Company*

New names, same great
management training programs!
Additional learning opportunities for 2018

San Jose, CA - August 2018

Southern CA - November 2018

Location details and
registration available soon.

INDEMNITY – ARE YOU AN INSURANCE COMPANY?

**Nick Langer, Turner Surety &
Insurance Brokerage, Inc.,
CALSAGA Network Partner**

Everyday your private security company performs service for its clients. As owners, executives and managers we have expectations of our employees... appearance, behavior, dependability, etc. Your clients, naturally, have expectations of your security company as well. Frequently there are misunderstandings between your clients' perceived expectations of your company's services and the actual services provided by your company. Most successful security providers invest much time and resources into meeting or, better yet, exceeding their clients' expectations. While client satisfaction is important in the success of your company, your contractual obligations to your client as defined in your contract or service agreement are paramount in the protection and longevity of your security company. Fully understanding your contractual obligations and duties and what type of risk your company is assuming under the contract should be thoroughly analyzed before executing any contract or service agreement.

I must preface the remainder of this brief by making it clear that implementing or executing your security company's own contract or service agreement with its clients can create the most favorable contractual relationship for your company.... assuming an attorney has helped draft it. With that being said, it is very common for most clients to require you, the security provider, to sign their contract. In analyzing a typical contract you'll come across various elements establishing duties, responsibilities, etc. Clearly all of these obligations are important in understanding the intentions of the contract or most specifically the requirements of the contracting parties (your company and your client). All elements of a contract are relevant, however the Indemnity/Indemnification/Hold Harmless contract language should be examined in great detail. Before diving into the Indemnity language of the contract, it is important to understand "why" this contract between you and your client is being implemented in the first place. The short answer is "risk transfer." YES, your client has transferred their risk onto your security company the moment your company begins, or agrees to begin, providing security services to them.

**CLICK HERE TO CONTINUE
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THE MOST COMMON MYTHS OF WORKPLACE VIOLENCE

Allison Young, BLine

Our country has seen an increase in violence, across the gamut, from schools to restaurants to, yes, even the workplace. It is a topic companies and employees don't want to talk about. However, to prevent workplace violence it is absolutely necessary to open up the conversation. Rather than ignore certain behaviors and/or pretending inappropriate/violent comments haven't been made, companies need to train their employees to pay attention and report them.

Myth: Violence in the workplace is rare.

Reality: Workplace violence accounts for approximately 1,000 homicides annually. However, assault is often more likely to take place than homicide. This includes sexual assault, rape, assault and robbery. Perpetrators are not armed in four out of five violent confrontations in the workplace. In the case of sexual assault, for instance, an employee may be victimized more than once, especially if the offender is a superior.



Fear of losing the job or being ridiculed often compels an employee to keep silent.

Myth: Metal detectors and a security guard ensure the prevention of violence in the workplace.

Reality: None of these security measures help to prevent violent acts from internal sources, such as those who have access to a company or organization. This would include those who are known to a company as a former or current employee, acquaintances, friends and family members of former or current employees. Case histories have shown it is easy for these people to gain access to the workplace even with metal detectors and/or a security guard.

Myth: Workplace violence is completely unpredictable.

Reality: Employees at high risk of turning violent can be identified if coworkers and managers take note of observable behavior and assess typical actions and statements

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TOP HIRING METRICS TO MONITOR FOR HIGH TURNOVER INDUSTRIES

**Kwantek Team,
CALSAGA Network Partner**

Your hiring process should be methodical, well-calculated, and driven by data, especially if you're in a high turnover industry. Whether or not you use applicant tracking software, it is critical to maintain a well-documented process that will track these two core metrics: applicants to offer and time to hire.

These two metrics are the most important for high turnover industries, but there are several leading indicators that will let you know why they are what they are. When you're hiring frequently, you are spending a lot of time and money. It is therefore imperative to make sure your process is efficient and you're hiring the right people. Here are the top metrics to monitor.

Applicants to Offer

This metric will show you one of two things. First, it will tell you the quality of your applicant source. If you have an applicant source that is producing a high number of applicants but they aren't converting to offers, evaluate whether you should continue your efforts with that applicant source.

Second, it will tell you how selective you're being in the screening process. If the number is low, you'll know you either have a poor applicant source or you're being too picky. Many times, simple, non-character related blank spots on a candidate's resume can be an automatic disqualifier. Evaluate whether or not these pre-requisites, such as a high school diploma or a guard card can be negotiable. Monitor the following metrics as a percentage to ensure your applicant sources are producing good candidates and there are no roadblocks impeding the flow of candidates through your hiring process.

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PPO 101 in Sacramento, February 2018

A BUY-SELL AGREEMENT?

Harold A. Laufer, Esq., Bradley & Gmelich

When a business has at least two owners, it's important that the owners have some form of "partnership" agreement between them. This document is sometimes called a Buy-Sell, a Shareholders Agreement if a corporation, and an Operating Agreement if an LLC.

You can address many potential issues, or just a few in the agreement. Some of the most frequent topics addressed are: 1) restricting the right of an owner to transfer his or her ownership to an outsider, without offering the equity first to the company; 2) how to handle death, disability, termination of employment (voluntary or involuntary) of an owner; 3) how to handle decision deadlocks between owners; and 4) how to value an owner's equity if a buy back is going to occur

Having a Buy-Sell Agreement allows the business owners to know in advance how each of these circumstances will be handled, rather than some important event occurring with no one knowing exactly how to respond.

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Confused about
the recent
California
Supreme Court
decision
regarding
overtime pay?
Click
here for more
clarification.