



**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
LINCOLN CITY HALL, LINCOLN, CA
APRIL 16, 2014**

MEMBERS PRESENT

Juanita Barnett, City of Anderson
Dylan Feik, City of Auburn
Michelle Pellegrino, City of Dixon
Bruce Cline, City of Folsom
Paula Islas, City of Galt
Dave Andres, City of Ione
Michael Daly, City of Jackson
John Lee, City of Lincoln
Corey Shaver, City of Nevada City

Liz Ehrenstrom, City of Oroville
Sandy Ryan, City of Red Bluff
Russell Hildebrand, City of Rocklin
Gina Will, Town of Paradise
Dave Warren, City of Placerville
Tim Sailsbery, City of Willows
Natalie Walter, City of Yuba City
Spencer Morrison, City of Yuba City

MEMBERS ABSENT

Jeff Kiser, City of Anderson
John Brewer, City of Corning
Toni Benson, City of Colusa

Brad Koehn, City of Elk Grove
Satwant Takhar, City of Marysville
Tim Chapa, City of Rio Vista

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Henri Castro, Bickmore
Tom Kline, Bickmore

Jennifer Nogosek, York Risk Services
Ben Burg, York Risk Services
Dori Zumwalt, York Risk Services
James Marta, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 11:28 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Liz Ehrenstrom

SECOND: Natalie Walter

**MOTION CARRIED
UNANIMOUSLY**



D. CONSENT CALENDAR

1. Board Meeting Minutes – January 8, 2015
2. Investment Reports
 - a. Chandler Asset Management Short/Long Term – February 2015
 - b. LAIF Report as of December 31, 2014
 - c. Treasurer's Report as of December 31, 2014
3. Check Register at December 31, 2014

A motion was made to approve the Consent Calendar.

MOTION: Liz Ehrenstrom

SECOND: Natalie Walter

**MOTION CARRIED
UNANIMOUSLY**

E. MINUTES AND REPORTS

1. Police Risk Management Committee Meeting Minutes – February 5, 2015 (Draft)

There was no discussion.

F. ADMINISTRATION REPORTS

F1. President's Report

Russell Hildebrand had no items to report but mentioned that the NCCSIF website needs to be updated with the most current information. Michelle Minnick from Alliant Insurance Services mentioned that she has been working with IT to get updates to the website finalized. Michelle confirmed with IT and noted the recent changes to the website have been posted and includes the following updates:

- Program Tab
 - Agendas—website now includes the most current agendas
 - Calendar—website now includes the current FY meeting calendar
- Members Tab
 - The Program Manual has been updated and posted for the FY 2014/15
 - Minutes—website now includes the most current minutes (and for the last 6 years) posted
 - Actuarial Studies—website now includes the most current Actuarial Studies
 - Financials—website now includes the most current Financial Reports

Michelle Minnick noted that she is still working with IT to get more content posted to the website and asked the Executive Committee to submit suggestions about other content they would like to see on the website. Paula Islas noted that she was able to obtain a copy of the current agenda from the NCCSIF website with no troubles.



F2. Program Administrator's Report

Marcus Beverly noted that Alliant is still seeking a replacement for Johnny Yang's position and interviews are being conducted next week.

F3. Executive Committee Reportable Actions

There was no discussion.

G. FINANCIAL REPORTS

G1. Quarterly Financial Report for Period Ending December 31, 2014

Jim Marta presented the Board of Directors with the Quarterly Financial Report for Period Ending December 31, 2014. Jim indicated that the Liability Shared Risk Layer is still in a deficit and this should be addressed soon by the Board of Directors but also noted that the Liability Banking Layer is still in a favorable position.

A motion was made to accept and file the Quarterly Financial Report for the period ending December 31, 2014.

**NOTE: The Executive Committee voted on Items G1. Quarterly Financial Report for Period Ending December 31, 2014 and Item G2. Budget to Actual as of December 31, 2014 Update in the same motion.*

MOTION: Tim Sailsbery

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

G2. Budget to Actual as of December 31, 2014 Update

A motion was made to accept and file the Quarterly Financial Report for the period ending December 31, 2014.

**NOTE: The Executive Committee voted on Items G1. Quarterly Financial Report for Period Ending December 31, 2014 and Item G2. Budget to Actual as of December 31, 2014 Update in the same motion.*

MOTION: Tim Sailsbery

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H1. Actuarial Review of the Self Insured Programs

H1a. Actuarial Review of the Self Insured Programs - Workers' Compensation Program

Marcus Beverly provided the Board of Directors with a review of the FY 2014/15 Actuarial Studies for the Workers' Compensation program. He explained the rates remained flat but due to the fact that last year's actuarial studies' losses included 4850, there was truly an increase from



the prior year. Marcus Beverly also noted that the Banking Layer rates have gone down and also mentioned that the Shared Layer is still healthy but it should be an item of focus to ensure the trend stays the same. Marcus Beverly stated there is more predictability in the Banking Layer in that it is relatively flat and consistent as compared to the Shared Layer. In the Shared Layer there is more variation and the trend is not looking good as the rate is increasing.

A motion was made to accept the Actuarial Review of the Self Insured Programs- Workers' Compensation Program and request a final report.

MOTION: Bruce Cline

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

H2. Actuarial Review of the Self Insured Programs - Liability Program

Marcus Beverly provided the Board of Directors with a review of the FY 2014/15 Actuarial Studies for the Liability program. He advised that both the Shared Layer and the Banking Layer funded at the 80% confidence level and that there is a deficit in the Shared Layer and surplus in Banking Layer.

A motion was made to accept the Actuarial Review of the Self Insured Programs- Liability Program and request a final report.

MOTION: Bruce Cline

SECOND: Tim Sailsbery

**MOTION CARRIED
UNANIMOUSLY**

H2a. Distribution of CJPRMA refund

Marcus Beverly advised that NCCSIF will be receiving a refund of \$251,186. He explained the CJPRMA refunds in the future will continue to decrease going forward. Staff recommends that due to the Liability Shared Risk Layer deficit, this year's entire CJPRMA refund should be distributed (\$251,186) toward the \$600,000 assessment to the Liability Shared Risk Layer. Russell Hildebrand indicated that the Executive Committee recommends applying the CJPRMA refund amount (\$251,186) toward the \$600,000 assessment.

A motion was made to apply the entire CJPRMA refund amount of \$251,186 toward the \$600,000 assessment.

MOTION: Liz Ehrenstrom

SECOND: Natalie Walter

**MOTION CARRIED
UNANIMOUSLY**

H2b. Annual Banking Plan Adjustments

Jim Marta presented the Annual Banking Plan Adjustments and recommended that refunds for members in a positive position should be limited to 35% to help relieve the stress on the pool in the Banking Layer and mentioned that if you have funds available the member is not required to



take any of the refund. Jim Marta also recommended that the policy regarding assessments be revised and calculated at one-third of the deficit rather than the current 20%. He also noted that the policy indicates that if the amount is less than \$10,000 then that member city will be assessed the entire balance.

Russell Hildebrand mentioned there are currently \$280,790 in refunds available and \$181,502 in assessments and also noted that the Executive Committee recommends approval of the adjustments.

****NOTE: At this point the Board of Directors requested a review of Item H2c. Annual Shared Risk Plan Fund Adjustment prior to making a motion on Item H2b. Annual Banking Plan Adjustments***

After a review of Item H2c. Annual Shared Risk Plan Fund Adjustment and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to accept and implement adjustments as recommended.

MOTION: Bruce Cline

SECOND: Tim Sailsbery

**MOTION CARRIED
UNANIMOUSLY**

H2c. Annual Shared Risk Plan Fund Adjustments

Marcus Beverly indicated that the Shared Risk Layer is in a deficit and staff is not recommending a refund at this time. Marcus Beverly also recommended that we continue with the \$600,000 assessment based upon historical deposits over the last fourteen years.

Marcus Beverly also mentioned that the Net Assessment for NCCSIF is \$348,814. Russell Hildebrand noted that the Executive Committee recommends approval.

****NOTE: At this point the Board of Directors requested a review of Item H2d. Preliminary FY 15/16 Deposit Premium Calculations prior to making a motion on Item H2c. Annual Shared Risk Plan Fund Adjustments***

After a review of Item H2b. Annual Banking Plan Adjustments and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to continue with the \$600,000 assessment which would be offset by the CJPRMA refund.

MOTION: Dave Andres

SECOND: Bruce Cline

**MOTION CARRIED
UNANIMOUSLY**

H2d. Preliminary FY 15/16 Deposit Premium Calculations

Marcus Beverly presented the Board of Directors with two funding options- the 65% Confidence Level (CL) as compared to 67.5% Confidence Level (CL) which was requested by the Executive Committee at the last meeting.



- Total funding at a 65% Confidence Level (CL) for FY 15/16 is estimated at \$4,490,547, compared to \$4,277,805 for FY 14/15, an increase of 5%.
- Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$4,598,242, an increase of 7.5%.

Marcus Beverly mentioned that the total would be offset by \$110,517 from administration budget savings and reminded the Board of Director that member increases are capped at 25%. Marcus Beverly also noted that the Risk Management Committee is considering recommending a proposal for Sewer Loss Prevention of up to \$75,000, and if the Board of Directors later chooses to approve funding then the preliminary budget numbers would change.

After a review of Item H2b. Annual Banking Plan Adjustments, Item H2c. Annual Shared Risk Plan Fund Adjustment and Item H2d. Preliminary FY 15/16 Deposit Premium Calculations a motion was made to approve the 67.5% Confidence Level (CL).

MOTION: Tim Sailsbery

SECOND: Bruce Cline

**MOTION CARRIED
UNANIMOUSLY**

H3. Workers' Compensation Program

H3a. Annual Banking Plan Adjustments

Jim Marta presented the Board of Directors with the Annual Banking Plan Adjustments and indicated that members are currently only assessed 20% of their deficit. Russell Hildebrand indicated that the Executive Committee recommends the adjustments as presented, with a total of \$765,299 in refunds and \$399,562 in assessments.

A motion was made to approve adjustments as presented.

MOTION: Gina Will

SECOND: Mike Daly

**MOTION CARRIED
UNANIMOUSLY**

H3b. Annual Shared Risk Plan Adjustments

Marcus Beverly advised there is a refund available of \$1,132,829 and is recommending refunding only half of that amount (\$566,515) to members in a conservative effort. He also recommended continuing the Risk Management Grant Program by using \$250,000 of the refund amount (\$566,515) to fund the Risk Management Grant Program. Jim Marta noted that members' utilization is increasing and indicated the Risk Management Grant Program is a great idea. Tim Sailsbery mentioned that from the individual city standpoint to set aside the money in this approach makes it easier to gain support from City Council and Department heads which is an effective way to fund and complete projects that are intended to reduce claim exposure. Marcus Beverly also confirmed that participation in the Risk Management Grant Program is



voluntary and that members can choose to set aside a portion of their refund amount to fund their Risk Management Grant or they may elect to take their entire available refund amount.

A motion to approved the Shared Risk Plan Adjustment and of the \$566,515 available \$250,000 will be reserved for safety grant funds to be distributed proportionally amongst members.

MOTION: Bruce Cline

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

H3c. Preliminary 2015/16 Deposit Calculations – Workers’ Compensation

Marcus Beverly presented the Board of Directors with two funding options- the 65% Confidence Level (CL) as compared to 67.5% Confidence Level (CL) which was requested by the Executive Committee at the last meeting.

- Total funding at a 65% Confidence Level (CL) for FY 15/16 is estimated at \$9,552,554, compared to \$9,234,638 for FY 14/15, an increase of 3.4%.
- Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$9,958,106, an increase of 7.8%.

Marcus Beverly mentioned that the total would be offset by \$227,027 from administration budget savings and reminded the Board of Director that member increases are capped at 40%. Jim Marta mentioned that NCCSIF is in a good place but increasing the confidence level will reduce liability. He also mentioned that prior to 2007 we were using a 70% confidence level which caused a drop in capital.

A motion was made to approve a 67.5% confidence level funding for the Workers’ Compensation Program.

MOTION: Sandy Ryan

SECOND: Dave Warren

**MOTION CARRIED
UNANIMOUSLY**

***NOTE:** At this time the Board of Directors requested a review of Item H9. Roundtable Discussion prior to reviewing Item H4. Property Renewal Update.

H9. Round Table Discussion

Bruce Cline presented a report from Henri Castro at Bickmore that was completed for the City of Folsom by using Safety Grant Funds. Henri Castro completed a review of all Workers’ Compensation Claims from 2009 to present and presented a report which spotlighted the timeline of each department’s reporting of a claim, they types of claims the city is experiencing which can help to identify potential areas of improvement. Henri Castro indicated that the loss analysis was taken from data that was provided by York and she was able to further investigate each type of



claim and identify what functions are causing those claims to be reported. She also mentioned that the City of Folsom used their Safety Grant Funds to pay for this service.

Paula Islas from the City of Galt noted the NCCSIF exclusion for firing ranges is different than CJPRMA and would like to have that placed on an agenda for discussion as the city would like to make the two more consistent.

Dave Andres from the City of Ione noted that they received a call from the Department of Justice regarding mediation about ADA compliance at a baseball field. Dave Andres asked the Board of Directors if anyone has gone through the mediation process as they would like to know what to expect. Paula Islas from the City of Galt indicated that their city has gone through the process and mentioned that the city needs to provide what is requested and offered assistance in the event the City of Ione needs advisement.

H4. Property Renewal Update

Marcus Beverly advised that Alliant has noted we have not received all property schedule updates from the members and requested that all members take a critical eye to all properties listed on the schedule. He also recommended member cities budget for a potential increase of 5% to be conservative.

H5. NCCSIF JPA Crime Policy Renewal

Marcus Beverly advised that Alliant advised that Alliant has not received all of the Crime Renewal Applications and asked that members complete the application and forward to staff as early as possible. He also mentioned that he does not expect much of an increase in rates over the prior year. However, Marcus Beverly did note that we will offer a quote for \$25 million of coverage as an option this year as \$1 million of coverage could be insufficient and mentioned several cases which have settled for well above \$1 million.

H6. Preliminary 2015/16 NCCSIF Budget

Marcus Beverly presented the Preliminary 2015/16 NCCSIF Budget and noted that it has not been finalized. He also indicated that there are some open issues and the Board's direction given at this meeting will help to finalize the Preliminary 2015/16 NCCSIF Budget.

Marcus Beverly also noted that the Board of Directors had previously asked Alliant to look into Employment Practices Liability services (specifically the Board was seeking information about the ability to get legal advice from a hotline). At this time we have no dollar amounts but Marcus Beverly indicated that the information will be presented to the Executive Committee and Board of Directors and could have some impact on liability administration funding.

H7. Approved Defense Counsel

Marcus Beverly presented the updated approved defense counsel list to the Board of Directors and noted that the Claims Committee has approved all names listed with the exception of a late



additions: Arthoffer & Tonkin Law Firm (requested by Cameron Dewey of York), and Cota Cole (requested by Liz Ehrenstrom).

Marcus Beverly noted that there has been some confusion as to who is authorized to complete work on a case (either the attorney assigned or the firm assigned). Marcus Beverly indicated that a review and possible revision to the policy language is needed as the policy is not clear but the practice has been that we are retaining the attorney (not the firm).

A motion was made to approve the Approved Defense Counsel list.

MOTION: Bruce Cline

SECOND: Dave Warren

**MOTION CARRIED
UNANIMOUSLY**

H8. Claims Committee Members

Marcus Beverly indicated that NCCSIF has a Claims Committee but noted that there has not been an official motion to approve members who will participate. The Board of Directors was asked to confirm the names of members who will agree to be part of the Claims Committee.

A motion was made to appoint the following members to be part of the Claims Committee: Bruce Cline, Russell Hildebrand, Michelle Pellegrino, Paula Islas and Michael Daly.

MOTION: Tim Sailsbery

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

I. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF Travel Reimbursement Form
3. NCCSIF Resource Contact Guide

J. Adjournment - This meeting was adjourned at 1:25 p.m.

NEXT MEETING DATE: June 18, 2015 in Rocklin, CA

Respectfully Submitted,

Michelle Pellegrino, Secretary

Date