



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
NOVEMBER 14, 2013**

MEMBERS PRESENT

John Lee, City of Lincoln
Liz Ehrenstrom, City of Oroville
Gina Will, Town of Paradise
Russell Hildebrand, City of Rocklin
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Catrina Olson, City of Nevada City
Shari Conley, City of Auburn
Karin Helvey, City of Gridley

GUESTS & CONSULTANTS

Marylin Kelley, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Marcus Beverly, York Risk Services
Ben Burg, York Risk Services
Lela Casey, York Risk Services
Robin Zane, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:02 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: Gina Will **SECOND:** Russell Hildebrand **MOTION CARRIED**

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – September 19, 2013
2. Executive Committee Meeting Minutes – October 17, 2013
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term – October 2013



b. LAIF Report as of September 30, 2013

A motion was made to approve the Consent Calendar.

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**

E. COMMITTEE REPORTS

1. Board of Directors Meeting Minutes – October 10, 2013
2. Clams Committee Meeting Minutes – September 4, 2013

There was no discussion on the Committee Reports.

F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending September 30, 2013

Ms. Robin Zane, James Marta & Company, provided the Committee with a presentation on the Quarterly Financial Report for Period Ending September 30, 2013.

A motion was made to receive and file the Quarterly Financial Report for Period Ending September 30, 2013 and the Financial Reports provided by James Marta & Company.

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**

G. JPA BUSINESS

G1. MPN Services

Ms. Marilyn Kelley explained that NCCSIF currently has a non-functioning MPN through Professional Dynamics (PDI) with a contract that has expired on June 30, 2013. Currently NCCSIF has access to their Healthsmart Provider Network, but it is not being utilized.

She explained the history of NCCSIF's MPN Services and added that there had been poor match ups with the physicians and service providers in the smaller cities and those in the network. This has always been problematic but due to the claims adjusting staff and an effective Utilization and Bill Review program provided by York, the impacts to NCCSIF of not having an active MPN were minimal.

The current agreement with PDI is a \$1,000 monthly fee for maintenance of the Medical Provider Network. The alternative provider, WellCOMP would charge a one-time \$1,500 fee for the MPN filings with the State of California. She mentioned that the new agreement with WellCOMP has two fee options which were as follows:



Option 1: A fee of \$60 per claim for the MPN Notification. NCCSIF has had an average of 390 claims per year over the past five years. This would be an additional cost of \$23,400 which would be charged against the claims file as an expense if every claim was directed to the MPN.

Additionally, WellCOMP would charge 50% of savings below the fee schedule. For the past two years, the PPO saving shown on the Bill Review Summaries are about 2-3% of the savings to the regular costs and would result in additional costs (through reduction of savings) of \$60,000 - \$80,000 annually, again if all claims were directed to the MPN.

Option 2: A \$5 per bill fee. This works better with claims that have less than 12 bills. Plus 15% of the contract discount for the network not WellCOMP. This is the same way the Bill Review program works, but we pay \$10.50 per bill for that service. Marcus Beverly advises that the average number of bills per claims is 13. So this may or may not be of benefit to NCCSIF. This would still have the additional charge of 5% of savings below the fee schedule.

The fees proposed from PDI are \$50 per first report of injury and \$1,000 per month for network maintenance. There is no fee for savings below the fee schedule.

Mr. Ben Burg advised that the program is currently being utilized by Folsom explaining that the MPN physicians are less available in the more rural areas.

Ms. Kelley explained that Ms. Susan Adams has received poor responses from PDI in an attempt to obtain additional information and utilization reports. Currently NCCSIF is paying \$1,000 per month for the MPN Maintenance. Ms. Kelley has since been able to obtain the requested information from PDI to perform a pricing comparison between PDI and WellCOMP. She advised that moving to a new MPN program will likely cost NCCSIF more per claim. This would be due to the additional costs in shared savings.

Ms. Tim Sailsbery asked that the NCCSIF members double check the list of physicians and noted that the City of Willows did not find any physicians in their area in reviewing WellCOMP's list of physicians.

Ms. Kelley recommends that NCCSIF enters into a 1-year agreement with WellCOMP.

Mr. Hildebrand asked that if NCCSIF moves over to WellCOMP, would members be expected to use the MPN or would members still have the option to use their own doctors as what's being currently done. Ms. Kelley explained that members would still have the option to use the MPN or their own doctors.

Mr. Hildebrand then asked how the expected additional costs would be incurred by NCCSIF. Ms. Kelley explained that the expected additional costs would be due to the 50% share of the savings that NCCSIF would have received per claim. Mr. Beverly added that these savings are calculated using the actual costs vs. a fee schedule on file with the MPN.



Upon further discussion, the Committee noted that the annual \$12,000 to maintain the current MPN Services with PDI is shared by all members regardless of their usage. With respects to WellCOMP, there will be an initial set up fee will be \$1,500 shared by all members but any expenses incurred going forward will be toward each member's individual losses. The Committee agreed on a consensus to move to WellComp.

Mr. Beverly advised that all that is needed is to add an addendum to the current Workers' Compensation Claims Administration Contract in place. Staff was directed to ask NCCSIF Legal Counsel, Russell Hildebrand and Liz Ehrenstrom for review of the addendum to the contract.

A motion was made to approval a 1-year contract with WellCOMP pending contract review by NCCSIF Legal Counsel and signature by NCCSIF President and Vice President.

MOTION: Gina Will **SECOND:** John Lee **MOTION CARRIED**

G2. Status of 2013 Liability Claims Audit

Ms. Kelley advised that the Liability Claims Audit was requested late this year and as a result, a verbal report has been provided for this meeting. The details of the verbal report per Marylin's conversation with Mr. Ken Maiolini were listed in the Background description of the Agenda Item write up. She advised that NCCSIF's claims are handled in a manner that meets and exceeds the reporting standards. Ms. Kelley also explained that there were no comments on the Property Loss Notice programs and that Mr. Maiolini found no adverse affects in utilizing paperless systems.

Mr. Marcus Beverly explained that York will also be audited by CJPRMA in the Spring of 2014.

G3. Approval of Changes to Terms of Officers and Changes to the Executive Committee Rotation Schedule

Ms. Kelley explained that a Notice of Intent to Amend the Bylaws has been sent to NCCSIF members. NCCSIF Bylaws would need to be amended to change the term of officers to allow the number of members on the Executive Committee to fluctuate between six and seven depending on the regions, as well as amend the number of regions for the Executive Committee service rotation from the current six to seven. Ms. Liz Ehrenstrom has agreed to serve an additional year as President, and Mr. Russell Hildebrand agrees to serve the additional 2 years as President, thereafter. She also mentioned that a Quorum for the Executive Committee is currently 4 members.

The recommendation of the Program Administrators is that the NCCSIF Bylaws be amended so that the Office of Past President is eliminated, and that the terms of the office for the President, Vice President and Secretary be changed from one year to two years. The number of the Executive Committee would be amended from 7 to 6-8.



The President, a Member of the green region that would have transitioned to Past President will instead serve a second year as President. The Vice President will begin service as President as his Pink region rotates off the Executive Committee. Program Administration also recommends approval of the revised rotation schedule with 7 regions.

This would mean the Executive Committee would be comprised of 6-8 members plus the NCCSIF President.

A motion was made to approve the proposed amendment to the NCCSIF Bylaws regarding the Terms of Officers and changes to the Executive Committee Rotation Schedule.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G4. 2014 Nominating Committee and Nomination of Officers

Ms. Kelley advised that the Executive Committee rotates annually and each member serves for a two-year term. There are two motions that would need to be taken for this item regarding electing the 2014 Nominating Committee and the Nomination of Officers.

A motion was made to approve the NCCSIF Executive Committee as the Nominating Committee for the 2014 NCCSIF Nomination of Officers.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

Ms. Kelley then explained that the 2014 Slate of Officers is recommended as follows:

- Liz Ehrenstrom, President
- Russell Hildebrand, Vice President
- Tim Sailsbery, Treasurer
- Gina Will, Secretary
- Paula Islas, CJPRMA Representative

A motion as made to approve the 2014 Slate of Officers as proposed above.

MOTION: John Lee **SECOND:** Gina Will **MOTION CARRIED**



G5. Resolution 14-01 Authorizing Investment of Monies of LAIF

This resolution must be approved by the Board of Directors on an annual basis authorizing the newly elected President, Vice President and Treasurer, authority to order the deposits or withdrawal of monies in LAIF.

A motion was made to approve Resolution 14-01 Authorizing Investment of Monies in LAIF.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G6. NCCSIF Administrative Surplus

Ms. Kelley advised that the Financial Report Ending June 30, 2013 shows an administrative equity of \$477,525 has been built up. She explained that historically NCCSIF has a tendency to build up an administrative surplus. Usually, when this has occurred, a portion of the administrative surplus is used to offset some of the next year's administrative fiscal costs.

Staff recommends that 50% of the administrative surplus, not including funds for 2013-2014 and not otherwise allocated, be utilized for the 2014/2015 fiscal year to offset the administrative costs proposed for that year. Staff would be directed to verify that the declared equity does not have outstanding potential costs associated with it and if so to verify the unrestricted equity funds.

Mr. Hildebrand suggested that this item be brought to the full board for their direction and approval.

A motion was made to bring this item to the Board of Directors for direction and approval.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G7. 2014 NCCSIF Meeting Calendar

The Program Administrator recommends that the Executive Committee review and approve the proposed 2014 NCCSIF Meeting Calendar.

A motion was made to approve the 2014 NCCSIF Meeting Calendar.

MOTION: Gina Will **SECOND:** Russell Hildebrand **MOTION CARRIED**



G8. 2014 NCCSIF Service Calendar

Ms. Kelley advised that the 2014 NCCSIF Service Calendar is provided to the Executive Committee showing a timeline of the annual activities to be completed on behalf of the organization.

A motion was made to approve the 2014 NCCSIF Service Calendar.

MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

G9. 2014/15 Insurance Market Update and Renewal Marketing Plan

Ms. Kelley explained that, annually, staff provides an insurance market update as well as proposes a renewal marketing plan for the upcoming policy year. She explained that the market update will be given during the December 12, 2013 Board of Directors meeting and that at the present time, the Program Administrators believe the following should occur with the NCCSIF programs:

Workers' Compensation: Renew coverage with CSAC EIA. Traditional Excess WC Insurance carriers in California are still not competitive with our program through CSAC EIA.

Liability: Continue participation in CJPRMA; this has been a strong partner and a valuable alternative to traditional excess insurance.

Property: The PEPiP program re-evaluates carriers annually, with carriers being added or deleted depending on market conditions. The program renews in July for all members. Two years ago Alliant marketed the Property program and found that the current program provided members with the broadest coverage's and the lowest cost; this continues in today's environment.

Crime: We have remained with AIG, in part, because the Alliant Crime program (ACIP), would not provide an alternative. We are going to approach at similar program through CSAC EIA this year for competitive pricing and higher limits.

G10. December 12, 2013 Training Day Itinerary

Ms. Kelley explained that staff has reached out to members for Training Day topics to be discussed on December 12, 2013 and have proposed the attached Training Day Itinerary.

Ms. Gina Will asked that staff provide a short presentation of all the resources available through NCCSIF.



Mr. Hildebrand also asked that a discussion be held on pool exposures common amongst NCCSIF members. The committee suggested this topic be discussed during General Discussion.

Mr. Hildebrand then brought up the topic of Volunteer Programs explaining that Mr. Michael Simmons discussed the idea of a Volunteer Programs Joint Document Pool of various sample waivers and release of liability forms that may be shared amongst NCCSIF members.

A motion was made to approve the December 12, 2013 Training Day Itinerary with the addition of a List of Various Resources provided by NCCSIF and a demonstration by Mr. Russell Hildebrand on the City of Rocklin's Volunteer portal website.

MOTION: Gina Will

SECOND: John Lee

MOTION CARRIED

G11. Discussion of Lunchtime Presentations for 2014

Ms. Kelley advised that staff is looking for recommendations, explaining that York would like to give a presentation on their Property Recovery Program.

Mr. Russell Hildebrand also wanted a different Comprehensive Fitness for Duty Training to address what should be and what can be done regarding Fit for Duty Evaluations mentioning specific employment law that will address a city's obligation regarding bringing an injured employee back to work. This led to the discussion regarding a returning an employee to work and the challenges a member city faces.

A motion was made to approve the list of recommended Lunchtime Presentations for 2014 as listed below:

- Risk Management topics
 - Defensive Driving
 - First Line Supervisor Training
 - Comprehensive Fitness for Duty Training
 - Frustrations of 4850
- Funding / Cost Effectiveness
 - How does NCCSIF continue to keep premiums down during time of "hard" and/or volatile markets?
 - Property Recovery Program by York Risk Services
- Value Propositions/Services
 - What are the benefits to Members of staying with NCCSIF and not another insurance pool?
 - Could/Should smaller cities share a rotating, dedicated Risk Management professional for a few hours a month?



MOTION: Russell Hildebrand **SECOND:** Gina Will **MOTION CARRIED**

The Committee also discussed the option of body cameras for NCCSIF members' police department for which Liz noted that she would like to explore discussion on the cameras and their effectiveness.

G12. NCCSIF Service Provider Evaluations Update

Mr. Johnny Yang explained that staff has received 8 – 9 responses to the NCCSIF Service Provider Evaluations sent out to members via Survey Monkey. Results were anonymous and provided in the Agenda Packet.

Staff was directed to bring NCCSIF Service Provider Evaluations forms to the December 12, 2013 Training Day/Board of Directors meeting to be completed.

H. INFORMATION ITEMS

1. Weekly Law Resume: Torts – Public Entities – Immunity for Natural Conditions
2. CIO Economic Commentary – Third Quarter
3. TargetSolutions' Hazard Communication Course (OSHA GHS Standard)
4. NCCSIF Organizational Chart
5. NCCSIF Travel Reimbursement Form

I. ADJOURNMENT

The meeting was adjourned at 12:30 p.m.