



**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
JUNE 9, 2016**

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson
Kristina Miller, City of Corning
Michelle Pellegrino, City of Dixon
Kim Stalie, City of Dixon (Alternate)
Brad Koehn, City of Elk Grove
Jim Francis, City of Folsom
Kristine Haile, City of Folsom (Alternate)
Paula Islas, City of Galt
Elisa Arteaga, City of Gridley (Alternate)
Jon Hanken, City of Ione

Michael Daly, City of Jackson
Satwant Takhar, City of Marysville
Corey Shaver, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Sandy Ryan, City of Red Bluff
Greg Bowman, City of Rio Vista
Kimberly Sarkovich, City of Rocklin
Tim Sailsbery, City of Willows
Natalie Springer, City of Yuba City

OTHER MEMBERS PRESENT

Jim Ramsey, City of Elk Grove

Ruthann Codina, City of Lincoln

BOARD OF DIRECTORS ABSENT

Shari Harris, City of Auburn
Toni Benson, City of Colusa
Matt Michaelis, City of Gridley

Astrida Trupovnieks, City of Lincoln
Gina Will, Town of Paradise

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Alana Theiss, James Marta & Company
Gina Dean, CSAC EIA
Rick Brush, CSAC EIA

Dori Zumwalt, York Risk Services
Erica Nicols, York Risk Services
Chris Shaffer, York Risk Services
Henri Castro, Bickmore
Tom Kline, Bickmore
Jeff Johnston, Bickmore

A. CALL TO ORDER

Mr. Dave Warren called the meeting to order at 11:18 a.m.

B. INTRODUCTIONS

Introduction was made and the majority of the members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

Mr. Marcus Beverly requested to move items K and L and placed it after item G.



Mr. Dave Warren requested to move item J.10.b. and placed it after item H.

A motion was made to approve the Agenda as amended.

Motion: Tim Sailsbery **Second:** Michael Daly **Motion Carried**
Ayes: Cottrell, Miller, Pellegrino, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Bowman, Sarkovich, Springer
Nays: None

D. PUBLIC COMMENTS

There were no public comments.

E. CONSENT CALENDAR

1. Board Meeting Minutes - April 28, 2016
2. Check Register from March 1, 2016 to April 30 2016
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - April 2016
 - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2016
 - c. Treasurer's Report as of March 31, 2016
4. Agreement for Financial Accounting and Consulting Services - Addendum 1

Mr. Brad Koehn, City of Elk Grove, pulled item 1 for discussion. Mr. Koehn stated that he suggested doing an analysis at 72.5% Confidence Level for next year's Actuarial Studies that he would like it reflected in the minutes.

A motion was made to approve the Consent Calendar with item 1 as revised.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Pellegrino, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Springer
Nays: None

F. ADMINISTRATION REPORTS

F1. President's Report

Mr. Dave Warren handed out an information fact sheet regarding the California Disaster Assistance Act Funding for Tree Mortality Event. This provides up to 75% reimbursement for eligible cost for the removal and disposal of dead and dying hazardous trees. Mr. Warren encouraged members to take advantage of this grant to help combat the pervasive tree mortality issue facing most cities.



F2. Program Administrator's Report

Mr. Marcus Beverly indicated that for those members who have shared interest/services to ensure they incorporate the mutual hold harmless language in their agreements. If any members are in doubt, to send the contract for him to review.

F3. Summary of the March 31, 2016 Executive Committee Meeting

Mr. Marcus Beverly briefly reviewed the summary report and the Board had no questions.

Information only.

G. CSAC EIA Overview of Services

Ms. Gina Dean, Chief Operating Officer, and Mr. Rick Brush, Chief Member Services Officer, provided a presentation that outlines the CSAC EIA program and services available to NCCSIF members. It has been the focus of the newly develop Member Services Department to ensure the EIA members are aware of the resources available through CSAC EIA such as TargetSolutions, the public safety online training management system.

The Board recessed for lunch at 11:48 a.m.

Gina Dean and Rick Brush left the meeting.

K. CLOSED SESSION

Pursuant to Government Code Section 54956.95, the Board recessed to closed session at 12 noon to discuss the liability claim, Arp vs. City of Rocklin.

L. REPORT FROM CLOSED SESSION

The Board reconvened to open session at 12:04 p.m.

Mr. Dave Warren announced that the Board provided direction to the Program and Claims Administrators for the claim referenced above.

H. NCCSIF Workers' Compensation Claims Administration Follow-up Survey Results

The Board reviewed the result of the follow-up survey. Mr. Warren noted more members responded this time around than the initial survey. Based on the survey result, the Board formed an Ad-hoc committee to work with York to address the issue and to formulate a performance plan. The Ad-hoc committee consisted of the following Board members and Program Administrator:

1. Dave Warren, City of Placerville
2. Liz Ehrenstrom, City of Oroville



3. Paula Islas, City of Galt
4. Natalie Springer, City of Yuba City
5. Marcus Beverly, NCCSIF Program Administrator

A motion was made to work with York on a performance plan for the next year and to send a follow-up survey in the end of the year to track the progress.

Motion: Brad Koehn **Second:** Michael Daly **Motion Carried**
Ayes: Cottrell, Miller, Pellegrino, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

Michelle Pellegrino left the meeting at 12:45 p.m.

J.10.b. York Workers’ Compensation Claims Administration Contract

Mr. Marcus Beverly indicated that York Risk Services has agreed to extend their current contract for Workers’ Compensation Claims Administration for an additional three years, from July 1, 2016 through June 30, 2019, with a 2% increase in each of the three years.

The Board is not in agreement with the 2% increase for the first year due to the pending performance plan. It was negotiated a 1% increase for the first year, up to 3% increase the second year subject to York’s progress on the impending performance plan and 2% increase for the third year.

Chris Shaffer from York Risk Services is in agreement with the counter terms as discussed.

A motion was made to approve York’s Workers’ Compensation Claims Administration Contract with 1% increase the first year, up to 3% increase the second year subject to York’s progress on the performance plan and 2% increase the third year.

Motion: Liz Ehrenstrom **Second:** Satwant Takhar **Motion Carried**
Ayes: Cottrell, Miller, Stalie, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Shaver, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

I. FINANCIAL REPORTS

II. Quarterly Financial Report for Period Ending March 31, 2016

Ms. Alana Theiss reviewed the Quarterly Financial Report for period ending March 31, 2016. Ms. Theiss presented the highlights of the report. The Liability Program Shared Layer is in a deficit position. There are three members with a negative net position in the Liability Program Banking Layer at March 31, 2016: Auburn, Colusa and Corning.



On the combined statement of the Workers' Compensation (WC) Program, the Banking Layer shows amounts that are outstanding for the Safety Grants, and all layers - Administration, Shared and Banking, are in positive position. There are three members with a negative position in the WC Program Banking Layer at March 31, 2016: Anderson, Elk Grove and Red Bluff.

Ms. Theiss proceeded and reviewed the Budget-to Actual. The Administrative expenses year-to-date are currently on tract with the FY 15/16 budget with the exception of the annual State assessment of the Workers' Compensation Program. The assessment was \$191,383 versus the budgeted amount of \$160,000 due to higher than expected outstanding liabilities, upon which the assessment is based.

The total amount in the Safety Grant is \$225,736 as a whole for the pool. A question was raised whether members are allowed to use the Safety Grant Funds to offset the member's premium. Mr. Beverly clarified the funds in the Risk Management Reserve Fund (formerly known as Safety Grant) is primarily earmark for risk management related expenses.

Ms. Theiss noted the new on-line accounting system, Intacct, is almost up and running. The authorized members/officers that were granted access to the system will be receiving an email soon for their user account set-up.

A motion was made to accept and file the Quarterly Financial Report for Quarter Ending March 31, 2016.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Stalie, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Springer
Nays: None

12. Budget-to-Actual as of March 31, 2016

The Budget-to-Actual was reviewed under item 11.

Kim Stalie left the meeting at 1:12 p.m.

J. JPA BUSINESS

J1. Conflict of Interest Code

Mr. Marcus Beverly indicated that there are no necessary changes to the NCCSIF Conflict of Interest Code.

A motion was made to approve the Conflict of Interest Code as presented and authorized the President to sign the Multi-County Agency Biennial Notice to the California Fair Political Practices Commission.



Motion: Liz Ehrenstrom **Second:** Kim Sarkovich **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sailsbery, Springer
Nays: None

J2. Program Year 16/17 NCCSIF Memorandum of Coverage (MOC)
J2a. 16/17 NCCSIF Liability Memorandum of Coverage

Mr. Marcus Beverly indicated that NCCSIF annually reviews the Liability Memorandum of Coverage (MOC) based on member feedback and/or changes made to the excess MOC provided by CJPRMA (California Joint Powers Risk Management Authority). There were no changes to the CJPRMA MOC. Mr. Beverly noted there is one change to the sole endorsement to the NCCSIF MOC, deleting the City of Lincoln from the list of members provided limited transit coverage.

A motion was made to approve the 16/17 NCCSIF Liability Memorandum of Coverage as presented.

Motion: Liz Ehrenstrom **Second:** Michael Daly **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J2b. 16/17 NCCSIF Workers' Compensation Memorandum of Coverage

Mr. Marcus Beverly indicated that there are no changes to the NCCSIF MOC. Mr. Beverly noted that NCCSIF do not cover 4850 benefits. York tracks that information and adjust the coordination of benefits accordingly.

A motion was made to approve the 16/17 NCCSIF Workers' Compensation Memorandum of Coverage as presented.

Motion: Michael Daly **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J3. FY 16/17 Property Program Renewal
J3a. NCCSIF Property Renewal Proposal

Mr. Marcus Beverly indicated that it is good news for members that have their property insurance through the Alliant Property Insurance Program (APIP). An overall 17% decrease in premium is realized, from \$954,745.60 to \$795,030.80, even with a slight increase in Total Insured Values (TIV). The property rates have decreased 24% from the prior year, from \$0.075 to \$0.057 per \$100 of TIV. The notable changes in the APIP coverage this year are: the significant increase in Cost of



Construction from \$25 million to \$50 million; the addition of an exclusion in pollution related to lead contaminated water; and the limits have increased for Excess Terrorism coverage to \$500 million.

Mr. Mike Simmons noted that APIP provides extremely broad coverage and is a unique property program. It includes third party coverage due to a fire on someone else's property including loss of revenue. It also provides limited Pollution Liability and Cyber Liability coverage. Some members have their vehicle physical damage coverage through the Alliant Mobile Vehicle Program (AMVP). AMVP is separate from the APIP program. Mr. Simmons mentioned the obvious difference between the vehicle coverage in APIP and AMVP is the replacement cost basis where in AMVP it is limited to the first three years of the life of the vehicle whereas the replacement cost in APIP, if elected by the member, covers regardless of the age of the vehicle.

Mr. Beverly forewarned members to provide the Claims reporting information to all departments specifically the Public Works department need to be aware of the 7 days reporting period in case of environmental incident as ACE pollution coverage would be limited if members do not promptly report a claim. The Cyber Liability is through Beazley and members were encouraged to notify Beazley immediately upon knowing of incident that may lead to a loss as coverage doubles from \$500,000 to \$1 million if Beazley vendor services are used.

After review and discussion, a motion was made to approve the FY 16/17 Property Program Renewal through APIP without Terrorism coverage.

Motion: Liz Ehrenstrom **Second:** Kim Sarkovich **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sailsbery, Springer
Nays: None

J3b. APIP Claims Reporting Acknowledgements

Mr. Marcus Beverly reiterated the importance of promptly reporting claims. All members that have coverage in APIP will be asked to sign and return the claims reporting acknowledgment form.

Information only.

J3c. Cyber Liability Optional Coverage Enhancement

Mr. Mike Simmons noted that as part of the APIP program there is limited Cyber Liability coverage which is \$2 million each member. The deductible is based on total insured value (TIV): \$50,000 with TIV up to \$500 million and \$100,000 with TIV over \$500 million. Mr. Simmons provided a presentation on the Cyber Enhancement Option available through APIP.

Information only.



J4. FY 16/17 Crime Coverage Renewal

Mr. Mike Simmons presented the Board with information about the Alliant Crime Insurance Program (ACIP). Mr. Simmons noted that the ACIP program provides broader coverage as it includes employee theft and faithful performance that is not standard with a stand-alone crime insurance policy. ACIP provided quote for NCCSIF members at \$1 million, \$3 million and \$5 million limits. Mr. Simmons mentioned that the \$1 million limit does not go as far as it used to and he highly recommended members to purchase a higher limit coverage. Mr. Simmons provided an example of various crime losses to illustrate the importance of having crime insurance coverage. The premium for each member will double to increase the coverage limit from \$1 million to \$3 million. Currently 15 members have coverage through the NCCSIF group purchase crime coverage. For those members that have coverage elsewhere were encouraged to review their current policy to ensure they have adequate coverage and consider getting a quote at a higher limit.

A motion was made to approve the FY 16/17 Crime Coverage at \$3,000,000 limit.

Motion: Satwant Takhar **Second:** Paula Islas **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Arteaga, Hanken, Daly, Shaver, Ehrenstrom, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J5. FY 16/17 Identity Fraud Expense Reimbursement Renewal

Mr. Marcus Beverly indicated that the Identity Fraud Expense Reimbursement coverage renews July 1, 2016. Mr. Beverly reviewed the proposal and provided a brief explanation of the coverage. This is coverage for employees, not for the city. The limit of liability is \$25,000 per insured person for reimbursement of expenses associated with resolving a fraud event, including resolving and replacing documents. The premium is based on group as a whole.

A motion was made to renew the Identity Fraud Expense Reimbursement coverage for the FY 16/17.

Motion: Michael Daly **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Bowman, Sarkovich, Springer
Nays: None

J6. ACI Contract Renewal

Mr. Marcus Beverly indicated that the contract with ACI Specialty Benefits for Wellness Services and Employee Assistance Program (EAP) is up for renewal as of July 1, 2016. The Pool pays for the Wellness program at \$1.00 rate per employee per month. The member is billed directly for the EAP program.



A motion was made to approve the ACI Contract Renewal for the FY 16/17.

Motion: Liz Ehrenstrom **Second:** Michael Daly **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J7. Lexipol Memorandum of Understanding

Mr. Marcus Beverly noted that NCCSIF pays for Lexipol Policy Manual Updates and Daily Training Bulletins for member police agencies. Lexipol pricing increased 25%, from \$106,900 per year to \$132,546 for FY 16/17. Lexipol agreed to maintain the same pricing for FY 17/18 as outlined in the updated Memorandum of Understanding. The pricing is based upon the number of sworn officers. Members were asked to review the number of sworn officers and provide an update to ensure the numbers presented are accurate.

A motion was made to approve the Lexipol Memorandum of Understanding.

Motion: Liz Ehrenstrom **Second:** Greg Bowman **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Sarkovich, Sailsbery, Springer
Nays: None

J8. Occu-Med Service Agreement Renewal

A motion was made to take the same action taken at the Risk Management Committee meeting earlier that morning for non-renewal of Occu-Med Service Agreement.

Motion: Liz Ehrenstrom **Second:** Sandra Ryan **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J9. Bickmore Risk Control Services Contract

A motion was made to accept and file Bickmore's Risk Control Services contract for an additional three-year term beginning July 1, 2016 through June 30, 2019.

Motion: Greg Bowman **Second:** Michael Daly **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Sarkovich, Sailsbery, Springer
Nays: None



J10. Claims Administration Contracts

J10a. York Liability Claims Administration Contract

Mr. Marcus Beverly indicated that York Risk Services has agreed to extend their current contract for Liability Claims Administration for an additional three years, from July 1, 2016 through June 30, 2019, with a 2% increase in each of the three years.

A motion was made to approve York Risk Services Liability Claims Administration Contract as presented.

Motion: Liz Ehrenstrom

Second: Kim Sarkovich

Motion Carried

Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sailsbery, Springer

Nays: None

J.11. FY 16/17 NCCSIF Administration Budget

Mr. Marcus Beverly reviewed the FY 16/17 Administration Budget, and noted the budget will be amended to remove the two items under the Safety Services that were not approved: Occu-Med Occupational Health Consulting Services and the Online Risk Management Services.

A motion was made to approve the FY 16/17 NCCSIF Administration Budget, without the Occu-Med Occupation Health Consulting Services and the Online Risk Management Services, as revised.

Motion: Jon Hanken

Second: Tim Sailsbery

Motion Carried

Ayes: Cottrell, Miller, Koehn, Francis, Islas, Arteaga, Daly, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Bowman, Sarkovich, Springer

Nays: None

Jim Francis left the meeting at 2:24 p.m.

J.12 FY 16/17 Deposit Calculations

J12a. Liability

Mr. Marcus Beverly indicated at the April meeting the Board approved to increase the funding level from 67.5% Confidence Level (CL) to 70% CL for the FY 16/17. Mr. Beverly noted the new format of the calculation spreadsheet clearly shows the mathematical formula to help achieve transparency and for members to fully understand how the annual deposit is calculated. The cap increased from 25% to 28% to reflect the increase in funding to 70%. The average deposit increase to members deposit is 2.20%.

After review and discussion, a motion was made to approve the FY 16/17 Liability Deposit Calculations as presented.



Motion: Michael Daly **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Haile, Islas, Arteaga, Hanken, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Sailsbery, Springer
Nays: None

J12b. Workers' Compensation

Mr. Marcus Beverly indicated at the April meeting the Board approved to increase the funding level from 67.5% Confidence Level (CL) to 70% CL for the FY 16/17. Mr. Beverly noted the new format of the calculation spreadsheet clearly shows the mathematical formula to help achieve transparency and for members to fully understand how the annual deposit is calculated. The cap increased from 40% to 42% to reflect the increase in funding to 70%. The average deposit increase to members deposit is 1.40%.

After review and discussion, a motion was made to approve the FY 16/17 Workers' Compensation Deposit Calculations as presented.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Haile, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Bowman, Sarkovich, Springer
Nays: None

Greg Bowman left the meeting at 2:34 p.m.

J13. Risk Management Policy and Procedure Reviews

J13a. RM-7 Aquatics Program

J13b. RM-14 Urban Forest Management

Mr. Marcus Beverly reported both the Risk Management Policy RM-7 Aquatics Program and RM-14 Urban Forest Management were both approved at the April 28, 2016 Risk Management Committee meeting.

A motion was made to approve the Risk Management Policy and Procedure RM-2 Aquatics Program and RM-14 Urban Forest Management as presented.

Motion: Liz Ehrenstrom **Second:** Kimberly Sarkovich **Motion Carried**
Ayes: Cottrell, Miller, Koehn, Haile, Islas, Arteaga, Hanken, Daly, Takhar, Shaver, Warren, Ryan, Sailsbery, Springer
Nays: None

M. ROUND TABLE DISCUSSION

None.



N. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2016 Meeting Calendar
3. NCCSIF Travel Reimbursement Form
4. NCCSIF Resource Contact Guide

These items were provided as information only.

O. ADJOURNMENT

The meeting was adjourned at 2:38 p.m.

Next Meeting Date: October 27, 2016 in Rocklin, CA

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Corey Shaver", is written over a horizontal line.

Corey Shaver, Secretary

10/27/16

Date