

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson Kara Reddig, City of Elk Grove Stephanie Van Steyn, City of Galt Jennifer Styczynski, City of Marysville Dave Warren, City of Placerville Jose Jasso, City of Rio Vista Spencer Morrison, City of Yuba City Rachel Ancheta, City of Dixon Susan Walter, City of Folsom Dalacie Blankenship, City of Jackson Crystal Peters, Town of Paradise Sandy Ryan, City of Red Bluff Andy Schiltz (Alternate), City of Rocklin

OTHER MEMBERS PRESENT

Jim Ramsey, City of Elk Grove

BOARD OF DIRECTORS ABSENT

Cristina Shafer, City of Auburn Ishrat Aziz-Khan, City of Colusa Lori McGraw, City of Ione Liz Ehrenstrom, City of Oroville

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services Jenna Wirkner, Alliant Insurance Services Conor Boughey, Alliant Insurance Services Dave Beal, Sedgwick Kristina Miller, City of Corning Elisa Arteaga, City of Gridley Veronica Rodriguez, City of Lincoln Wayne Peabody, City of Willows

Jen Lee, City of Rio Vista

James Marta, James Marta & Company Mike Harrington, Bickmore Actuarial Jill Petrarca, Sedgwick

A. CALL TO ORDER

Chair called the meeting to order at 10:37 a.m.

B. ROLL CALL

Roll call was made and the above mentioned members were present constituting a quorum.

C. **PUBLIC COMMENTS** No public comments.

BOD Approved 6/17/2021



D. CONSENT CALENDAR

- 1. Board Meeting Minutes December 10, 2020
- 2. Check Register from January 1, 2021 to March 31, 2021
- 3. Investment Reports
 - a. Chandler Asset Management Short/Long Term January 2021 to March 2021
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2020
 - c. Treasurer's Report as of December 31, 2020
- 4. Sedgwick Workers' Compensation Quarterly Claims Report
- 5. 20/21Alliant-Commission Opt-Out Letter dated November 3, 2020
- 6. FY 20/21 NorCal Cities SIF Workers Compensation Program Claims Audit and Sedgwick response
- 7. FY 20/21 PRISM Workers Compensation Claims Audit and Sedgwick response

A motion was made to approve the Consent Calendar as posted.

Motion: Rachel AnchetaSecond: Jennifer StyczysnkiMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays: None

E. GENERAL RISK MANAGEMENT ISSUES

No discussion.

F. ADMINISTRATION REPORTS

F.1. Presidents Report

Dave Warren thanked all of the officers for serving this year and committing the extra time to NorCal Cities.

F.2. CJPRMA Update

Mr. Beverly gave a CJPRMA update. The estimated premium number we have now should be conservative. We have no other update for CJPRMA.



F.3. Program Administrator's Report

Mr. Beverly discussed the FY 20/21 Member Training usage funds that will be rolled over into the Risk Management Reserve Funds.

Mr. Beverly discussed Workers' Compensation Coverage for members working out of state. If you have remote workers and would like to attend remote worker training please let us know.

F.4. Summary of the March 25, 2021 Executive Committee Meeting

Mr. Beverly gave an overview from the March 25, 2021 Executive Committee Meeting. We will be reviewing many of the same items in the Agenda.

F.5. FY 20/21 PRISM Member Annual Report

Mr. Beverly reviewed the 20/21 PRISM Member Annual Report. PRISM is now expanding out of the California. PRISM sends out the Member Annual Report every year. The estimated PRISM savings for Workers' Compensation coverage in FY 20/21 is \$447,488. The total savings over the last five years is estimated at \$1,855,221.

Information only.

G. FY 21/22 Officers and Executive Committee

Mr. Beverly reviewed the FY 21/22 Officers and Executive Committee. We have new members joining the Executive Committee. The Executive Committee Rotation schedule was reviewed for upcoming rotations.

Information only.

H. Financial Reports

H.1. Quarterly Financial Report for Period Ending December 31, 2020

Jim Marta gave a brief overview of the quarterly report as of December 31, 2020. The total net position in the Liability Shared Layer is \$3,136, 892. CJPRMA is pushing us to have a \$1,000,000 retention so that could affect how much capital we have. We're going to see a bit of erosion in the Liability program because of the increased claims. The Net Position for Workers' Compensation is strong. We don't have any deficits in the Workers' Compensation Program. The Worker's Compensation Baking Layer is Strong, the Shared Layer is also strong. The Budget to Actual is on track, we have some money left over from not traveling or hosting trainings.



Mr. Marta reviewed the current balances of the Risk Management Reserve Funds, Training Funds and Police Risk Management Grant Funds.

A motion was made to approve financial report.

Motion: Andy SchiltzSecond: Jose JassoMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays:

H.2. Budget-to-Actual as of December 31, 2020

The Budget to Actual is on track, we have some money left over from not traveling or hosting trainings during FY 20/21.

Information only. No discussion.

I. JPA BUSINESS

I.1. FY 21/22 NCCSIF Administration Budget

Mr. Beverly discussed the FY 21/22 Administration Budget. We will increasing the State Funding Budget because we were under Budget this year. The Claims Audit will go down because the Liability Claims Audit is cheaper.

Information only. No discussion.

I.2.a. Actuarial Study for Workers' Compensation Program

Mike Harrington from Bickmore Actuarial gave an overview of the Workers' Compensation Actuarial Study, including the Actual versus Expected Incurred. NCCSIF has about \$7,680,000 in losses this year, only about \$168,000 over the Actuarial Expected. The expected Loss and ALAE is \$37,613,000. The pool has a 6% increase to prior liabilities. The total Program (Banking and Shared) is funded above the 90% Confidence Level. Baking Layer 6% increase and Shared Layer 3% increase. Both parts of the program are looking good. In summary ultimate losses are about the same, outstanding liabilities are up but Workers' Compensation is funding properly at 90% Confidence Level.

Mr. Harrington reviewed the funding for claims for FY 21/22. We will need approx. \$9,759,000 for claims and adjusters, meaning approximately3% increase for Workers' Compensation. In summary ultimate and liabilities are up but we have the surplus for the liabilities and the rates will be going up.



I.2.b. Actuarial Study for Liability Program

Mr. Harrington gave a brief overview of the Actuarial Study for the Liability Program. The annual losses are around \$3,000,000- \$4,000,000. The expected Loss and ALAE is \$10,226,000. We don't get as much interest from Liability as we do for Workers' Compensation. At the 90% Confidence Level is \$9,861,000. Were just slightly about the 90% Confidence Level.

Mr. Harrington reviewed the projected losses for 2021-2022. We have a decrease for the Banking Layer and a 3.1% rate increase for the Shared Layer. In summary the baking layer rates are down and the shared layer rates are going up.

A motion was made to approve the Actuarial Study for Workers' Compensation and Liability.

Motion: Jose JassoSecond: Liz CottrellMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays: None

I.3. Workers' Compensation Program

I.3.a. Annual Baking Plan Adjustments- James Marta and Company

Mr. Marta from James Marta and Company reviewed the Annual Banking Plan for Workers' Compensation Program. We budget for the Shared Layer margin to 90% plus 10x the SIR or \$1,000,000. We stack both of the measures because this is a primary layer. The Workers' Compensation Program is doing really well.

A motion was made to approve the refund and assessments with 35% available net position and the members can make adecision on distribution of their funds.

Motion: Jennifer StyczynskiSecond: Spencer MorrisonMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNave: None

I.2.b. Annual Shared Risk Plan Adjustments- Alliant Insurance Services



Mr. Beverly reviewed the Annual Shared Risk Plan Adjustments. We picked the lower of the two amounts for the refund and distribute it to members for a total of \$562,750. The refund is based on Historical Shared Layer Contributions FY 07/08 to 17/18.

A motion was made to approve refund amount of 25% of the available funds.

Motion: Sandy RyanSecond: Andy SchiltzMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays: None

I.3.c. FY 21/22 Deposit Premium Calculations

Mr. Beverly gave an overview on the FY 21/22 Deposit Premium Calculations. We should get the PRISM Excess Workers' Compensation rate by the middle of May. We use your estimated payroll as the base to determine your Banking Layer and Shared Layer. We look at the preliminary deposit and the deposit from the previous year. We do have a cap of 40%.

A motion was made to approve to approve funding at the 80% confidence level.

Motion: Sandy RyanSecond: Jose JassoMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays: None

I.4. Liability Program

I.4.a. Annual Banking Plan Adjustments - James Marta & Company

Mr. Marta discussed the policy that was approved by the Board for this Program. We adjust the equity and figure out the factor for the 90% Confidence Level. Our total target equity benchmark is a 90% confidence level plus 10x SIR or \$500,000. When we calculate the amount to return to members to we do onot include the amounts for members in a deficit.

A motion was made to recommend approving the adjustments as presented.

Motion: Sandy RyanSecond: Dalacie BlankenshipMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,Ryan, Jasso, Schitlz, MorrisonNays: None

I.4.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services



Mr. Beverly gave a brief overview on the Annual Shared Risk Plan Adjustments. We're not recommending refunds or assessments because were only \$69,000 over Liabilities at the 90% Confidence Level.

Information only, no action taken.

I.4.c. FY 21/22 Deposit Premium Calculations

Mr. Beverly gave an overview on the 21/22 Deposit Premium Calculations. We use the 2020 Calendar Year Payroll, Banking Layer, Shared Layer and Excess Layer to calculate the total deposit. We presented a 50% cap to the Executive Committee which will reduces the number of capped members to 8 members. We have three options, a 40% cap, 50% cap or a variable option. Most if the increase is because of the Excess Coverage.

Members discussed changing the cap and being more comfortable using the 50% cap.

A motion was made approve the 80% CL with a 50% cap.

Motion: Jennifer StyczksnkiSecond: Andy SchiltzMotion CarriedAyes: Cottrell, Ancheta, Reddig,
Ryan, Jasso, Schitlz, MorrisonWalter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Nays: None

I.5. Sedgwick Liability Claims Administration Services Renewal Agreement

Mr. Beverly gave an overview on the Sedgwick Liability Claims Administration Services Renewal Agreement. Sedgwick is asking for a 2.8% increase and they will renew the original contract. We do have a cap just in case we need to have more field funding. Sedgwick will continue to offer Subrogation services and will charge 25% of the claim.

A motion was made to approve the agreement as presented.

Motion: Kara ReddigSecond: Spencer MorrisonMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,Ryan, Jasso, Schitlz, MorrisonNays: None

I.6. FY 21/22 Renewal Update

Mr. Beverly reviewed the FY 21/22 Renewal updates. It's a very difficult year for Property, Cyber and Crime. Were expected increases on the Property, Cyber and Crime programs. The Pollution program is also facing a hard market.



Members are encouraged to file claims on any pollution claims as it's a claims made policy.

We're seeing fairly minor increases on individual purchase coverages.

I.7. FY 21/22 Meeting Calendar

Members had no discussion.

A motion was made to approve the FY 21/22 Meeting Calendar.

Motion: Rachel AnchetaSecond: Dalacie BlankenshipMotion CarriedAyes: Cottrell, Ancheta, Reddig,
Ryan, Jasso, Schitlz, MorrisonWalter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Nays: None

J.8. Board Officer Handbook

Members had no discussion.

A motion was made to approve the Board Officer Handbook.

Motion: Sandy RyanSecond: Jennifer StyczynskiMotion CarriedAyes: Cottrell, Ancheta, Reddig, Walter, Van Steyn, Blankenship, Styczynski, Peters, Warren,
Ryan, Jasso, Schitlz, MorrisonNays: None

J. INFORMATION ITEMS

- 1. Glossary of Terms
- 2. NCCSIF Organizational Chart
- 3. NCCSIF FY 20/21 Meeting Calendar
- 4. NCCSIF Resource Contact Guide
- 5. York Who's Who in Claims WC and Liability Contacts
- 6. Claims Reporting Documents

These items were provided as information only.



K. ADJOURNMENT

The meeting was adjourned at 12:19 p.m.

Respectfully Submitted,

Jennifer Styczynski, Secretary

202 Date