

**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
JACKSON CITY HALL, JACKSON CALIFORNIA
SEPTEMBER 28, 2010**

MEMBERS PRESENT

Bruce Cline, City of Folsom
Paula Islas, City of Galt
Michael Daly, City of Jackson
Dixon Coulter, City of Dixon
Dave Warren, City of Placerville
Steve Kroeger, City of Yuba City

MEMBERS ABSENT

Randy Dunn, City of Colusa

GUESTS & CONSULTANTS

Susan Adams, Alliant Insurance Services
Marylin Kelley, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services
David Becker, James Marta & Company
Ben Berg, York Insurance Services
Craig Wheaton, York Insurance Services

A. CALL TO ORDER

The meeting was called to order at 11:10 a.m.

B. PUBLIC COMMENTS

No public comments. The Committee, Guests and Consultants introduced themselves.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the meeting agenda as posted.

MOTION: Steve Kroegar **SECOND:** Dave Warren **MOTION CARRIED**

D. CONSENT CALENDAR

A motion was made to approve the consent calendar.

MOTION: Steve Kroegar **SECOND:** Paula Islas **MOTION CARRIED**

E. COMMITTEE REPORTS

E1. Summary of CJPRMA Board of Directors Meeting – June 17, 2010

Marylin Kelley reported that CJPRMA is moving forward in a positive direction and explained the Request for Proposal (RFP) for Brokerage Services. Dixon Coulter reported that Marsh is the current Broker who presented a renewal quote and if granted the Broker of Record Marsh will offer the three-year renewal proposal.

E2. Board of Directors Meeting – June 24, 2010

E3. Claims committee Meeting – June 3, 2010

E4. Risk Management Committee – September 2, 2010

E5. Finance Committee Meeting – September 7, 2010

Marylin Kelley reported that the portfolio complies with NCCSIF's investment policy. The portfolio structure has changed between the two programs where the Long Term and the Short Term are now close to 50% each of assets. Staff was directed to ask Chandler to work with Steve Kroegar's office and develop a one-page summary of investments.

F. FINANCIAL REPORTS

F1. Approval of Quarterly Financial Report - Period Ending June 30, 2010

David Becker reported that NCCSIF's assets continue to grow and the JPA's equity position is very good. The receivables are steady at 3% and revenues include the addition of the property and crime programs. David reported on the significant drop in expenses where the JPA continues to have income for 2010. The JPA is increasing equity and giving a dividend to the members at \$6 million. The estimated Claims total dropped from \$9.3 million in 2009 to \$8.5 million in 2010. The highlights for the JPA is the decrease in premium, claim totals are down, added premium expense for the property and crime programs, dividend of \$6 million and a net income of \$2.7 million. The JPA continues to fund at the 60% confidence level

A motion was made to approve the NCCSIF Quarterly Financial Report for the period ending June 30, 2010.

MOTION: Dixon Coulter **SECOND:** Dave Warren **MOTION CARRIED**

F2. Review and Approval of Draft NCCSIF Financial Audit – Period Ending June 30, 2010

Marylin Kelley reported that there were no adjustments made to the interim financial data. The provision for claims and claim adjustment expenses decreased from \$8.6 million to \$3.6 million. Dividends increased from \$1.7 million to \$2.5 million. There was a slight operating income increase. Investment income dropped in the past year. Both Liability and Workers' compensation change in IBNR amounts have decreased by a total of \$4.8 million. Additionally, an increased amount of approximately \$1 million paid to Vendors.

A motion was made to approve the NCCSIF Financial Audit for the period ending June 30, 2010.

MOTION: Steve Kroegar **SECOND:** Dixon Coulter **MOTION CARRIED**

G. JPA BUSINESS

G1. Review Results of JPA Benchmarking Study

Marylin Kelley reported that Staff received six responses and recommends bringing this item back to the Committee at its November meeting. Staff will obtain explanations to clarify and validate the valuable information for the pool.

G2. Review and Approval of Workers' Compensation Claims Audit Request for Proposal

Marylin Kelley reported that every two years NCCSIF contracts with an outside consultant to provide a comprehensive, objective assessment of the claims handling practices exhibited by York Insurance. NCCSIF alternates between the Liability and Workers' compensation Claims Audit. This year the Workers' Compensation Claims Audit is under consideration. Two years ago, CSAC EIA engaged Robert Hoyle, to perform an audit for them consisting of 50-60 claims review. Staff recommends approval of a Workers' Compensation Claims Audit performed separately from that performed by Robert Hoyle. The Committee discussed waiting to review the audit conducted by Robert Hoyle and after review of the audit, determine whether to engage the services of Robert Hoyle or to approve a Request for Proposal (RFP) for a Workers' Compensation claims administration audit. Staff was directed to bring back to the Committee Robert Hoyle's audit its November meeting.

G3. Discussion of FY 2010/11 Lunchtime Presentation Topics

Stacey Weeks discussed that on an annual basis the Committee discusses potential lunchtime topics for the upcoming fiscal year Board meetings. The recommended topics were for Bryne Conley to discuss legal updates; a presentation on ADA Current Legal issues; and a presentation on current Workers' compensation issues. The Committee recommended a presentation on Proposition 19 and recommendations for speakers were discussed. After a brief discussion, the Committee directed Bruce Cline to contact Jeffrey at DATCO to present training on employee drug testing at the October 21, 2010 Board meeting and the December 15th training presentation would discuss "Proposition 19".

G4. NCCSIF Program Administration Continuity Planning

Mike Simmons reported that after 20 years of service with NCCSIF, and 36 years in the insurance industry, Marylin Kelley will be retiring from Alliant Insurance effective January 1, 2011. Marylin will continue to serve NCCSIF in an advisory capacity on an as needed basis with an established number of hours available for next year (approximately 100-150 hours) and hours to be determined thereafter. Mike Simmons who is the senior Alliant staff person on NCCSIF will step in to take a more active role in the management of NCCSIF. Susan Adams who currently provides Program Administration services to another Alliant account will be adding Program Administrative services to NCCSIF along with Mike Simmons. Additionally, NCCSIF will have available the current staff located in San Francisco. Susan will attend the CJPRMA meetings.

G5. Approval of Resolution 2010-02 Delegating Authority to Marilyn Kelley and Susan Adams to Act on Behalf of NCCSIF with the CSAC-EIA

Marilyn Kelley discussed that CSAC Excess Insurance Authority has asked NCCSIF to officially delegate authority to the Program Administrator in dealing with CSAC on issues involving NCCSIF. Rather than name individuals as originally proposed, Staff is recommending the Resolution is revised to state "Program Administrator" (Alliant Insurance Service).

A motion was made to approve the revised Resolution 2010-02 Delegating Authority to Alliant Insurance Services as the Program Administrator to act on behalf of NCCSIF with the CSAC-EIA as discussed at today's meeting.

MOTION: Dixon Coulter **SECOND:** David Warren **MOTION CARRIED**

G6. Final Use of ADA Grant Funds for FY 2009-10 and Safety Grant Allocation for 2010-11

Marilyn Kelley explained that NCCSIF agreed it would be useful to the Members to allocate a portion of the Shared Risk Layer refund to ADA Grants. The Grants could be used for any ADA applicable purpose from ADA studies to costs to make areas ADA accessible. The program has been very successful, with all but one member utilizing the program. Because of the success, the Risk Management Committee suggested retaining a portion of the Shared Risk Layer refund for the current fiscal year and that this year the funds would be available for any Safety projects. Staff was directed to communicate to the Members that funds are available.

G7. Request for Safety Grant Project Prefunding

Marilyn Kelley discussed that one of the Members (City of Galt) has contacted the Program Administrator and asked that the Committee consider whether or not Safety Grant projects, (ADA study) can be funded through the Safety Grants even though the cost of the project (between \$50,000 - \$60,000) exceeds the amount of funding the City has available from Safety Grants. The City is asking for a Safety Grant loan to be paid from future year Safety Grant allocations. Another option is to allow the City to take the additional amount from their Banking fund. The Banking fund is solely the Members funds, and would not have any potential or perceived impact on another member.

A motion was made to recommend that the Board approve the request for Safety Grant Project Prefunding as presented at today's meeting.

MOTION: Dixon Coulter **SECOND:** Bruce Cline **MOTION CARRIED**

G8. Review of Preliminary 2011 Meeting Calendar

The Committee reviewed and discussed the proposed 2011 meeting calendar and revised the November Executive Committee date from November 17th to November 10th.

G9. Review and Approval of Updates to Policy and Procedure A-9, *Defense Counsel Selection*

Marylin Kelley reported on the proposed revisions to include the addition of seven attorneys with the law firm of Porter Scott Law Firm and removing two attorneys from Porter Scott Law Firm. In addition, the Claims Committee at its meeting this morning recommended removing the law firms of Cuneo, Black, Ward and Missler and the law firm of Twohy, Danielle and Frye.

A motion was made to recommend to the Board the approval of the revised Policy and Procedure A-9, *Defense Counsel Selection*, as presented at today's meeting.

MOTION: Bruce Cline **SECOND:** Steve Kroeger **MOTION CARRIED**

G10. Approval of Letter to Governor Against AB2151

Marylin Kelley explained that a member contacted Staff and provided details of AB2151 that has reached the Governor's desk and asked NCCSIF send a letter to the Governor urging a VETO of this bill. The bill asks that Safety Officers be allowed to submit auto claims to the Public Entity that results from the use of their personal vehicles for business purposes. The reasons for a VETO are the financial hardship this would place on the cities and also because the Public Entity would be taking primary responsibility for vehicles that are not under their direction or control. The cities do not perform maintenance services for these private vehicles.

A motion was made to approve the draft letter to the Governor recommending a VETO of AB2151, as presented at today's meeting.

MOTION: Dixon Coulter **SECOND:** Dave Warren **MOTION CARRIED**

H. INFORMATION ITEMS

- H1. Chandler bond Market Review – August 2010**
- H2. Long Range Planning**
- H3. Resource Contact Guide**
- H4. Meeting Calendar 2010**
- H5. PARMA conference 2011**

The Committee discussed the location for the October Board meeting and Bruce Cline will confirm availability at the City of Folsom.

I. ADJOURNMENT

The meeting was adjourned at 12:27 p.m.

MOTION: Dixon Coulter **SECOND:** Steve Kroeger **MOTION CARRIED**