



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
LINCOLN CITY HALL, LINCOLN, CA
MAY 30, 2013**

MEMBERS PRESENT

Andy Heath, City of Auburn
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

Paula Islas, City of Galt
Karin Helvey, City of Gridley
Catrina Olson, City of Nevada City

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Tom Baber, York Risk Services
Jennifer Negosek, York Risk Services
Craig Schweikhard, CJPRMA
Dwight Moore, Town of Paradise

A. CALL TO ORDER

The meeting was called to order at 10:37 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: Russell Hildebrand **SECOND:** Andy Heath **MOTION CARRIED**

D. CONSENT CALENDAR

1. Draft Minutes of the Executive Committee Meeting – March 14, 2013

A motion was made to approve the Consent Calendar.

MOTION: Russell Hildebrand **SECOND:** Tim Sailsbery **MOTION CARRIED**



E. COMMITTEE REPORTS

1. Draft Minutes – Board of Directors Meeting – April 25, 2013
2. Draft Minutes – Risk Management Committee Meeting – April 25, 2013
3. Draft Minutes – Claims Committee Meeting – May 9, 2013

There were no discussions on these items as they are provided as information only.

F. ADMINISTRATIVE REPORTS

F1. President's Report

Ms. Liz Ehrenstrom advised that she did not have any items to report on.

F2. Program Administrator's Report

Ms. Adams advised that at the recent CJPRMA meeting she received a training regarding the ISO changes effective April, 2013 which has made Additional Insured Endorsements more restrictive to contracts. A presentation will be provided at the June Board of Directors meeting to go over the changes and how this affects NCCSIF members. Ms. Adams noted that since NCCSIF will be joining CJPRMA at a \$500,000 attachment, NCCSIF is required to provide contracts for all additional insured requests. Ms. Adams also advised that staff plans to review a New Rating Plans in the summer of 2013.

G. JPA BUSINESS

G1. 2013/2014 NCCSIF Budget

Ms. Adams advised that the 2013/2014 NCCSIF Budget is reviewed by the Executive Committee prior to approval by the Board of Directors. She explained that the largest increase is for Risk Control Services and noted \$70,000 was included for Property Appraisals in 2013/2014. The total increase over last year is \$13,600.

Mr. Russell Hildebrand noted a discrepancy between the budget and the Agenda Item write up which showed legal fees at \$12,000 rather than \$15,000. Staff advised the correct amount should be \$15,000 as shown on the budget.

Mr. Tim Sailsbury inquired about the increase in Police Risk Management Committee Training Budget which led to the discussion of increased involvement by the Police Risk Management Committee and the trainings provided at these meetings.

A motion was made to recommend to the Board of Directors approval of the 2013/2014 NCCSIF Budget.

MOTION: Russell Hildebrand **SECOND:** Andy Heath **MOTION CARRIED**



G2. Liability Shared Risk Layer Retention at \$500,000

Ms. Adams advised that CJPRMA's Board of Directors has approved NCCSIF reducing their Self Insured Retention from \$1,000,000 to \$500,000 per occurrence and they have approved NCCSIF's proposed "Corridor Deductible" type program in this layer. NCCSIF would pay the "standard" contribution at the .127 rate plus a surcharge of \$116,000 in year one. If NCCSIF incurs losses in that layer, NCCSIF would pay the first \$116,000 of NCCSIF's losses each year excess of the \$500,000 attachment. If NCCSIF does not have any incurred losses into this layer, NCCSIF does not pay the surcharge for the following two years. This allows NCCSIF to retain that surcharge until such time it is needed. Mr. Simmons noted that NCCSIF's share of CJPRMA's losses is based on NCCSIF's equity in the program less the surcharge.

G3. 2013/2014 Deposit Calculations

G3.a. 2013/2014 Deposit Calculations – Workers' Compensation

Ms. Adams explained that staff is waiting on the final premium from CSAC-EIA for excess workers' compensation coverage which will be approved at their June Board of Directors meeting. Staff does not expect to see a significant change if any from their preliminary quotes.

G3.b. 2013/2014 Deposit Calculations – Liability

Ms. Adams explained that staff is waiting on the final premium from CJPRMA for excess liability coverage which will be approved at their June Board of Directors meeting. Staff does not expect to see a significant change if any from their preliminary quotes to join at the \$500,000 attachment.

G4. NCCSIF Memorandums of Coverage

G4.a. NCCSIF Workers' Compensation Memorandum of Coverage

Ms. Adams advised that staff reviews the Memorandums of Coverage on an annual basis and updates as necessary. This year, staff recommends no changes to the NCCSIF Workers' Compensation Memorandum of Coverage.

G4.b. NCCSIF Liability Memorandum of Coverage

Ms. Adams advised that staff reviews the Memorandums of Coverage on an annual basis and updates as necessary. This year, staff recommends no changes to the NCCSIF Liability Memorandum of Coverage.



G5. 2013/2014 Property Renewal Update

Mr. Johnny Yang explained that this year the Property Program premium increased 11.85% over last year with a Total Insurable Values increase of 2.53% due to various changes throughout the year. The main factors of the premium increase are due to the increased rate of 9.08% along with increased values.

Ms. Adams noted that the PEPIP Claims Reporting Procedures will need to be acknowledged once again this year which Mr. Simmons spoke about last year. Mr. Simmons explained that the problem with having the Board of Directors acknowledge the Claims Reporting Procedures is that the wastewater treatment department is unaware of the procedures. Since the wastewater treatment department is the most likely to have pollution claims, NCCSIF members should provide the department with the Claims Reporting Procedures as well. Mr. Simmons stressed the importance of reporting pollution claims according to the procedures.

Mr. Craig Schweikhard noted that he has been seeing pollution claims increase in the past couple of years which has incurred losses due to the nature of a pollution claim.

Ms. Ehrenstrom suggested that NCCSIF create awareness of the pollution and cyber coverage provided to members. Ms. Adams then suggested that staff puts together a notice to provide to members with the reporting procedures and a “who to contact” when a pollution claim occurs. This notice then could be provided to members’ wastewater facilities and appropriate departments.

There was further discussion on cyber coverage for which Mr. Simmons provided an example of what is covered under the cyber coverage and how a loss can quickly develop.

G6. 2013/2014 Crime Coverage Renewal Update

Ms. Adams explained that in attempting to market this coverage with Alliant’s Crime Insurance Program (ACIP), a quote was denied due to loss history. Staff is currently waiting for a quote from the current carrier expected next week, due to a recent loss, and will be presented to the Board of Directors for approval.

G7. James Marta and Company Accounting Contract Renewal

Ms. Adams explained that the current contract for financial accounting services with James Marta & Company expires June 30, 2013. Mr. James Marta proposed a renewal contract with a term of July 1, 2013 to June 30, 2014 with a rate increase of \$25 per month. This would be a monthly fee of \$5,175 per month for a total of \$62,100 annually.

A motion was made to approve the proposed contract with a term of July 1, 2013 to June 30, 2014 with a rate increase of \$25 per month totally \$62,100 annually.

MOTION: Gina Will

SECOND: Andy Heath

MOTION CARRIED



G8. Defense Counsel Selection – P&P A-9

G8.a. Approval of Revised NCCSIF Defense Attorney List

Ms. Adams explained that at the May 9, 2013 Claims Committee meeting, the Committee approved a revised NCCSIF Defense Attorney List which included removing Mr. Douglas Thorn from the panel at the request of York Insurance Services. Staff received a call from Mr. Dwight Moore, Town of Paradise's City Attorney, who was upset with the decision made by NCCSIF and wishes to address the Executive Committee.

Mr. Dwight Moore, City Attorney for the Town of Paradise, addressed the Committee giving positive feedback regarding Defense Attorney Douglas Thorne. Mr. Moore mentioned that Mr. Thorne has always looked out for the best interest of his clients and provides great service in every case he represents.

Mr. Tom Baber, York Risk Services, advised over the course to the relationship with Mr. Thorne York has had numerous issues with timely reporting and invoicing. Mr. Baber noted timely reporting affects the proper reserves placed on a claim and allows for an ideal strategy to be developed. Mr. Baber then provided the Committee with a list of four claims for which there has been issues. One of which work was completed in 2010 but invoices were received in 2012 and 2013 which also affects NCCSIF's financials. Ideally claims reports are given every 90 days with updates every 60 days. Mr. Thorne has received numerous correspondences regarding the claims reporting procedures.

Mr. Schweikhard, CJPRMA, advised that he also had issues with timely claims reporting from Mr. Thorne. Once received, Mr. Thorne's reports were meeting reporting requirements. Mr. Schweikhard expressed no objection should Mr. Thorne continue on the Defense Attorney List should Mr. Thorne adhere to reporting procedures.

Mr. Moore advised that he is willing to work with Mr. Moore and assist in improving Mr. Moore's compliance of reporting procedures.

Mr. Simmons explained that late invoicing affects the actuarial numbers which in turn affected members' rate for the policy year.

Upon further discussion staff was directed to provide a letter to Mr. Thorne explaining the reporting and invoicing concerns and what Mr. Thorne must adhere to in order to remain on the Liability Defense Attorney List.

York was directed by the Committee to provide Mr. Thorne with no new assignments for 45 days to ensure Mr. Thorne's compliance and the current assignments. York will issue a letter on each assignment regarding the reporting and invoicing requirements.



A motion was made to approve the continuation of Mr. Douglas Thorne on the Liability Defense Attorney List subject to Mr. Thorne's compliance with the reporting and invoicing procedures. Should Mr. Thorne fail to adhere to the reporting and invoicing guidelines at any time, he will be removed from NCCSIF's Liability Defense Attorney List.

MOTION: Russell Hildebrand **SECOND:** Andy Heath **MOTION CARRIED**

G8.b. Defense Attorney Angelo, Kilday & Kilduff Rate Increase

Ms. Adams explained that the NCCSIF Liability Defense Attorney Law Firm of Angelo, Kilday & Kilduff has requested a rate increase in keeping with the average defense cost paid in the Northern California area. The Proposed Rates are as follows:

Proposed Rates

- Partners - \$195/hr
- Senior Associates - \$185/hr
- Associates - \$175/hr
- Paralegals - \$95/hr

Current Rates

- Partners - \$185/hr
- Senior Associates - \$175/hr
- Associates - \$160/hr
- Paralegals - \$90/hr

A motion was made to approve Defense Attorney Angelo, Kilday & Kilduff Rate Increase.

MOTION: Russell Hildebrand **SECOND:** Andy Heath **MOTION CARRIED**

H. INFORMATION ITEMS

- H1. NCCSIF Organizational Chart**
- H2. NCCSIF 2013 Meeting Calendar**
- H3. NCCSIF Travel Reimbursement Form**
- H4. NCCSIF Resource Contact Guide**

There was no discussion these items as they are provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 1:25 p.m.