



**MINUTES OF THE
NCCSIF LONG RANGE PLANNING AND BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
DECEMBER 14, 2017**

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon
Kara Reddig, City of Elk Grove (Alternate)
Kristine Haile, City of Folsom (Alternate)
Cora Hall, City of Galt
Elisa Arteaga, City of Gridley (Alternate)
Jon Hanken, City of Ione

Yvonne Kimball, City of Jackson
Loree McCay, City of Nevada City
Liz Ehrenstrom, City of Oroville
Gina Will, Town of Paradise
Dave Warren, City of Placerville (**Chair**)
Steven Rudolph, City of Rocklin
Tim Sailsbery, City of Willows

OTHER MEMBERS PRESENT

Julie Rucker, City of Elk Grove

BOARD OF DIRECTORS ABSENT

City of Auburn (primary Board vacant)
Toni Benson, City of Colusa
Brad Koehn, City of Elk Grove
Jim Francis, City of Folsom
City of Gridley (primary Board vacant)

Astrida Trupovnieks, City of Lincoln
City of Marysville (primary Board vacant)
Sandy Ryan, City of Red Bluff
City of Rio Vista (primary Board vacant)
Natalie Springer, City of Yuba City

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services

James Marta, James Marta & Company
Dori Zumwalt, York Risk Services
Tom Klein, Bickmore

Pre-meeting: NCCSIF Orientation and Refresher Training at 9:00 a.m.

Mr. Marcus Beverly provided an orientation training to the Board covering all aspects of the NCCSIF JPA as an introduction to new members and a refresher course for returning Board members. The presentation included: history of NCCSIF, composition of its members, governance of the pool, funding mechanism, layers of coverages available, various service providers and vendor services that are available to members through their participation in NCCSIF.

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 9:35 a.m.



B. INTRODUCTIONS

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

D. PUBLIC COMMENTS

There were no public comments.

E. 2017 LONG RANGE PLANNING - Moderated by Michael Simmons

1. Review of NCCSIF Financial Strength

Mr. Marcus Beverly provided a presentation of the Target Funding Benchmarks of the pool and noted overall NCCSIF is in good financial health. It is well funded to meet its future claims liabilities and Program Administrator will closely monitor to mitigate any negative trends.

The Board discussed the financial strength of the pool and weighed in on unexpected financial issues that may require greater funding to adequately provide coverage and services such as: possibility of raising self-insured retention (SIR) due to pressure from excess coverage providers, possibility of increasing confidence level (CL), possibility of increasing the ratio benchmarks and use dividends to expand services.

2. Emerging Risks

Mr. Michael Simmons provided a presentation of Emerging Risks from the ever-changing technology advancement and current global community such as: drones, driverless cars, cyber risks, artificial intelligence, climate change, financial market, government regulations and social change. It often starts as a trend that ultimately has impact years down the road. Discussion around these risks is an opportunity for members to develop strategies and be proactive in risk management functions to find solutions for insurable risks.

3. What do we want to be when we grow up

The Board discussed the future of NCCSIF programs and services offered and how the pool can continue to fulfill its mission. Factors considered in the discussion were: current size of the pool,



how to retain and/or attract membership, and services desired/expand coverage provided to members. The current makeup of the members varies in size and each have various capabilities and needs, but keeping the same culture and balance is of importance. The Board discussed the possibility of offering self-insured group health benefits; due to the rising cost of health care the cost of benefits plans have become increasing difficult to sustain.

Mr. Simmons indicated that the JPA formed a health coverage pool in 1981 which ended the following year due to lack of members in the program to spread the risk. The law of large numbers is key to cope with risk. Mr. Simmons noted that there are self-insured pools that provide Group Health Benefits for small/medium size cities: GSRMA (Golden State Risk Management Authority) and SDRMA (Special District Risk Management Authority); and CSAC EIA (California State Association of Counties Excess Insurance Authority).

After discussion, the Board set the following goals:

- Open to grow membership, but not actively market with caveat to maintain geographic centric/similar exposures as current members. Will underwrite on an as-needed basis only when a prospective city approaches the pool to join.
- Group Benefits Presentation by CSAC EIA to present employee benefits program at the April 2018 Board meeting.

4. What more can NCCSIF do for Members

The Board discussed meeting members' needs in response to the changes in member risk exposures. Significant discussion centered on Active Shooter incidents that plague the nation and the challenges it brings to a municipality when responding to such event. It is unfortunate that one of NCCSIF members, City of Corning, was recently involved in such a horrific event with the Tehama County incident. Members shared how each of their city responds to Active Shooter situation and the best course of action in coordinating lockdown situation with the school district.

Discussion ensued as to type of coverage available to cover cost for member city associated with responding to Active Shooter incidents. Mr. Simmons brought up for discussion a parametric coverage insurance available in the traditional market that does not indemnify the pure loss, but agrees to make a payment upon the occurrence of a triggering event such as civil disorder or any catastrophic type event. The coverage protects with a simple trigger event and payout mechanism to speed up the claims payment process.

The Board discussed the current Litigation Management process and concurred the process in place is effective, but the need for training is crucial to keep members abreast in managing expectations in post-loss activity.

After discussion, the Board set the following goals:

- Coordinate with the Police Risk Management Committee as to best practices and guidance for developing and implementing procedures in response to an Active Shooter incident.



- Option to consider some type of coverage for the cost of responding to Active Shooter incidents.
- Case Management Workshop: 2-hour Litigation Claims Management presentation on best practices at future Board meeting.

5. How do we achieve greatness

The Board discussed what level of service it needs to provide for members to fulfill its mission and provide more services for its members.

After discussion, the Board set the following goals:

- Incrementally increase Confidence Level to 80% in the next few years to ensure the funding integrity of the pool.
- Marta and Alliant to present benchmarks of what the SIR could be after June 30, 2018 Financials stemming from excess carrier, CJPRMA, potentially requiring members with high loss exposures to higher SIR.

It was noted the pool current offering of Grants is adequate and does not need additional funding at this time.

Long Range Planning Session ended 12:05 p.m. and the Board recessed for lunch.

Lunch Presentation - State of the Insurance Market

Mr. Beverly provided a presentation of the State of the Insurance Market at 12:30 p.m. Mr. Beverly mentioned that he does not anticipate any change to NCCSIF program coverage. The marketing plan for FY 18/19 coverage placement is as follows:

- Renew coverage with CSAC EIA as the traditional Excess Workers' Compensation insurance carriers are still not competitive with EIA program. The expected trend is about 5% to 10% increase.
- Continue participation in CJPRMA as this pool has been a strong partner and valuable alternative to traditional excess insurance. The expected trend is about 8% to 15% increase, and no dividend for the first time in years.
- The Alliant Property Insurance Program (APIP) still provides members the broadest coverage and the lowest cost in today's market. With the hardening Property market due to recent weather events and bad loss history, it is anticipated between 10% to 15% rate increase.
- The ACIP (Alliant Crime Insurance Program) does not anticipate any change as the current coverage is a two-year policy for 2017-2019.

The meeting resumed at 1:00 p.m.



F. CONSENT CALENDAR

1. Board of Directors Meeting Minutes - October 19, 2017
2. Check Register from September 1, 2017 to November 30, 2017
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - September 2017 to November 2017
 - b. Local Agency Investment Fund (LAIF) Report as of September 30, 2017
 - c. Treasurer's Report as of September 30, 2017
4. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of September 28, 2017
5. Agreement for Financial Accounting and Consulting Services with James Marta & Company

A motion was made to approve the items in the Consent Calendar as presented.

Motion: Jon Hanken **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

G. ADMINISTRATION REPORTS

G.1. President's Report

Chair Warren paid tribute to Mike Daly, former City Manager of City of Jackson and a former NCCSIF Board member for over 20 years, who passed away in October 2017. Chair Warren thanked Ms. Liz Ehrenstrom for her support through the course of the year as he transitioned to the President role.

G.2. CJPRMA Update

Mr. Beverly noted that CJPRMA did not institute the experience modification factor in deposit premium calculation as previously reported. The CJPRMA Annual Law Enforcement Conference was well attended. Mr. Beverly reminded members about CJPRMA Fire Services Operation Training in February 2018.

G.3. Program Administrator's Report - NCCSIF Annual Report

Mr. Beverly provided the Board with a copy of the FY 17/18 Annual Report and noted the format has been revamped this year. Members were encouraged to grab more printed copies of the report to share with their City Councils. A PDF version of the report will be uploaded to the NCCSIF website.



CJPRMA Board Representative, and appoint Tim Sailsbery from the City of Willows to serve as Treasurer as recommended by the Executive Committee.

Motion: Jon Hanken **Second:** Rachel Ancheta **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

I.3. Executive Committee Members Rotation Structure/Schedule

Mr. Beverly handed out a revised chart of the proposed Executive Committee rotation. The current rotation schedule extends to the end of 2018 and was based on geographic location. The proposed rotation is grouped by size based on payroll and by geography, with the goal to spread the representation by geography and size as evenly as possible, while maintaining the two-year terms in the transition to 2019.

A motion was made to approve the 2019 to 2025 Executive Committee Rotation Schedule based on size with two-year terms as presented on the revised chart.

Motion: Jon Hanken **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

J. JPA BUSINESS

J.1. Conflict of Interest Code

Mr. Beverly indicated as a result of a request from the City of Elk Grove to allow an alternate on the NCCSIF Risk Management Committee (RMC), the Program Administrator sought confirmation from legal counsel, Byrne Conley, regarding the need for the RMC members to file a Form 700. Counsel agreed that NCCSIF could remove the RMC in the Conflict of Interest Code since the Committee has no approval authority. Removing the RMC members means they would not be subject to Form 700 Statement of Economic Interests filing.

James Marta left the meeting at 1:31 p.m.

A motion was made to approve change to the Conflict of Interest Code as presented.

Motion: Liz Ehrenstrom **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None



J.2. Risk Management Policy and Procedure Revisions

Revision of Current Policy

J.2.a. RM-10 Risk Management Committee Composition and Duties

Mr. Beverly indicated the RM-10 policy must be updated to include the option to appoint an alternate representative on the NCCSIF Risk Management Committee (RMC). Each member city has one vote irrespective of the number of representatives.

A motion was made to approve the change to the RM-10 Risk Management Committee Composition and Duties to allow the option to appoint an alternate representative and correction to quorum as majority of the members.

Motion: Liz Ehrenstrom **Second:** Kara Reddig **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

New Policies

J.2.b. RM-16 Special Event Risk Management

Mr. Beverly indicated that the Risk Management Committee recommended the RM-16 policy. Special events represent common exposures to loss that can be prevented and mitigated by appropriate risk management controls; specifically events requiring road closures must have a traffic management plan that is approved by a qualified engineer. It was noted that some cities do not have an engineer and it was proposed to include Public Works and the Police Chief as exercising discretionary authority to give such approval. The Board is not in favor of including volunteers to sign a waiver before participation in any events and suggested to change only to city-sponsored events.

The general consensus of the Board is to refer the proposed policy to the Risk Management Committee for further refinement and to make the policy less restrictive.

J.2.c. RM-17 Volunteer Risk Management

Mr. Beverly indicated that the Risk Management Committee recommended the RM-17 policy. Volunteers present loss exposures to NCCSIF members for practically every risk they face. The policy covers Workers' Compensation, application and screening procedures, release and waiver forms, orientation and training procedures, vehicle operation screening and mandatory reporting of suspected abuse or neglect.

A motion was made to approve the RM-17 Volunteer Risk Management as presented.



Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay,
Ehrenstrom, Will, Warren, Rudolph
Nays: Tim Sailsbery

J.3. Member City Safety Day Agenda Development

Mr. Beverly indicated the development of a Safety Day training has evolved from the initial idea of one central location Safety Ambassador training to city-specific Supervisor training. The Risk Management Committee (RMC) recommended a half-day training session and to pilot test with two to four members. Mr. Beverly reviewed the draft agenda for the now Half-day Safety Training for Supervisors and Managers. The cities of Folsom, Oroville, Galt and a pool of smaller cities: Ione and Jackson, will test pilot the training.

A motion was made to approve a test pilot of Half-day Safety Training for Supervisors and Managers to cities of Folsom, Oroville, Galt and a pool of smaller cities.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay,
Ehrenstrom, Will, Warren, Rudolph
Nays: Tim Sailsbery

J.4. Round Table Discussion

Mr. Beverly noted that Alliant surveyed the members regarding interest in using the Lexipol Fire Department Training Services. Thus far, there is interest and since majority of the members did not respond to the poll, Alliant will send a follow up email to those who have not responded.

K. INFORMATION ITEMS

1. PARMA 2018 Conference (February 14-16, 2018) in Monterey, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2018 Meeting Calendar
5. NCCSIF Vendor Services Matrix
6. NCCSIF Resource Contact Guide
7. NCCSIF Travel Reimbursement Form

Mr. Beverly encouraged members to consider attending the PARMA Conference in February 2018 as it is a great risk management training.

These items were provided as information only.

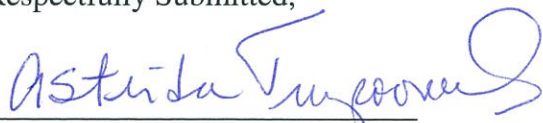


L. ADJOURNMENT

The meeting was adjourned at 2:07 p.m.

Next Meeting Date: April 26, 2018

Respectfully Submitted,


Astrida Trupovnieks, Secretary

Date