



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
TELECONFERENCE
AUGUST 9, 2013**

MEMBERS PRESENT

John Lee, City of Lincoln
Liz Ehrenstrom, City of Oroville
Gina Will, Town of Paradise
Russell Hildebrand, City of Rocklin

GUESTS & CONSULTANTS

Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services

MEMBERS ABSENT

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

A. CALL TO ORDER

The meeting was called to order at 10:05 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: Gina Will **SECOND:** Russell Hildebrand **MOTION CARRIED**

D. JPA BUSINESS

**D1. APPROVAL OF PROSPECTIVE NEW MEMBER CITY OF ELK GROVE 13-14
WORKERS' COMPENSATION DEPOSIT CALCULATION**

Ms. Susan Adams explained that Mr. Jim Ramsey, City of Elk Grove Risk Analyst, reached out to NCCSIF and expressed interest in joining NCCSIF's Workers' Compensation program.

The City of Elk Grove currently purchases coverage through Travelers at a premium of around \$1.5 million. All other lines of coverage through CSAC-EIA.

Ms. Adams explained that staff calculated the numbers according to the rating plan approved by the Board of Directors and provided the City of Elk Grove with an indication on July 31, 2013.



She advised that most of their losses are from their Police Department and that they have no fire exposure as this service is contracted out. Ms. Adams also noted that staff provided the City of Elk Grove with some references of Board member, Jim Marta and Marcus Beverly from York. The City of Elk Grove staff has informed us that they will make a recommendation to their City Council to join NCCSIF's Workers' Compensation program on August 28, 2013.

Mr. Russell Hildebrand expressed concern that accepting the City of Elk Grove's membership will increase NCCSIF's exposure to losses in this program and wondered if it could deteriorate the results of this program. He also suggested that by adding a new member into the program this will utilize more of Bickmore's services which seem to be at capacity as current members are waiting for their Action Plan to be implemented.

Ms. Adams explained that NCCSIF has always looked to bring in new members and since the City of Elk Grove has a large payroll, they will share a larger portion of the Shared Risk losses noting that members' administrative expenses will decrease as well as their proportion of the losses in this layer. NCCSIF did look at Elk Grove in 2008 which they first incorporated into a city. With respects to the City of Elk Grove's losses there is more of a frequency issue but the largest loss is around \$140,000.

Ms. Gina Will asked what the financial impact would be to NCCSIF members if NCCSIF accepted the City of Elk Grove and they sustained large losses. Ms. Adams explained that Elk Grove's losses would not be used in the calculation of dividends for four years and therefore would not impact current members in the immediate future. Ms., Will then inquired how Ms. Adams felt about them joining NCCSIF. Ms. Adams stated that she believes this would be beneficial to NCCSIF as even though they are a large member payroll wise, they do not have a fire exposure and they do not have any severe claims.

Mr. Hildebrand inquired if staff feels that NCCSIF currently has enough resources to take on the City of Elk Grove's membership into the Workers' Compensation program. Ms. Adams advised that staff has already budgeted for the extra admin expenses and the City of Elk Grove would incur the additional costs from Bickmore.

There was further discussion on how the rates were calculated. Ms. Adams explained that the Deposit Calculation for the City of Elk Grove was developed using the same rating plan approved by the Board of Directors at their June Board meeting.

The Committee asked that staff provide a breakdown of the City of Elk Grove's employee count as well as the causes of Elk Grove's losses at the upcoming Board of Directors meeting.

A motion was made to approve the City of Elk Grove's 13-14 Workers' Compensation Deposit Calculation.

MOTION: Gina Will

SECOND: John Lee

MOTION CARRIED



E. ADJOURNMENT

The meeting was adjourned at 10:28 a.m.