



**MINUTES OF THE
NCCSIF TRAINING AND BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
DECEMBER 13, 2018**

BOARD OF DIRECTORS PRESENT

Cristina Shafer, City of Auburn
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon
Brad Koehn, City of Elk Grove
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
Dave Warren, City of Placerville (**Chair**)
Andrew Schiltz, City of Rocklin (Alternate)
Natalie Springer, City of Yuba City

OTHER MEMBERS PRESENT

Veronica Rodriguez, City of Lincoln
Jen Lee, City of Rio Vista

Jose Jasso, City of Rio Vista

BOARD OF DIRECTORS ABSENT

Liz Cottrell, City of Anderson
Toni Benson, City of Colusa
Jim Francis, City of Folsom
Juan Solis, City of Gridley
City of Lincoln (primary Board vacant)
City of Marysville (primary Board vacant)

Gina Will, Town of Paradise
Sandy Ryan, City of Red Bluff
City of Rio Vista (primary Board vacant)
Kimberly Sarkovich, City of Rocklin
Tim Sailsbery, City of Willows

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Dori Zumwalt, York Risk Services

Tom Baber, York Risk Services
Tony Giles, CJPRMA
Michael Christian, Jackson Lewis

Pre-Board Meeting Orientation: NCCSIF Orientation and Refresher Training at 9:15 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 10:10 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: Jon Hanken

Second: Liz Ehrenstrom

Motion Carried

Ayes: Shafer, Ancheta, Koehn, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None

D. PUBLIC COMMENTS

There were no public comments.

E. TRAINING PRESENTATIONS

E.1. Litigation and Claims Management

Mr. Beverly mentioned irmi.com (International Risk Management Institute) has wealth of resources on their site and encouraged members to check out the site. IRMI provides risk management and insurance analysis and a good resource for expert commentary and analysis.

Mr. Beverly provided a presentation of Litigation Management Policies, Procedures, and Practicalities. The three pillars of litigation management are: Wise Attorney Selection, Cost Control and Services Management. Bottom line is that City Attorney is not supposed to represent their respective city, but may for others if qualified. The pool has not implemented a formal attorney evaluation as of yet.

Mr. Tom Baber from York Risk Services indicated that city must inform York immediately of any Public Records request especially with the passage of SB (Senate Bill) 1421 related to Police Departments Personnel records which allows the public to request personnel records of officers as public information.

Michael Christian arrived at 10:39 a.m.

Presented as information only.

E.2. Legal and Legislative Update

Mr. Michael Christian from Jackson Lewis provided a presentation of Hot Topics and Trends on Employment Liability and Claims. Areas of significant activity: 1) Sexual Harassment



Prevention and Claims; 2) Disability and Workers' Compensation, 3) Retaliation and Free Speech Claims; 4) Privacy Rights; and 5) Lactation Accommodations. It was noted new training requirements will take effect January 1, 2019 pertaining to SB 1343 sexual harassment prevention training to all supervisory and non-supervisory employees.

Kristina Miller arrived at 11:11 a.m.

Most notable takeaway from the training is to focus on best practices:

1. Make sure policies and guidelines are appropriate and updated.
2. Train supervisors and non-supervisors and document the training.
3. Respond appropriately and thoroughly investigate and document.
4. Set goals and plan to accomplish such as to follow the law, put entity in good defense position, avoid claims and create a better and more productive work environment.

Presented as information only.

The Board recessed for lunch at 11:38 a.m.

Tony Giles arrived at 11:46 a.m.

Tom Baber left the meeting during lunch.

LUNCHTIME PRESENTATION - State of the Insurance Market

Mr. Beverly provided a presentation of the State of the Insurance Market at 11:55 a.m. The ten emerging risks affecting public entities: Cyber, Employment Practices Liability (EPL) Claims, Sexual Misconduct, School Violence, Transgender Discrimination, Playground Safety, Fleet Safety, Pension Risk, Sovereign Immunity & Tort Caps and Pension Risk.

Mr. Beverly mentioned that he does not anticipate any change to NCCSIF program coverage. The marketing plan for FY 19/20 coverage placement is as follows:

- Renew coverage with EIA as the traditional Excess Workers' Compensation insurance carriers are still not competitive with EIA program. The expected trend is about 10% to 15% increase.
- Continue participation in CJPRMA as this pool has been a strong partner and valuable alternative to traditional excess insurance. However, due to increasing claim severity the expected increase is about 19% and with no dividend.
- 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, catastrophic wild fires in the State and bad loss history, it is anticipated between 10% to 15% rate increase.



- ACIP (Alliant Crime Insurance Program) still provides members the broadest coverage and after a two year guarantee with flat renewals, no rate increase is anticipated, but premium increase depends on number of employees.

Mr. Michael Simmons indicated catastrophic events in recent years resulted in a hardening property market. Various scenarios of natural disasters were discussed with an emphasis on business interruption (BI) and tax interruption (TI) types of property losses. Mr. Simmons reminded members to start thinking of the likelihood event scenarios in their respective city and scheduling BI and TI is an important consideration during budgeting process.

Cristina Shafer left the meeting at 12:30 p.m.

Mr. Beverly stated that appraisal of members' insured properties is underway and AssetWorks found 900 more new building/structures that cities requested to be appraised. He warned members to keep this in mind when final invoice comes in higher than previous estimate.

The meeting resumed at 12:30 p.m.

E.3. CJPRMA Overview of Services

Mr. Beverly introduced Tony Giles to the Board. Mr. Giles indicated that he is the new General Manager for California Joint Powers Risk Management Authority (CJPRMA).

Mr. Giles presented an overview of the CJPRMA including history, membership structure, other coverage offerings available within CJPRMA, and additional services available to members such as risk management program with wide variety of trainings throughout the year. The CJPRMA is the excess Liability carrier for NCCSIF up to \$40 million coverage in excess of the NCCSIF \$500,000 retained limit with \$10 million limit for Employment Practices Liability. NCCSIF represent 10% of the overall payroll of CJPRMA. The loss ratio claims payout is 75% of what NCCSIF paid in premium.

Mr. Beverly reminded members that CJPRMA includes drone coverage with retained limit of \$500. It was noted that in order for coverage to apply, members must register the drones with CJPRMA in addition to operating the drones pursuant to FAA (Federal Aviation Administration) regulations. This coverage only applies to city owned drones and it does not apply to vendor contracted services.

Presented as information only.

E.4. Special Events Risk Management and Permit Language

Members were reminded that CJPRMA has an Endorsement for Special Events Liability and if a contract is secured with a hold harmless agreement, the CJPRMA retained limit will drop to \$25,000. Important reminder for members to be aware of contractual risk transfer. It is the ability to transfer a risk/loss from one party to another party through the language written in a contract.



The two methods of transferring risk: strong indemnification and hold harmless agreement. Mr. Beverly noted to review standard contracts routinely to make sure all information is still relevant and to obtain certificates of insurance and additional insured status should be verified at least once a year. Mr. Giles noted the key is to have a strong agreement in place with vendors prior to issuing a permit and a sample encroachment permit language is available on CJPRMA website. It was noted that subcontractor must uphold the same standards and requirements as the primary contractor. Examples of actual claims that would have had much different outcomes if proper risk transfer techniques had been used were discussed.

Presented as information only.

F. CONSENT CALENDAR

Chair Warren pointed out that the Executive Committee increased the combined number of Risk Management and Police Risk Management Committee meetings from five to six per fiscal year as reflected in the final agreement with Bickmore for Safety and Risk Control Services, item number four on the consent calendar.

1. Board of Directors Meeting Minutes - October 25, 2018
2. Check Register from September 1, 2018 to November 30, 2018
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - September 2018 to November 2018
 - b. Local Agency Investment Fund (LAIF) Report as of September 30, 2018
 - c. Treasurer's Report as of September 30, 2018
4. Agreement for Safety and Risk Control Services with Bickmore

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

Motion: Andrew Schiltz

Second: Brad Koehn

Motion Carried

Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None

Tony Giles left the meeting at 1:22 pm

G. ADMINISTRATION REPORTS

G.1. President's Report

Chair Warren indicated that it is his last meeting as Chair and as President of NCCSIF. He thanked Liz Ehrenstrom and Tim Sailsbery for their peer support and sound advice. He also thanked the Program Administrators, Mike, Marcus and Raychelle for exceptional service.

The Program Administrators presented Dave Warren a glass trophy vase for his contribution to the JPA and years of service as President of NCCSIF from March 2016 to December 2018.



Chair Warren stated that the new logo commemorating the 40th Anniversary of the JPA is not ready yet, but will have a conceptual draft in the April Board meeting. He encouraged members to reach out to the Town of Paradise and continue to lend support to fellow members that have suffered devastating loss in the Camp Fire. Lastly, priority is in placed to carry out a stress test next fiscal year to measure the financial stability of the pool.

Jon Hanken left the meeting at 1:27 p.m.

G.2. CJPRMA Update

Ms. Liz Ehrenstrom indicated CJPRMA reviewed the Actuarial Report and indicated that rates are going up, expected a 19% increase for FY 19/20.

Mr. Beverly stated that CJPRMA are considering moving from \$500,000 to \$750,000 Self-Insured Retention, but it has not been finalized.

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

Mr. Beverly provided the Board with a copy of the FY 18/19 Annual Report. 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.

H. FINANCIAL REPORTS

H.1. Quarterly Financial Report for Period Ending September 30, 2018

Mr. Beverly reviewed the quarterly financial report for period ending September 30, 2018. Mr. Beverly presented the highlights of the report to the Board.

A motion was made to receive and file the Quarterly Financial Report for the period ending September 30, 2018.

Motion: Brad Koehn

Second: Liz Cottrell

Motion Carried

Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None

H.2. Budget-to-Actual as of September 30, 2018

Mr. Beverly reviewed the Budget-to-Actual report. One notable discrepancies on Member Property Coverage at -272% and waiting to hear back from James Marta to confirm.



I. JPA BUSINESS

I.1. Brokerage, Risk Management and Program Administration Services with Alliant Insurance Services

Mr. Beverly indicated that the Executive Committee (EC) reviewed the proposed Brokerage, Risk Management and Program Administration Services agreement with Alliant Insurance Services on November 19, 2018 meeting. Mr. Beverly indicated there are no major changes to the contract language and reviewed the proposed changes page by page with the Board. The contract term is for five years with two optional one-year terms. The fee increase for first year is 9.50% reset rate and 3.25% annual increases each subsequent year. The EC took action to recommend approval to the Board including a change to the Scope of Services, B.16. to review time spent on each program every three years. It was noted that Board Counsel does not need to review the agreement.

Chair Warren asked the Alliant team and York staff to step out of the room.

Michael Simmons, Marcus Beverly, Raychelle Maranan and Dori Zumwalt stepped out of the room at 1:56 p.m.

Michael Simmons, Marcus Beverly, Raychelle Maranan and Dori Zumwalt rejoined the meeting 2:23 p.m.

The Board expressed concerns of the impact of the increase for some members that have not fully recovered from the recession, increased uncertainty in most cities and new ones centered on the Town of Paradise and how the Camp Fire may impact the city and the pool. Hesitation on the contract increase was due to some members' budget constraints and not service issues. It was noted that Alliant has provided an exceptional service.

Mr. Simmons clarified the increase was due to additional hours required to service the pool and to appropriately account for those hours as outlined in the administration hours analysis report. Alliant has been a long-time partner since inception of the JPA.

A motion was made to approve the Brokerage, Risk Management and Program Administration Services with Alliant Insurance Services agreement as presented.

Motion: Brad Koehn

Second: Kristina Miller

Motion Carried

Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None



I.2. CAJPA Accreditation Report

Mr. Beverly reviewed the CAJPA Accreditation report with the Board. NCCSIF has received Conditional Accreditation with Excellence and has six months, February 14, 2019, to provide CAJPA with one outstanding requirement: the York Claims Administration Contracts needs a Conflict of Interest Provision, which will be reviewed under Agenda Item I.3.

A motion was made to receive and file the CAJPA Accreditation report.

Motion: Liz Ehrenstrom **Second:** Kristine Haile **Motion Carried**
Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer
Nays: None

I.3. Amendment to York Risk Services' Contracts

Mr. Beverly indicated the proposed amendments (Amendment Two for Liability Claims Administration and Amendment Four to Workers' Compensation Claims Administration) to York Risk Services' Contracts is to include a conflict of interest provision as required by CAJPA Accreditation Standards.

A motion was made to approve the amendments to York Risk Services agreements for both the Workers Compensation and Liability per CAJPA Accreditation Standards as presented.

Motion: Liz Ehrenstrom **Second:** Kristina Miller **Motion Carried**
Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer
Nays: None

I.4. Liability Claim Settlements Above Banking Layer

Mr. Beverly updated the Board with claims from June 1, 2017 to November 20, 2018 that exceeded Member's Banking Layer to keep apprised of claims activity.

Information only, presented verbally.

I.5. Round Table Discussion

Ms. Rachel Ancheta from City of Dixon asked who handles special events at respective cities. Chair Warren shared Parks and Recreation for City of Placerville, and Kris Haile shared Legal and Community Development for the City of Folsom.



Mr. Beverly stated that location of meetings is determined by the incoming President. Ms. Liz Ehrenstrom indicated to keep the meeting location in Rocklin. Ms. Raychelle Maranan thanked the City of Rocklin for sponsoring the meeting venue for the JPA since 2015.

Ms. Kristina Miller shared that the City of Corning is a huge proponent of supporting local businesses and the City's Property insurance is placed with a local insurance broker. For that reason, she is unable to gain support to move Property insurance to APIP.

J. INFORMATION ITEMS

1. PARMA 2019 Conference (February 10-13, 2019) in Anaheim, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2019 Meeting Calendar
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement Form

These items were provided as information only.

K. ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Next Meeting Date: April 25, 2019

BOD Approval Date of Minutes: 4/25/2019

Respectfully Submitted,



Gina Will, Secretary

4/25/19
Date