



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE TELECONFERENCE MEETING
MAY 21, 2015**

MEMBERS PRESENT

Michelle Pellegrino, City of Dixon
Brad Koehn, City of Elk Grove
Bruce Cline, City of Folsom
Michael Daly, City of Jackson

Tim Chapa, City of Rio Vista
Russell Hildebrand, City of Rocklin
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Paula Islas, City of Galt
Dave Andres, City of Ione

Dave Warren, City of Placerville

GUESTS & CONSULTANTS

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services

Jennifer Nogosek, York Risk Services
Ben Burg, York Risk Services
Dori Zumwalt, York Risk Services
James Marta, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:03 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: Bruce Cline

SECOND: Michelle Pellegrino

MOTION CARRIED

AYES: Koehn, Daly, Chapa, Hildebrand, Sailsbery

NAYS: None.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – March 19, 2015
2. Quarterly Check Register at April 30, 2015
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term – March, April 2015
 - b. Treasurer's Report as of March 31, 2015



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

MOTION: Mike Daly **SECOND:** Bruce Cline **MOTION CARRIED**
AYES: Pellegrino, Koehn, Chapa, Hildebrand, Sailsbery
NAYS: None.

E. COMMITTEE REPORTS

1. Claims Committee Meeting Minutes – March 19, 2015 (Draft)
2. Claims Committee Special Meeting Minutes – March 19, 2015 (Draft)

There was no discussion on these items.

F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending March 31, 2015

James Marta provided the Executive Committee with a brief report on the Quarterly Financials ending March 31, 2015, and noted the new actuarial adjustments are included in this statement. The Liability Shared Layer is in deficit which will be reduced with the upcoming year assessment, including the proceeds from the CJPRMA refund. Some members in the Banking Layer have a deficit and will be adjusted through the periodic assessment dividend process.

A motion was made to receive and file the Quarterly Financial Report for Period Ending March 31, 2015.

MOTION: Bruce Cline **SECOND:** Mike Daly **MOTION CARRIED**
AYES: Pellegrino, Koehn, Chapa, Hildebrand, Sailsbery
NAYS: None.

F2. Budget-to-Actual as of March 31, 2015

James Marta presented the Budget-to-Actual numbers and noted that providing the Safety Grant Fund Usage in the Quarterly Financial Report has proved to be a very useful resource for members who are reaching out to the accountant to determine how much funding is available. The NCCSIF administrative expenses year-to-date are currently on track with the 2015/16 Budget.



G. JPA BUSINESS

G1. Sewer Risk Management Survey and Service Plan

Marcus Beverly reported that the Risk Management Committee (RMC) has been presented with this information at their last RMC meeting to address the sanitary sewer overflows and the backups that can impact private property including prevention, emergency response, and claims handling procedures. Mr. Beverly noted that an updated report and a revised proposal from DKF Solutions Group (DKF) were sent to the Executive Committee under separate cover to reflect the latest results of the sewer risk management survey. Mr. Beverly reviewed the details of the survey and noted that a majority of the members responded to the survey.

Based on the survey results DKF amended their proposal, adjusting prices to the number of members interested in each service and adding two additional services. Mr. Beverly further discussed the expected overall cost of adding this service to NCCSIF.

Discussion ensued amongst the Committee members as to the need to add this service when in fact it is a State Mandated Law and members should already have a similar program in place to be in compliance with the law. At some level, compliance with the law should be more of a concern than funding the services.

Further discussion as to the cost benefit evaluation of funding and offering this type of service for NCCSIF members and the ability to reduce risk and exposure common to all members. The goal is to assist members not only to ensure they are in compliance, but rather improve on risk management practices which in turn reduce losses and exposure to the group.

The Executive Committee instructed staff to seek other vendors and perhaps go through a request for proposals (RFP) to assure members of competitive pricing. Program Administrator was also instructed to work with Bickmore for other avenues relative to best practices that can be implemented as part of their contract and provide some type of training resources to members such as webinars. Additionally, implement a peer review process amongst the member cities of recommended versus required best practices, and having City of Folsom as a model program thus consideration for a pricing options to reduce funding for Folsom.

A motion was made to table this item to bring back to the Board of Directors, instructing staff to find other vendors and consider the RFP process, and to work with Bickmore in identifying best practices.

MOTION: Bruce Cline

SECOND: Tim Chapa

MOTION CARRIED

AYES: Pellegrino, Koehn, Daly, Hildebrand, Sailsbery

NAYS: None.



G2. Identity Fraud Coverage

Michelle Minnick indicated that all members have submitted responses to the Identity Fraud (ID) questionnaire and staff submitted the application for ID Fraud Coverage to the carrier and waiting for the proposal from the Underwriter.

The Committee requested for an information sheet to be provided to the members showing the summary of benefits of ID Fraud coverage.

G3. 2015/16 NCCSIF Administration Budget

Marcus Beverly reported since the Board approved the preliminary budget there was a \$500 increase in the accounting services budget for office expenses related to mailings. The charge is split evenly between the Workers' Compensation and General Liability programs.

A motion was made to recommend approval of the 2015/16 NCCSIF Budget as presented.

MOTION: Bruce Cline **SECOND:** Mike Daly
AYES: Pellegrino, Koehn, Chapa, Hildebrand, Sailsbery
NAYS: None.

MOTION CARRIED

G4. 2015/16 Deposit Calculations

G4a. Liability -2015/16 Deposit Calculations

Marcus Beverly presented the deposit calculations for 2015/16 and indicated the funding for the upcoming fiscal year is at a 67.5% confidence level. The only difference in the report from the amount approved by the Board previously is the additional \$250 for accounting services, and the cost for the proposed Sewer Risk Management services. Mr. Beverly noted a decrease will be adjusted as the Executive Committee did not approve the Sewer Risk Management Services at this time, and one possible adjustment that is pending is the cost for the Employee Practices Liability Hotline. Program Administrators reached out to Liebert Cassidy and has yet to receive the proposal.

The Executive Committee discussed other Labor Employment firms that members have contracts with that may possibly provide this service to the group at a reasonable cost. The Executive Committee will forward some names of firm for staff to contact.

G4b. Workers' Compensation - 2015/16 Deposit Calculations

Marcus Beverly presented the deposit calculations for 2015/16 and indicated the funding for the upcoming fiscal year is at the 67.5% confidence level. The only difference in the report from the amount approved by the Board previously is the additional \$250 for accounting services.



G5. 2015/16 NCCSIF Liability Memorandum of Coverage

Marcus Beverly indicated NCCSIF annually reviews the Liability Memorandum of Coverage (MOC) based on member feedback and/or changes made to the excess MOC provided by CJPRMA. Mr. Beverly reported for 2015/16, Byrne Conley, Legal Counsel, suggested adding the wording to the MOC's arbitration provision that makes it clear NCCSIF will not be liable for consequential or "bad faith" damages. Although CJPRMA is expected to add similar language to the Conditions section of the CJPRMA MOC, and the NCCSIF MOC follows their form, CJPRMA does not have an arbitration provision. Therefore, legal counsel recommended NCCSIF include the following language in the arbitration provision:

"Under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section 1 – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved."

Marcus Beverly explained the language in the Arbitration section will apply to NCCSIF claims within the group's retention, however, if it falls under CJPRMA retention, unfortunately is it subject to going to court as CJPRMA does not have an arbitration clause.

The Executive Committee had lengthy discussion as to which section of the MOC to place the language that would make it all-encompassing and most effective. The consensus was either placing it under Insuring Agreement, Limit of Liability or on both sections. The Executive Committee is in full support in modifying the MOC to add the language, however, staff was instructed to reconfirm with legal counsel as to the best place to put the language that would make it most effective and further seek clarification as to definition of the "Authority" under the Arbitration section.

A motion was made to bring this matter back to Legal Counsel for clarification as to the right placement to incorporate the language that would make it most effective and a more definitive term of "Authority" and bring forth to Board of Directors for final approval.

MOTION: Bruce Cline

SECOND: Mike Daly

MOTION CARRIED

AYES: Pellegrino, Koehn, Chapa, Hildebrand, Sailsbery

NAYS: None.

G6. 2015/16 NCCSIF Workers' Compensation Memorandum of Coverage

Marcus Beverly indicated as previously discussed under item G.5., legal counsel recommended changes to the Liability MOC based on a liability coverage dispute, and although the exposure to such a dispute is much less under Workers' Compensation (WC) coverage, it is his recommendation adding similar language to the WC MOC in the arbitration section:



“Under no circumstances shall NCCSIF be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Part One – Workers’ Compensation Coverage, or Part Two – Employer’s Liability Coverage, plus interest at the same rate as NCCSIF earned on investments for the time period involved.”

A motion was made to recommend approval of the 2015/16 NCCSIF Workers’ Compensation Memorandum of Coverage as recommended by the Program Administrator.

MOTION: Bruce Cline **SECOND:** Brad Koehn **MOTION CARRIED**
AYES: Pellegrino, Daly, Chapa, Hildebrand, Sailsbery
NAYS: None.

G7. Round Table Discussion

Bruce Cline reported the Executive Committee members went through the Defense Counsel and Investigator selection process and did a redline markup and forwarded the list to Russell Hildebrand and Marcus Beverly for review. It is still a work in progress and will present the final list for review at the next meeting.

Bruce Cline indicated the City of Folsom Chief of Police would like to add additional body cameras and asked as to status of funding for additional cameras. Staff will follow up with the Police Risk Management Committee as to the budget allocated for body cameras. Overall, the body cameras have had a positive effect on potential claims.

Discussion ensued as to the records retention issues with storing the videos. Although the Lexipol policy is in place, it is not definitive as to record retention and the utility of keeping everything for two years or whether to segregate arrests and non-arrests. Jennifer Nogosek mentioned Tom Kline, Bickmore, is doing some more research to help with storage of videos.

Marcus Beverly reported the City of Red Bluff coverage denial appeal will take place after the June Board of Directors meeting.

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart

There was no discussion on this item.

2. NCCSIF Travel Reimbursement Form

There was no discussion on this item.

3. NCCSIF Resource Contact Guide

There was no discussion on this item.



I. ADJOURNMENT

The meeting was adjourned at 11:09 a.m.

NEXT MEETING DATE: June 18, 2015 in Rocklin, CA

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michelle Pellegrino", is written over a horizontal line.

Michelle Pellegrino, Secretary

9/24/15

Date