



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
ZOOM TELECONFERENCE
MARCH 24, 2022**

COMMITTEE MEMBERS PRESENT

Kristina Miller, City of Corning
Kara Reddig, City of Elk Grove
Michael Rock, City of Ione
Dave Warren, City of Placerville- **Chair**
Jen Lee, City of Rio Vista- **Treasurer**
Jose Jasso, City of Rio Vista – **Vice Chair**
Spencer Morrison, City of Yuba City

COMMITTEE MEMBERS ABSENT

Sandy Ryan, City of Red Bluff
Jennifer Styczynski, City of Marysville – **Secretary**

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services	Conor Boughey, Alliant Insurance Services
Jenna Wirkner, Alliant Insurance Services.	Devora Brainard, Sedgwick
James Marta, James Marta & Company LLP	Erik Baumle, Sedgwick
Summer Simpson, Sedgwick	Eric Lucero, Sedgwick
Jennifer Schultz, City of Rio Vista	

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 10:31a.m.

B. ROLL CALL

Roll call was made, and the above-mentioned members were present constituting a quorum.

C. PUBLIC COMMENTS

There were no public comments.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – September 16, 2021
2. Executive Committee Special Meeting Minutes – December 2, 2021
3. Executive Committee Special Meeting Minutes – January 13, 2022
4. Check Register from October 1, 2021, to February 28, 2022
5. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2021 to February 2022
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2021
 - c. Treasurer's Report as of December 31, 2021
6. Sedgwick Risk Control Services Scope of Work



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

MOTION: Jose Jasso

SECOND: Kara Reding

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison

Nays: None

E. GENERAL RISK MANAGEMENT ISSUES

Dave Warren discussed members having and General Risk Management Issues.

Jose Jasso from the City of Rio Vista introduced Jen Schultz from the City of Rio Vista. Jen Schultz will be retiring from the City of Rio Vista.

Members had no discussion regarding General Risk Management Issues.

Mr. Beverly discussed completed the renewal applications for Cyber and review the updates that are recommended by the Cyber team.

F. ADMINISTRATION REPORTS

F.1. President's Report

Mr. Warren thanked Mr. Beverly for visiting members.

F.2. CJPRMA Update

Mr. Beverly gave an updated on CJPRMA. CJPRMA had a Board Meeting discuss finances. The pressure on the re-insurance rates is slow. The next Board Meeting in May.

Mr. James Marta mentioned that we allocated the \$123,000 to excess insurance expense and not claims.

F.3. Program Administrator's Report

a. Form 700 - Last Day to File April 1, 2022

Mr. Beverly reminded members to File the Form 700 by April 1, 2022.

b. Company Nurse Enrollment

Mr. Beverly discussed members enrolling in Company Nurse. We have a new contract that will allow employees to use a QR code to access Company Nurse.

G. FINANCIAL REPORTS



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G.1.a. Actuarial Study for Workers' Compensation Program

Mr. Beverly discussed the Actuarial Report for Workers' Compensation Program. Overall the rates have decreased 3.6% \$4.367 to \$4.4,27, with a 5% decrease in the Banking Layer and 3.5% decrease for the Shared Layer. The assets have gone up so we do have more money in the program this year. The Banking Layer s where most of the money is. The shared layer did increase a little over \$200,000. We have seen an increase in the shared layer mostly because of the high value COVID claims.

NorCal Cities is funding at an 80% confidence level. The lost dollars are fairly steady for the Banking and Shared Layer.

Members discussed inflation cost impacting pricing. Involving supply chain and medical costs.

A motion was recommending the Actuary to finalize the Workers' Compensation Actuarial Report for the Board of Directors.

MOTION: Yvonne Kimball **SECOND:** Spencer Morrison **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.2.1.b. Actuarial Study for Liability Program

Mr. Beverly discussed the Actuarial Study for the Liability Program. The estimated Liability for unpaid loss and LAE for the shared layer is about \$1, 868,00 at the Net Position. Were being forced to move to a \$750,000 retention by CJPRMA. The increase is about 7.2% overall. At the 80% confidence level with the \$750,000 SIR. The \$1M SIR is estimated to save \$277,741, but it would cost members an additional \$404,000 to fund themselves, so at this time a \$1M SIR is not recommended. Overall, the net position has increased from last year. Mr. James Marta discussed planning for the CJPRMA surplus.

A motion was recommending the Actuary to finalize the Liability Actuarial Report for the Board of Directors.

MOTION: Michael Rock **SECOND:** Kristina Miller **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.2.a. Annual Banking Plan Adjustments - James Marta & Company



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Mr. James Marta discussed the Workers' Compensation Program Annual Banking Plan Adjustments. The Banking layer needs to be more conservative. The two measures are a Margin at 90%, plus 10x SIR. Only two members are up for assessment this year. The amount above the margin is \$6,396, 632. It's recommended to cap the program. The members can choose to use the funds for a credit towards premium, a check or allocate it to Risk Management Reserves.

Members discussed having an overview of options for the reimbursement funds.

A motion was recommended the adjustments to the Board of Directors.

MOTION: Dave Warren **SECOND:** Kristina Miller **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.2.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services

Mr. Beverly discussed the Annual Shared Risk Plan Adjustments for the Workers' Compensation Program. The 25% available refund will go to members if approved. A recommendation of a 24% refund or \$646,000.

A motion was recommended the Board of Directors approve a 25% refund.

MOTION: Spencer Morrison **SECOND:** Michael Rock **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.2.c. FY 22/23 Deposit Premium Calculations

Mr. Beverly discussed the FY 22/23 Deposit Premium Calculations. We included the updated payroll with the payroll by allocation. The pure premium is the total losses that expected.

A motion was made to recommend the Board of Directors that we continue funding at the 80% Confidence Level.

MOTION: Jose Jasso **SECOND:** Spencer Morrison **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.3.a. Annual Banking Plan Adjustments - James Marta & Company



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Mr. James Marta discussed the Annual Banking Plan Adjustments for the Liability Program. We have 6 members in a deficit which is about 30% of the members. The recommendation was 35% and a total of \$969,300. Were healthy in the banking layer and can release some of the funds.

Mr. Beverly discussed the NCCSIF Shared Risk Layer Plan Adjustments for Liability for 2022 Distribution. The new SIR is \$750,000. It is not recommended to offer a refund.

G.3.b. Liability Program Annual Shared Risk Plan Adjustments.

Mr. Beverly discussed the NCCSIF Shared Risk Layer Plan Adjustments for Liability for 2022 Distribution. The new SIR is \$750,000. It is not recommended to offer a refund.

A motion was made to recommend to the Board the Banking Layer divided at 35% of the available net position and no refund or assessment for the shared layer.

MOTION: Kristina Miller **SECOND:** Spencer Morrison **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays:

G.3.b. Liability Program Deposit Premium Calculations

Mr. Beverly discussed the Liability Program FY 22/23 Deposit Premium Calculations. Traditionally we have a 30% increase. Last year we weren't able to have a 30% cap. We divide the payroll my 25% payroll and 75% losses. Five of the members have a percentage change of 63%. The City of Anderson, Dixon, Jackson, Rio Vista ad Rocklin. A 40% cap has been applied to the Total FY 22/23 NET cap of 40%.

Members discussed capping and deposits for members. Mr. Beverly, will reach out to members individually regarding, capping and increases.

Members discussed contributions to Banking Layer despite the capping.

Members discussed making up for CJPRMA not collecting enough premiums and increased losses.

Eric Lucero left the meeting at 11:43 a.m.

A motion was made to recommend Marcus Beverley modify the banking adjustments and bring it to the board for approval.

MOTION: Michael Rock **SECOND:** Kristina Miller **MOTION CARRIED**



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Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison

Nays: None.

G.4. Sedgwick Workers Compensation Claims Administration Services Renewal Proposal

Mr. Beverley discussed the Sedgwick Workers Compensation Claims Administration Services Renewal Proposal. Sedgwick has given us three options to choose from. Option 1 would allow a dedicated team of adjusters for NorCal Cities. This will also allow the adjusters to only have 124 claims as opposed to the traditional 150 claims.

Devora Brainard from Sedgwick discussed a dedicated team model and will not be charging additional fees for the adjusters. We have had an increase in claims. Sedgwick has added an additional adjuster to handle the open COVID claims. The goal is to get the adjusters down to 125 case load or close to the numbers. NorCal Cities has approx. 800 claims. Sedgwick has hired a Team Lead that will be assigned soon.

Ms. Brainard discussed COVID outbreak Legislation regarding to outbreaks at Cities. The outbreaks are a tremendous amount of work. Once it's determined that a member has an outbreak, they will handle the care and treatment associated with the outbreak. Ms. Brainard discussed sending members an overview of COVID Claims and outbreaks.

Members discussed if requirements for COVID reporting have changed now that mask requirements have changed.

Sedgwick will discuss the performance plan with all team members and the Team Lead to make sure they understand the process moving forward.

Sedgwick discussed the pre-authorization form that will be distributed when a claim is open.

Devora Brainard and Erik Baumle has left the call at 12:29 p.m.

Mr. Warren asked the Sedgwick team to leave the call so members could discuss the performance plan for Sedgwick.

Members discussed seeing improvements with Sedgwick after a meeting with them and liking the idea of the cap on the number of claims per adjuster. Members asked if they meet the cap, will they be able to add another person. Perhaps it's a better idea to renew for 1 year and have two optional years in the contract.

Members discussed doing the 1-year contract and give them another option of 1 year to allow us time for an RFP.



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Members also discussed reviewing the survey results in September and at the October Board Meeting. That timeline would work to make changes for July 1.

Mr. Beverly discussed doing the NorCal Cities Workers' Compensation Audit during the summer so we can the results for the September Meeting.

A motion was made to recommend to the Board of Directors that we will renew for 1 year and have a 2-year extension. With the recommended performance plan including PRISM and NCCSIF audits and results from Service Provider surveys.

Members asked if we could circulate a card for Dori Zumwalt.

MOTION: Michael Rock **SECOND:** Kristina Miller **MOTION CARRIED**
Ayes: Miller, Reddig, Rock, Kimball, Warren, Jasso, Morrison
Nays: None

G.5. FY 22/23 NCCSIF Administration Budget

Mr. Beverly discussed the NCCSIF FY 22/23 Administration Budget. We don't have any major changes this year. We will see an increase in the pricing for the Workers' Compensation Audit. We will also see a slight increase in Lexipol.

Information only. No discussion.

G.6. Property Program Funding

Mr. Beverly discussed the potential for Property Program Funding. If members are willing to go to a \$250,000 deductible. Members could set some money aside and do a retained layer in the property program. Mr. Beverly also suggested that we could do a loss ratio or experience ratio for members.

Information only.

G.7. FY 22/23 NorCal Cities Executive Committee Rotation & Officers

Information only. No discussion.

G.8. Preliminary 22/23 Meeting Calendar and Locations



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Mr. Beverly discussed the Preliminary 22/23 Meeting Calendar and Locations. Mr. Beverly asked members if they would like to do more virtual meetings moving forward.

Member discussed liking having virtual Meetings. Members discussed having the Board of Directors Meeting in-person.

Information only.

G.9. FY 22/23 Renewal Updates

Mr. Beverly discussed the FY 22/23 Renewal Updates. We have an estimated increase in APIP of 35%.

Information only.

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2021-2022 Meeting Calendar

There was no discussion on these items.

I. ADJOURNMENT

The meeting was adjourned at 1:08pm.

Respectfully Submitted,

Jennifer Styczynski, Secretary

7-12-22
Date