



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
NOVEMBER 13, 2014**

MEMBERS PRESENT

Michelle Pellegrino, City of Dixon
Elizabeth Ehrenstrom, City of Oroville
Corey Shaver, City of Nevada City
Russell Hildebrand, City of Rocklin
Tim Chapa, City of Rio Vista
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Paula Islas, City of Galt
John Lee, City of Lincoln

GUESTS & CONSULTANTS

Marcus Beverly, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Alana Theiss, James Marta & Company
Ben Burg, York Risk Services
Dorienne Zumwalt, York Risk Services
Jennifer Nogosek, York Risk Services
Deborah DeMuynk, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:33 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: Corey Shaver **SECOND:** John Lee **MOTION CARRIED**

AYES: Pellegrino, Ehrenstrom, Shaver, Hildebrand, Chapa, Sailsbery

NAYS: None

ABSENT: Lee, Islas



D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – September 25, 2014
2. Check Register as of September 30, 2014
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term as of September 30, 2014
 - b. LAIF Report as of September 30, 2014

A motion was made to approve the Consent Calendar with the correction noted above.

MOTION: Corey Shaver **SECOND:** Tim Sailsbery **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: Lee, Islas

E. COMMITTEE REPORTS

1. Police RMC Meeting – November 6, 2014 (Verbal)
2. Risk Management Committee Meeting Summary – October 9, 2014
3. Board of Directors Meeting Summary – October 9, 2014

There was no discussion on these items.

F. ADMINISTRATION REPORTS

F1. President's Report

Ms. Liz Ehrenstrom provided a brief summary of the Police Risk Management Committee meeting and advised that there were two member agencies that shared stories of successful loss avoidance due to the use of the cameras. She explained that once the potential claimants were notified of the video evidence they no longer wished to pursue the matter.

F2. Program Administrator's Report

Mr. Marcus Beverly advised that Ms. Henri Castro has returned to Bickmore Risk Services. He also noted that the City of Dixon and the City of Rocklin are the current leaders of the ACI Walking Challenge so far.

G. FINANCIAL REPORTS

G1. Quarterly Financial Report for Period Ending September 30, 2014

Ms. Alana Theiss advised that the Quarterly Financial Report for Period Ending September 30, 2014 was not yet completed as Workers' Compensation claims are currently being reconciled to remove 4850 vouchers. The Report will be brought to the Board of Directors meeting on December 11, 2014 for approval. She also noted that all member deposits have been paid.



H. JPA BUSINESS

H1. 2015 Nominating Committee and Nomination of Officers

Mr. Beverly advised that membership on the NCCSIF Executive Committee rotates annually with each member serving for a two-year term. The cities of Lincoln, Nevada City and Rocklin are scheduled to rotate off the Committee on December 31, 2014. The city of Auburn, Folsom and Placerville are scheduled to rotate onto the EC at that time.

Ms. Liz Ehrenstrom's term as President will conclude on December 31, 2014 and Mr. Russell Hildebrand is scheduled to begin serving his two year term as the NCCSIF President starting January 1, 2015. Mr. Beverly asked for nominations for the office of Vice President and Secretary. Mr. Bruce Cline was nominated to serve as Vice President and Ms. Corey Shaver volunteered to serve as Secretary. The Nomination of Officers is as follows:

President: Russell Hildebrand

Vice President: Bruce Cline

Secretary: Corey Shaver

Treasurer: Tim Sailsbery

A motion was made to approve the Nomination of Officers to the Board of Directors for approval.

MOTION: Tim Chapa **SECOND:** Michelle Pellegrino **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: Lee, Islas

H2. Resolution 15-01 Authorizing Investment of Monies in LAIF

Mr. Beverly explained annually NCCSIF authorizes the President, Vice President and Treasurer to order the deposits or withdrawal of monies in LAIF. The draft Resolution 15-01 will be updated to reflect Bruce Cline as the Vice President.

A motion was made to recommend approval of Resolution 15-01 Authorizing Investment of Monies in LAIF.

MOTION: Tim Chapa **SECOND:** Michelle Pellegrino **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: Lee, Islas



H3. 2015 Service Calendar

Mr. Beverly explained that the Service Calendar is provided to the Committee showing a timeline of the annual activities to be completed on behalf of the organization. He explained that the Finance Committee Meeting was revised to reflect “as needed”. He noted that the Program Manual will be made available on the website rather than an electronic copy to member via compact disc. Direction was given to staff to have the program manual available on the NCCSIF broken out by sections and updated as needed. He then introduced Ms. Michelle Minnick who is a new hire at Alliant.

A motion was made to approve the 2015 Service Calendar.

MOTION: Russell Hildebrand **SECOND:** Corey Shaver **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: Lee, Islas

H4. December 11, 2014 Long Range Planning Itinerary

Mr. Beverly reviewed the draft December 11, 2014 Long Range Planning/BOD Agenda explaining that this year’s focus will be on funding and a venue in Yuba City has been selected to hold this year’s LRP/BOD meeting. It will be held at the Harvest Room hosted by New Earth Market in Yuba City. The meeting itself will focus on confirmation of NCCSIF’s current policies and procedures on Funding, Dividends and Assessments. He explained that NCCSIF may want to take a look at the Assessment triggers and whether or not they should be more specifically addressed in the policy. He explained that he would like to determine if the 20% Assessment in the banking layer a sufficient amount to assess members. Mr. Sailsbery noted that rate stabilization for the JPA has always been a priority of the organization but from the standpoint of a City, it may be beneficial to have the ability to determine how assessments are addressed on an annual basis. Mr. Beverly advised that Mr. Mike Harrington, NCCSIF’s Actuarial Provider, will also be in attendance to assist in the discussion. Mr. Russell Hildebrand

H5. Liability Coverage Update – CJPRMA

H5a. Transit Coverage

Mr. Beverly explained that NCCSIF’s Memorandum of coverage follows the form and coverage terms provide by the excess liability pool, CJPRMA, with some exceptions. Notably, NCCSIF does not include two transit related exclusions found in the CJPRMA MOC.

CJPRMA excludes liabilities arising out of the operation of Transit Authorities but this exclusion does not apply to Employment Practice Liability claims from transit workers presented by NCCSIF members as long as the workers are employed by the city and the payroll for those employees are reported to CJPRMA. CJPRMA also requires formal communication from NCCSIF with the amount of new payroll that will be reported from these operations by members.



He explained that NCCSIF provides coverage for Transit Authorities via Endorsement. Currently the Cities of Folsom, Lincoln, and Auburn subject to a sublimit of \$250,000 each occurrence. Transit coverage for the City of Dixon has been excluded via endorsement as well.

H5b. Drones

Mr. Beverly explained that the use of aerial drones has increased throughout public agencies and questions have arisen regarding this exposure and what is covered under their liability program. Since NCCSIF's Memorandum of Coverage follows CJPRMA's Memorandum of Coverage, Program Administration has reached out to CJPRMA regarding their position regarding coverage of aerial drones. He explained that Program Administration has reached a tentative agreement with CJPRMA that the aircraft liability exclusion, based on standard insurance industry language, does not apply to aerial drones. Aircraft is defined as "a vehicle designed for the transport of person or property principally in the air." Since the surveillance aerial drones currently anticipated to be used are considered to carry "built-in" surveillance cameras and they do not carry any "passengers or property", the CJPRMA exclusion for aircraft would not apply.

Other pools have also begun to confirm that their aircraft exclusions don't apply to aerial drones and affirmed their intent to cover this exposure. It is possible that CJPRMA will consider whether or not to exclude drones in the future and NCCSIF should be prepared to voice its opinion on any proposed changes. Program Administrators did reach out to the Police Risk Management Committee during their meeting on November 6, 2014 and found that no member in attendance is currently using or has plans to use aerial surveillance drones. There was discussion regarding the possible liability from illegal surveillance or privacy rights but so far NCCSIF shows no signs of the use of these drones.

H6. 2015/16 Insurance Market Update and Renewal Marketing Plan

Mr. Beverly provided an Insurance Market Update explaining the market is generally very healthy in spite of the continuing decrease in investment earnings. Record surplus, steady premium growth, and relatively low claim payments have led to a combined loss ratio under 100%. Global natural catastrophes so far in 2014 have resulted in low levels of claims. Overall economic losses of US \$42B and insured losses of US \$17B to the end of June were considerably below the average for the past ten years.

The 2014 hurricane season has been less active than normal, but toward the end of the year the natural climate phenomenon El Nino may impact regions differently in terms of the number and intensity of weather extremes.

He advised that Program Administration recommends budgeting for a 10-15% increase for Workers' Compensation, 3-5% increase for liability, and a 3-5% increase for property though an increase for property is not expected. Program Administration recommends renewal with all current programs and excess carriers and is planning to market the Crime program through CSAC EIA's program.



H7. Round Table Discussion

The Committee had no Round Table Items to discuss.

I. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF Travel Reimbursement Form
3. NCCSIF Resource Contact Guide

J. ADJOURNMENT

The meeting was adjourned at 11:27 am.