



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
MARCH 22, 2018**

COMMITTEE MEMBERS PRESENT

Liz Cottrell, City of Anderson	Gina Will, Town of Paradise
Kristina Miller, City of Corning	Dave Warren, City of Placerville (Chair)
Astrida Trupovnieks, City of Lincoln	Sandy Ryan, City of Red Bluff
Liz Ehrenstrom, City of Oroville	Tim Sailsbery, City of Willows

COMMITTEE MEMBERS ABSENT

Juan Solis, City of Gridley

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services	James Marta, James Marta & Company
Raychelle Maranan, Alliant Insurance Services	Dori Zumwalt, York Risk Services

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 10:06 a.m.

B. INTRODUCTIONS

Introductions were made and 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: Liz Ehrenstrom	Second: Gina Will	Motion Carried
Ayes: Cottrell, Trupovnieks, Ehrenstrom, Will, Warren, Ryan		

D. PUBLIC COMMENTS

There were no public comments.



E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - September 28, 2017
2. Executive Committee Special Meeting Minutes - December 19, 2017
3. Check Register from December 1, 2017 to February 28, 2018
4. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
 - c. Treasurer's Report as of December 31, 2017
5. FY 17/18 CSAC EIA Member Annual Report

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

Motion: Liz Ehrenstrom

Second: Gina Will

Motion Carried

Ayes: Cottrell, Trupovnieks, Ehrenstrom, Will, Warren, Ryan

F. ADMINISTRATION REPORTS

F.1. President's Report

Chair Warren welcomed new committee member, Juan Solis of City of Gridley, and long-time board member, Gina Will of Town of Paradise, back on the Executive Committee.

F.2. CJPRMA Update

Ms. Astrida Trupovnieks, Board Representative to CJPRMA, updated the Committee on one of CJPRMA's (Excess Liability carrier for NCCSIF) members, City of Vallejo. Due to Vallejo's high loss exposures the city was forced to a higher self-insured retention which is not feasible for the City. Therefore, Vallejo is leaving the pool and the impact would not have a major effect on the program's funding as CJPRMA settled their high dollar claims. Mr. Marcus Beverly confirmed that the City of Vallejo has been accepted to the CSAC EIA GL Program 2.

CJPRMA is recruiting for Assistant General Manager and that incumbent will assume the General Manager role once David Clovis retires in October.

F.3. Program Administrator's Report

Mr. Beverly had no items to report.



G. JPA BUSINESS

G.1. FY 18/19 Actuarial Studies of the Self Insured Programs

G.1.a. Workers' Compensation Program

Mr. Beverly noted that Mike Harrington will present the Actuarial Reports to the full Board at the April meeting.

Mr. Beverly reviewed the draft FY 18/19 Actuarial Study of the Workers' Compensation program. The total recommended funding for banking and shared risk layers is \$9,440,000 at the current 75% CL. Overall, the rates have decreased 3.1%, from \$4.434 to \$4.295, with a 2.3% decrease in the Banking Layer and a 4.7% decrease for the Shared Layer.

Kristina Miller arrived at 10:16 a.m.

Mr. Beverly noted the FY 18/19 rate at the 80% Confidence Level (CL) is \$4.475, \$0.041 or 0.9%, above the current 75% CL rate, and is a good opportunity to increase the funding CL.

Tim Sailsbery arrived at 10:23 a.m.

A motion was made to accept the Draft Actuarial Studies of the Self Insured Workers' Compensation Program and to finalize the report for presentation to the Board of Directors.

Motion: Liz Ehrenstrom **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.1.b. Liability Program

Mr. Beverly reviewed the draft FY 18/19 Actuarial Study of the Liability program. The total recommended funding for banking and shared risk layer is \$3,931,000 at the current 75% CL, just \$54,000 above the funding of \$3,877,000 for FY 17/18. The rate at the 75% CL is \$2.318 per \$100 of payroll, compared to \$2.380 last year, a decrease of 2.6%. While the rate decreased, the total funding increased due to increased payroll.

Mr. Beverly noted the FY 18/19 rate at the 80% CL is \$2.49, just \$0.11 (4.8%) above the current rate of \$2.38 at the 75% CL.

A motion was made to accept the Draft Actuarial Studies of the Self Insured Liability Program and to finalize the report for presentation to the Board of Directors.

Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery



G.2. Workers' Compensation Program

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

Mr. James Marta reviewed the plan adjustment calculation for the Workers' Compensation Banking Layer and noted that there are refunds available to the members who are in a positive position. The Net Equity above the pool is ten times the \$100,000 Self Insured Retention (SIR) and 90% confidence level in excess of the outstanding liabilities. The total dividend is \$1,562,520 which represents 35% of the available net position, and the total assessments is \$188,760 which represents 20% of the amount for those members who fell below the required funding. The cities in deficit are: Cities of Oroville, Red Bluff, Yuba City and Town of Paradise.

After review and discussion, a motion was made to approve the 35% Banking Layer refund from the Workers' Compensation program for eligible members and 20% assessment to those members who fell below the required funding per the Policy and Procedure A-1 Banking Plan Adjustments.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

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

Mr. Beverly reviewed the plan adjustment calculation for the Workers' Compensation Shared Risk Layer and noted that the fund has \$1,562,000 in excess of the minimum required assets, defined as the lesser of total assets less outstanding liabilities at the 90% Confidence Level or Net Position of five times the SIR of \$400,000 (\$2,000,000). The Shared Layer refund should be limited to 50%, or \$781,000 per the policy and procedure.

After review and discussion, a motion was made to approve the 50% Shared Risk Layer refund from the Workers' Compensation program per the Policy and Procedure A-12, Shared Risk Layer Plan Fund Adjustments.

Motion: Astrida Trupovnieks **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.2.c. FY 18/19 Deposit Premium Calculations

Mr. Beverly reviewed the FY 18/19 Deposit Premium calculation at 75% and 80% CL for comparison:

- Total funding at the 75% CL - is estimated at \$11,672,129 compared to \$11,568,170 for FY 17/18, an increase of 0.9%. Given the rate has decreased, the overall increase is due to increased payroll of 4.3%



- Total funding at the 80% CL - is estimated at \$12,068,129, an increase of 4.3% over current funding at the 75% CL.

The individual funding increase cap of 40% is not applicable this year, and members are within a narrow range of increases, from 3.7% to 4.7%. The notable exception is the City of Willows, with a decrease of almost 20% due to outsourcing police. Mr. Beverly recommended to increase funding to the pool's goal of an 80% CL.

A motion was made to recommend the funding level at 80% Confidence Level for the Workers' Compensation program to the Board.

Motion: Gina Will **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.3. Liability Program

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

Mr. Marta reviewed the plan adjustment calculation for the Liability Banking Layer and noted that there are refunds available to members who are in a positive position. The Net Equity above the pool is ten times the \$50,000 SIR and 90% confidence level in excess of the outstanding liabilities. The total dividend is \$506,483 which represents 35% of the available net position, and the total assessments is \$79,760 which represents 20% of the amount for those members who fell below the required funding. The cities in deficit are: Cities of Auburn, Colusa, Ione, Jackson, Rio Vista, and Willows.

After review and discussion, a motion was made to approve the 35% Banking Layer refund from the Liability program for eligible members and 20% assessment to those members who fell below the required funding per the Policy and Procedure A-1, Banking Plan Fund Adjustments.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.3.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services

Mr. Beverly reviewed the plan adjustment calculation for the Liability Shared Risk Layer and noted this is the first time assets have been above the 90% CL in at least five years. The fund also reached its other target benchmark of Net Position at least five times the SIR of \$450,000 (\$2,250,000), with Net Position estimated at just over \$3 million. It was noted that FY 18/19 would have been the fifth year of five-year assessment of \$600,000 per year. Given that the Fund has just exceeded its funding goals after years of assessments, the Program Managers do not recommend a refund or assessment if the members agree to fund at the 80% CL for FY 18/19. This is first year there will be no CJPRMA dividend to offset any assessment.



Mr. Marta suggested for the Finance Committee to revisit the funding ratio adjustment to exclude the recent five years in the equity calculation due to loss development of claims.

After review and discussion, a motion was made to not take action.

Motion: Tim Sailsbery **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.3.c. FY 18/19 Deposit Premium Calculations

Mr. Beverly reviewed the FY 18/19 Deposit Premium calculation at 75% and 80% CL for comparison:

- Total funding at the 75% CL - is estimated at \$5,792,599 compared to \$5,605,674 for FY 17/18, an increase of 3.3%. Payroll for the liability program increased by 3.5%, accounting for all of the funding increase. One member exceeded the 25% cap slightly.
- Total funding at the 80% CL - is estimated at \$6,091,599, an increase of 8.7% over FY 17/18 funding at the 75% CL. The increase from a 75% to 80% CL for FY 18/19 funding is \$299,000, or 5.2%. One member is capped at 28%, to adjust the 25% cap to the higher CL.

A motion was made to recommend the funding level at 80% Confidence Level for the Liability program to the Board.

Motion: Sandy Ryan **Second:** Liz Cottrell **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.4. FY 18/19 NCCSIF Administration Budget

Mr. Beverly provided an overview of the preliminary FY 18/19 Administration Budget. The budget increases for service providers are based on current contracts. One significant increase is the State Funding/Fraud Assessment by 18% from the actual expense for FY 17/18. It was noted that two items: Lexipol Fire Services and Property Appraisal Services are not part of the admin budget and cost for these items will be allocated to participating members only. Overall, the budget increase is 4% over last year's budget without the State Funding increase.

Information only, no action taken.

G.5. Claims Committee Membership Appointment

The Executive Committee appointed the following members to serve on the Claims Committee for 2018:

1. Liz Cottrell, City of Anderson



2. Liz Ehrenstrom, City of Oroville
3. Gina Will, Town of Paradise
4. Dave Warren, City of Placerville
5. Tim Sailsbery, City of Willows

A motion was made to approve the five Executive Committee members to serve on the 2018 Claims Committee.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.6. Fire Department Guidelines and Training Options

Mr. Beverly indicated that Program Administrators obtained quotes from Lexipol and TargetSolutions for Fire Services training as a result of members' interested in the service. Members will receive a significant discount if NCCSIF pays for the service and allocates the cost to the subscribing members. It was noted to add City of Corning to the list, correction on the number of volunteers for City of Willows to 10 and number of full time fire fighters for cities of Red Bluff and Lincoln are less than what's reflected on the pricing quote summary. NCCSIF members have free access to TargetSolutions standard trainings and can use CSAC EIA discounted rates for the premium trainings. Given the additional services provided by Lexipol similar to Lexipol Policy Service for the police departments, it makes sense to proceed with group agreement.

A motion was made to enter a group contract with Lexipol Fire Subscription Services and allocate cost to the subscribing members.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.7. Review of Strategic Goals

Mr. Beverly reviewed the goals the Board established from the Long-Range Planning meeting in December 2017. Some are progressing relatively quickly in achieving the goals such as funding at 80% Confidence Level for both the Liability and Workers' Compensation Programs for FY 18/19. This is pending Board approval at the April 26, 2018 meeting

Information only, no action taken.

G.8. Active Shooter Liability Program Sublimit Option

Mr. Beverly reviewed the proposed endorsement to the Liability Memorandum of Coverage (MOC) adding Active Shooter Coverage. This new exposure has created coverage for Active Shooter that is now being offered commercially, but is tailored to the needs of insureds who have



an incident occur on their property. The recommended endorsement language is based on similar language found in the parametric insurance policies. Members have access to their Banking Layer after an Active Shooter event with an additional payment of \$50,000 from the Shared Risk Layer. It does not require members to provide any documentation of having paid an extraordinary amount of extra expense. The intent is immediate payment to the member after a triggering event similar to parametric coverage.

The consensus of the Committee is to prove the loss to justify additional payment from the Shared Risk Layer.

A motion was made to move forward with the Active Shooter coverage adding language requiring proof of loss prior to expanding coverage to the Shared Layer and present to the Board for consideration at the April meeting.

Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Sailsbery

G.9. Round Table Discussion

Ms. Kristina Miller brought up concerns with ACI EAP referral in Chico area. Mr. Beverly indicated will address the issue with ACI immediately.

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2018 Meeting Calendar
3. NCCSIF Travel Reimbursement

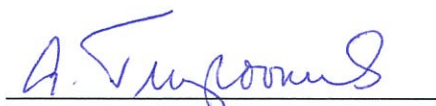
There was no discussion on these items.

I. ADJOURNMENT

This meeting was adjourned at 12:15 p.m.

NEXT MEETING DATE: May 17, 2018 in Rocklin, CA

Respectfully Submitted,


Astrida Trupovnieks, Secretary

May 17, 2018
Approval Date