



**MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
JUNE 12, 2014**

**MEMBERS PRESENT**

Jeff Kiser, City of Anderson  
Shari Conley, City of Auburn  
John Brewer, City of Corning  
Jim Lindley, City of Dixon  
Bruce Cline, City of Folsom  
Elisa Arteaga, City of Gridley  
Ed Pattison, City of Ione  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Russell Hildebrand, City of Rocklin  
Tim Sailsbery, City of Willows  
Natalie Walter, City of Yuba City

**MEMBERS ABSENT**

Toni Benson, City of Colusa  
Brad Koehn, City of Elk Grove  
Paula Islas, City of Galt  
Leigh Keicher, City of Marysville  
Dave Warren, City of Placerville  
Sandy Ryan, City of Red Bluff  
Tim Chapa, City of Rio Vista  
Gina Will, Town of Paradise

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services, Inc.  
Marcus Beverly, Alliant Insurance Services, Inc.  
Johnny Yang, Alliant Insurance Services, Inc.  
Henri Castro, Bickmore  
Tom Kline, Bickmore  
Craig Wheaton, York Risk Services  
D'Ana Seivert, York Risk Services  
Robin Zane, James Marta & Company



**A. CALL TO ORDER**

The meeting was called to order at 12:00 p.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:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**D. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes – April 24, 2014
2. Investment Report
  - a. Chandler Asset Management Short/Long Term – March 2014
  - b. Treasurer’s Report as of March 31, 2014
3. Utilization Report for Safety Grant Funds as of April 23, 2014
4. Alliant Program Administrators Agreement
5. Crowe Horwath Engagement Letter

**A motion was made to approve the Consent Calendar.**

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**E. YORK SUBROGATION PROGRAM (LUNCHTIME PRESENTATION)**

Mr. Craig Wheaton from York Risk Services provided the Board with a presentation regarding the subrogation program they offer to members and the results to date.



## **F. MINUTES AND COMMITTEE REPORTS**

1. Risk Management Committee Meeting Minutes – June 12, 2014
2. Executive Committee Meeting Minutes – May 29, 2014 (Draft)
3. Claims Committee Meeting Minutes – May 29, 2014 (Draft)
4. Police Risk Management Committee Meeting Minutes – (Draft)

There was no discussion on this item.

## **G. ADMINISTRATION REPORTS**

### **G1. President's Report**

Ms. Liz Ehrenstrom had no items to report.

### **G2. Program Administrator's Report**

#### **a. Bickmore Purchase by York**

Mr. Marcus Beverly advised that Bickmore has been purchased by York.

#### **b. Other Administrator Comments**

There were no other administrator comments.

## **H. FINANCIAL REPORTS**

### **H1. Quarterly Financial Report for Period Ending March 31, 2014**

Ms. Robin Zane, James Marta and Company, presented the Quarterly Financial Report for the period ending March 31, 2014.

**A motion was made to approve the Quarterly Financial Report for Period Ending March 31, 2014.**

**MOTION:** Jeff Kiser                      **SECOND:** Michael Daly                      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

### **H2. Budget to Actual as of March 31, 2014**

Ms. Zane explained that the Budget to Actual now includes a notes section which details any items in need additional information.



## **I. JPA BUSINESS**

### **II. Conflict of Interest Code**

Mr. Beverly explained that the Conflict of Interest Code is approved by the Board of Directors every even-numbered year. The Multi-County Agency Biennial Notice is then sent to the California Fair Political Practices Commission (FPPC) to advise whether any there were any updates or revisions. NCCSIF's Conflict of Interest Code has been amended to comply with the new FPPC Filing requirements. Program Administrators recommend no changes this year.

**A motion was made to approve the Conflict of Interest Code as presented.**

**MOTION:** Bruce Cline      **SECOND:** Natalie Walter      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

### **I2. Administrative Surplus Budget**

Mr. Beverly advised that, over time, the Administrative budget accrues a surplus as a result of expenses being less than projected. As of June 30, 2013, the administration budget had a Net Position of \$223,959 in the Liability Program and \$253,566 in the Workers' Compensation program. This Workers' Compensation Administration budget shows \$564,121 but \$310,555 is allocated to the Risk Management Grant Fund. In past years, this surplus has been used to help off-set the upcoming member contributions. At a prior meeting the Board approved using a portion of the funds, \$120,000 from each Program, to reduce administrative funding for the 2014/15, leaving approximately \$103,000 in the Liability program and \$133,000 in the Workers' Compensation program.

He explained that Program Administration and Executive Committee recommend approval of a policy which establishes a contingency reserve in the administrative budget surplus that accrues for each program of up to \$100,000. Program Administration also recommends developing and maintaining budget documents that will more clearly track and account for the accumulation and distributions of surplus in the future.

**A motion was made approve the recommendation as stated above.**

**MOTION:** Bruce Cline      **SECOND:** Michael Daly      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.



### **I3. 2014/15 NCCSIF Budget**

Mr. Beverly provided the Board with an update on the recommended 2014/15 NCCSIF Budget explaining Bickmore cost increased by about \$5,000 for the addition of Elk Grove and a decrease for Lexipol services.

Mr. Cline asked how the \$50,000 will be used. Mr. Simmons advised that the budget amount is being recommended for approval. The remaining details as respects to purchase and distribution of the cameras will be decided by the Police Risk Management Committee.

Mr. Cline recommended that the cameras be allocated according to percentage basis relative to the size of each member.

Mr. Beverly then advised that the total administrative cost has not seen much of an increase from the prior at a .03% increase. He also explained that the Administrative Surplus Offset has been shown on the budget as well.

**A motion was made to approve the 2014/15 NCCSIF Budget subject to Mr. Cline's recommendation of the cameras being allocated according to a percentage basis relative to the size of each member and brought back for the Executive Committee's review.**

**MOTION:** Bruce Cline      **SECOND:** John Brewer      **MOTION CARRIED**

**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.

**NAYS:** None.

### **I4. 2014/15 Deposit Calculations**

#### **I4a. Liability**

Mr. Beverly explained that the deposits are capped at a 25% maximum increase over the prior year. The Administrative Surplus has been applied to the Liability Administrative Expenses in the amount of \$120,000. The Board has increased the Confidence Level funding from 60% to 65% and the interest discount rate remains flat at 1.5%. He explained that a portion of the CJPRMA refund was applied to this year's deposit calculations as well as well as to help fund the deficit in the liability shared risk layer. A breakdown has been provided showing the all the refunds, assessments and administrative surplus offsets by member.

#### **I4b. Workers' Compensation**

Mr. Beverly explained that overall the Workers' Compensation program deposit is higher by about 7.2% over the prior year mostly due to deficit in the banking layer. There is a shared risk layer refund of \$131,757 but the banking layer has been assessed in the amount of \$377,636. The Administrative Surplus of \$120,000 was also applied to this program as well.



Mr. Tim Sailsbery reminded members that there was an attempt to share the banking layer deficit which was stopped as the banking is not designed to share funds throughout the members.

**A motion was made to approve the 2014/15 Liability and Workers' Compensation Deposit Calculations.**

**MOTION:** Tim Sailsbery                      **SECOND:** Bruce Cline                      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

#### **I5. 2014/15 NCCSIF Liability Memorandum of Coverage**

Mr. Beverly advised the Board that CJPRMA has approved two changes to their coverage effective July 1, 2014. The first change limits the coverage provided to any additional covered party to the amount specified in the contract. This amount is likely to be in excess of the coverage provided by NCCSIF therefore NCCSIF should now follow this language.

The second change is with respect to coverage provided for fireworks displays or demonstrations "sponsored or controlled" by a Member. The new language states that in the event of a fireworks loss, and Member of CJPRMA that did not require the fireworks vendor to provide evidence of coverage and additional insured status with a limit of liability of at least \$5,000,000 on a project specific basis will have to pay 150% of their retained limit for that loss. In addition, the retained limit cannot be satisfied by the vendor's insurance, as would normally be the case. He explains that NCCSIF will be subject to a retained limit of \$750,000 in the event of a fireworks loss where the fireworks vendor was NOT required to provide additional insured coverage with a \$5,000,000 limit on a project specific basis. If NCCSIF were to follow this language in its MOC then Members would be subject to a retained or Banking Layer limit of \$75,000, or \$150,000 for Folsom. Mr. Simmons provided a brief history of how CJPRMA came to this decision and advised that a survey will be done to determine how much and what type of insurance are carried by fireworks vendors. Mr. Cline asked that CJPRMA confirms if "sponsored or controlled" includes when the city issues a permit as he does not believe it should not. Cities should not be held liable for fireworks losses held within the City but hosted by a third party.

**A motion was made to approve the 2014/15 Liability Underlying Memorandum of Coverage subject to the recommendations noted above.**

**MOTION:** Tim Sailsbery                      **SECOND:** Bruce Cline                      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.



## **I6. Documentation of 4850 Benefits**

Mr. Beverly advised that NCCSIF has made the policy decision to not provide coverage for full salary continuation benefits payable under Labor Code 4850 whenever a public safety officer is disabled due to employment-related injuries. He explained that the 4850 benefits are typically divided into two parts: the “regular” Temporary Disability (4850 TD) every employee receives and the amount that makes up the difference between the TD benefit and full salary (4850 Diff).

### **I6a. NCCSIF Workers’ Compensation Memorandum of Coverage**

In order to document NCCSIF’s decision not to cover either portion of the 4850 benefits changes are required to the Memorandum of Coverage. He explains that the 4850 portion is handled differently for each member by York. Most members will receive a 4850 voucher from York. The 4850 benefits will also apply to the excess layer retention. Copies of the recommended changes were included in the agenda packet.

**A motion was made to approve the NCCSIF Workers’ Compensation Memorandum of Coverage with the recommended changes.**

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

### **I6b. Policies and Procedures**

Mr. Beverly explained that changes to the Workers’ Compensation Policies and Procedures are also recommended to reflect how NCCSIF handles the 4850 benefits.

**A motion was made to approve the NCCSIF Workers’ Compensation Policies and Procedures as recommended.**

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

## **I7. 2014/15 Property Renewal**

Mr. Johnny Yang explained that last year the Property premium was around \$900,000 which included an amount for Property Appraisals of around \$50,000. This year the property rates have decreased by 2.12% from the prior year. Total Insurable Values increased by 2.76% due to various changes throughout the year. The total premium increased by .58% over the last year with a total premium of \$850,362 based on total insured values of \$852,917,151.



Mr. Simmons also noted that the APIP (Alliant Property Insurance Program) has two “bolt on” coverages. The first is third party pollution coverage for their members. A Claims Reporting form must be signed and returned which states that all pollution losses must be reported within a week of the loss. The second is cyber liability with a limit of \$2,000,000 per City which also includes privacy notification. Mr. Simmons also reminded members that their property deductible is \$5,000 and APIP also includes a sublimit of \$25,000,000 for Course of Construction coverage.

**A motion was made to approve the 2014/15 Property Renewal.**

**MOTION:** Russell Hildebrand      **SECOND:** Natalie Walter      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

#### **18. 2014/15 Crime Renewal**

Mr. Yang advised that Program Administrators has not yet received a quote from the underwriter as of today. He explained that he does not expect a large increase in premium from the prior year if any, nor any changes to the coverage provided. Currently NCCSIF purchases \$1,000,000 in crime coverage and \$1,000,000 for the NCCSIF Treasurer. Mr. Yang asked that the Board approve the 2014/15 Crime Renewal with authority given to the NCCSIF President for any substantial changes to the coverage or premium.

**A motion was made to approve the 2014/15 Crime Renewal with authority given to the NCCSIF President for any substantial changes to coverage or premium.**

**MOTION:** Natalie Walter      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

#### **19. Identity Fraud Coverage**

Mr. Simmons explained that at the last EC meeting, the Program Administrator discussed the preliminary quotation to provide Fraud ID coverage to employees of NCCSIF Members. The total premium is \$9,853 at a limit of liability \$25,000 with a \$0 retention for coverage for ID Theft Resolution services for employees and their families.

**A motion was made to approve the purchase of Identity Fraud Coverage provided by Travelers Insurance Company.**

**MOTION:** Bruce Cline      **SECOND:** John Lee      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.





#### **I10. Medical Provider Network Update**

Mr. Beverly advised that NCCSIF has moved over to the new Medical Provider Network offered by WellComp effective June 1, 2014. Most members have completed their application for the new MPN.

#### **I11. Round Table Discussion**

Mr. Ed Pattison shared that he learned CJPRMA has a program which helps members track their required certificates for the City. Ms. Ehrenstrom recommended that Program Administration touch on the various services offered by NCCSIF's vendors at the December Board Meeting.

#### **J. INFORMATION ITEMS**

1. NCCSIF Program Manual (Handout)
2. NCCSIF Organizational Chart
3. NCCSIF 2014 Meeting Calendar
4. NCCSIF Travel Reimbursement Form
5. NCCSIF Resource Contact Guide

This meeting was adjourned at 2:37 p.m.