



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
APRIL 3, 2014**

MEMBERS PRESENT

Russell Hildebrand, City of Rocklin
Elizabeth Ehrenstrom, City of Oroville
John Lee, City of Lincoln
Paula Islas, City of Galt
Tim Sailsbery, City of Willows
Jim Lindley, City of Dixon
Corey Shaver, City of Nevada City

MEMBERS ABSENT

Tim Chapa, City of Rio Vista

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Marylin Kelley, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
James Marta, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:39 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: Jim Lindley **SECOND:** Russell Hildebrand **MOTION CARRIED
UNANIMOUSLY**

D. JPA BUSINESS

Ms. Marylin Kelley provided the Committee with a presentation on NCCSIF's 10 year historical deposits and dividends information.

Mr. Michael Simmons also introduced Mr. Jim Lindley who will be serving as the new representative for the City of Dixon.



D1a. Review and Approval of the 2013 Banking Plan Fund Adjustment Calculation Sheets – Workers’ Compensation

Mr. Marcus Beverly advised that staff recommends that there are no refunds made available to members from the banking layer and those in a deficit are assessed according to the Policies and Procedures in the amount of \$403,527. A chart was provided in the Agenda packet showing members’ individual 20% assessment. Mr. Beverly explained that no refunds are available to members at this time.

D1a. Review and Approval of the 2013 Banking Plan Fund Adjustment Calculation Sheets – Liability

Mr. Marcus Beverly explained there are members who are eligible for a refund and members who are due for an assessment. Staff recommends approval of distribution of refunds and assessments according to the Policies and Procedures. A chart showing members’ refunds and assessments are also included in the Agenda packet.

A motion was put on hold upon review of all funding items.

D2a. Review and Approval of the 2013 Shared Risk Layer Plan Fund Adjustments – Workers’ Compensation

Mr. Beverly explained that staff recommends releasing 35% of the funds available for refund in the amount of \$931,758. Of this amount staff recommends that NCCSIF continue to fund the Risk Management Grants in the amount of \$200,000. Finally, it is recommended that \$600,000 be contributed from the refund to the Workers’ Compensation Banking Layer members’ equity, as that fund is in a negative position at the 90% confidence level. The remaining \$131,758 would be distributed to Members using an allocation based on their historical contributions to the Shared Risk Layer.

A motion was put on hold upon review of all funding items.

D2b. Review and Approval of the 2013 Shared Risk Layer Plan Fund Adjustments - Liability

Mr. Beverly explained that staff recommends approval of an Assessment of \$600,000 for the Liability Shared Risk Layer. Staff also recommends applying 2/3rd of the CJPRMA refund, in the amount of \$267,571, to the Assessment, leaving \$332,429 to be assessed to Members.

A motion was put on hold upon review of all funding items.

D3. Preliminary 2014/15 NCCSIF Budget

Mr. Beverly advised that the budget remain relatively flat for the administrative budget. Ms. Marilyn Kelley advised that this item is provided as information only as all the vendors have not submitted their costs for the renewal. This information is usually provided in May.



D4a. Preliminary 2014/15 Deposit Calculations – Workers’ Compensation

Mr. Beverly explained that, currently, the program is funding at a Confidence Level of 65% and a Discount Rate of 1.5%. For the 2014/15 year the rate remains flat. Significantly this year’s rate does not include the 4850 TD portion as opposed to last year which did include the 4850 TD portion. Staff has provided funding numbers at a Confidence Level of 60%, 65%, 70% and 75%.

Mr. Beverly recommends funding at a 65% or 70%. 65% results in a deposit increase of 8.9% and 70% results in a deposit increase of 11.94%. He then went over the different funding options at different Confidence Levels noting that the estimated CSAC-EIA premium is at \$988,000 and the Admin expense is at \$552,330. The options include a total recommended Shared Risk Refund of \$131,757 and a Banking Layer Assessment of \$377,636 for every option. Total funding at the Confidence Level of 60% is \$9,346,854, 65% is \$9,605,275, 70% is \$9,869,233 and 75% is \$10,327,007. The total deposits are calculated using a cap of 40%

Mr. James Marta recommends funding at a Confidence Level of either 65% or 70% to assist in the Banking Layer deficit.

D4b. Preliminary 2014/15 Deposit Calculations – Liability

Mr. Beverly explained that, currently, the program is funding at a Confidence Level of 65% and a Discount Rate of 1.5%. For the 2014/15 year the rate increased by \$0.15 from the prior year. Staff has provided funding numbers at a Confidence Level of 60%, 65%, 70% and 75%.

Mr. Beverly recommends funding at a 65% or 70% with respects to liability as well. 65% results in a deposit increase of 7.9% and 70% results in a deposit increase of 12.54%. He then went over the different funding options at different Confidence Levels noting that the estimated CJPRMA premium is at \$969,778 and the Admin expense is at \$501,470. The options include a total recommended Shared Risk Assessment of \$332,429 and a Banking Layer Refund of \$167,128 for every option. Total funding at the Confidence Level of 60% is \$4,484,748, 65% is \$4,672,731, 70% is \$4,860,714 and 75% is \$5,112,836. The total deposits are calculated using a cap of 25%

The following recommendations were made:

- Mr. Marta recommends funding at a Confidence Level of 70% for the Banking Layer and 65% for the Shared Risk Layer.
- Ms. Kelley recommends funding at a Confidence Level of 70% for the Banking Layer and 60% for the Shared Risk Layer.
- Mr. Simmons recommends funding at a Confidence Level of 65% for both the Banking Layer and Shared Risk Layer for the Liability program. He also recommended a Confidence Level of 70% for the Workers’ Compensation program.
- Mr. Tim Sailsbery recommends funding at a Confidence Level of 65% across the board.



Mr. Simmons explained that as a best practices most organizations fund at a Confidence level of 70% as programs need to be funded above the 90% Confidence Level to receive dividends. He suggested that NCCSIF should make a goal to get to 70% Confidence Level in the future but not for this renewal.

The following motions were made with respects to the funding items.

Workers' Compensation Funding

A motion was made to approve a 65% Confidence Level Funding including the Assessments and Refunds as recommended by staff.

MOTION: Paula Islas **SECOND:** Russell Hildebrand **MOTION CARRIED UNANIMOUSLY**

Liability Funding

A motion was made to approve a 65% Confidence Level Funding including the Assessments and Refunds as recommended by staff.

MOTION: Paula Islas **SECOND:** Russell Hildebrand **MOTION CARRIED UNANIMOUSLY**

Staff was directed to send the recommended preliminary calculations to NCCSIF members.

D5. Alliant Service Agreement Amendment (City of Elk Grove) Effective July 1, 2013

Mr. Simmons explained that an Ad Hoc Committee was appointed consisting of Tim Sailsbery, Paula Islas, Bruce Cline, Liz Ehrenstrom and Steve Kroeger to review the recommended Alliant Service Agreement Amendment for the addition of the City of Elk Grove effective July 1, 2013 which would increase the Contract Maximum by \$8,766 to Alliant's income. The Ad Hoc Committee recommends approval of the Alliant Service Agreement Amendment effective July 1, 2013.

A motion was made to approve the Alliant Service Agreement Amendment effective July 1, 2013.

MOTION: Corey Shaver **SECOND:** Paula Islas **MOTION CARRIED UNANIMOUSLY**

D6. Alliant Services Agreement Five Year Renewal

Mr. Simmons advised that the staff met with the Ad Hoc Committee and was offered a 5 year agreement at a 2% increase each year. He explained significant additions as follows:

- Modification of Disclosure Language
- Insertion of sections dealing with:



- Waivers
- Ownership of Books and Records
- Disaster Recovery; Continuity
- Non-Solicitation

Byrne Conley has reviewed, and signed off on this Agreement.

The Ad Hoc Committee also asked that Alliant continue providing account time tracking for each program. Staff is currently meeting with Russell Hildebrand to clean up the agreement. Mr. Hildebrand advised that clarifications of the contract is being discussed and addressed.

A motion was made to approve the Alliant Service Agreement Five Year Renewal upon review of any substantial items that may be made today to be subject to review by the Ad Hoc Committee with a final sign off by the NCCSIF President.

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

D7. Accounting and Financial Services Agreement

Mr. Marcus Beverly explained that staff has met with Mr. Marta who is proposing an increase from his current contract of \$62,100. Mr. Simmons advised that staff recommends the Executive Committee authorizes Alliant to enter into negotiates with James Marta and Company to renew a 3 year agreement for Accounting and Financial Services with fee of \$64,362 for the 14/15 program year with a 2% increase for the following 2 years. Mr. Marta then provided a brief background on James Marta and Company.

A motion was made to approve a 3 year Agreement for Accounting and Financial Services.

MOTION: Jim Lindley **SECOND:** Paula Islas **MOTION CARRIED UNANIMOUSLY**

D8. Round Table Discussion

Mr. Simmons advised that staff has received an indication for Fraud Coverage to be provided to all NCCSIF member employees at an estimated price of \$9,500 and \$10,500. Staff was directed to firm the quote with Travelers and bring it back to the Board of Directors.

Ms. Ehrenstrom explained that the Police Risk Management Committee is discussing the possibility of a police budget for body cameras for NCCSIF members. Mr. Jim Lindley advised that the City of Dixon is currently using the body cameras which have helped in deterring some claims and improved the behavior of the officers. This has, however, resulted in an increase in Pitchess motions but has not been successful.



E. INFORMATION ITEMS

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

F. ADJOURNMENT

The meeting was adjourned at 12:36 p.m.