

MINUTES OF THE NCCSIF BOARD OF DIRECTORS MEETING ROCKLIN EVENT CENTER, ROCKLIN, CA JUNE 15, 2017

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson Kristina Miller, City of Corning Kim Stalie, City of Dixon (Alternate) Brad Koehn, City of Elk Grove Kristine Haile, City of Folsom (Alternate) Matt Michaelis, City of Gridley Jon Hanken, City of Ione Dalacie Blankenship, City of Jackson (Alternate) Astrida Trupovnieks, City of Lincoln Corey Shaver, City of Nevada City Liz Ehrenstrom, City of Oroville Dave Warren, City of Placerville (**Chair**) Sandy Ryan, City of Red Bluff Jason Johnson, City of Rocklin (Alternate) Natalie Springer, City of Yuba City

OTHER MEMBERS PRESENT

Julie Rucker, City of Elk Grove

BOARD OF DIRECTORS ABSENT

Nita Wracker, City of Auburn Toni Benson, City of Colusa City of Dixon (primary Board vacant) Jim Francis, City of Folsom Cora Hall, City of Galt City of Jackson (primary Board vacant)

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services Michael Simmons, Alliant Insurance Services Raychelle Maranan, Alliant Insurance Services

City of Marysville (primary Board vacant) Gina Will, Town of Paradise Donna Lee, City of Rio Vista Kimberly Sarkovich, City of Rocklin Tim Sailsbery, City of Willows

Dori Zumwalt, York Risk Services Alana Theiss, James Marta & Company

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 11:49 a.m.

B. INTRODUCTIONS

Introduction was made and the majority of the members were present constituting a quorum.



C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Jon HankenSecond: Liz EhrenstromMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

D. PUBLIC COMMENTS

Mr. Michael Simmons indicated Gregory Bragg (Greg), founder of Gregory B. Bragg & Associates (Bragg), now known as York Risk Services Group, the Third Party Administrator (TPA) for both Liability and Workers' Compensation for NCCISF, passed away a week ago. Mr. Simmons reflected on Greg's contributions to the NCCSIF pool. It was noted that NCCSIF is the founding unit of Bragg's workers' compensation claims administration.

E. CONSENT CALENDAR

- 1. Board Meeting Minutes April 27, 2017
- 2. Check Register from March 1, 2017 to April 30, 2017
- 3. Investment Reports
 - a. Chandler Asset Management Short/Long Term March 2017 to April 2017
 - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2017
 - c. Treasurer's Report as of March 31, 2017
- 4. Financial Accounting and Consulting Services Agreement July 1, 2017 to December 31, 2017
- 5. Financial Audit Services Agreement Fiscal Year End June 30, 2017-19
- 6. Actuarial Services Engagement Letter FY 16/17, FY 17/18 and FY 18/19

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

Motion: Astrida TrupovnieksSecond: Jon HankenMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, SpringerNays: None

F. ADMINISTRATION REPORTS

F.1. President's Report

Chair Warren thanked the Program Administrators for incorporating additional options in the agenda item reports to assist Board members identify alternative actions to take.



F.2. Program Administrator's Report

Mr. Beverly had no items to report.

F.3. Summary of the May 18, 2017 Executive Committee Meeting

Mr. Marcus Beverly briefly reviewed the summary report and the Board had no questions.

Information only, no action taken.

G. FINANCIAL REPORTS

G.1. Quarterly Financial Report for Period Ending March 31, 2017

Ms. Alana Theiss reviewed the Quarterly Financial Report for period ending March 31, 2017. Ms. Theiss presented the highlights of the report. The total assets is \$57 million, \$54 million in investments and \$2 million in cash. The Liability Program Shared Layer is in a positive position. There are three members with a negative net position in the Liability Program Banking Layer at March 31, 2017: Colusa, Ione and Jackson. The Workers' Compensation program is in positive position across the board. There are four members with a negative position in the WC Program Banking Layer at March 31, 2017: Anderson, Oroville, Paradise, and Red Bluff.

Ms. Theiss proceeded and reviewed the Budget-to Actual. The Administrative expenses year-todate are currently on tract with the FY 16/17 budget with the exception of Legal Services and the annual State assessment of the Workers' Compensation Program. The assessment was \$205,152 versus the budgeted amount of \$168,000 due to higher than expected indemnity payments as the basis for the assessment.

A motion was made to accept and file the Quarterly Financial Report for the period ending March 31, 2017.

Motion: Brad KoehnSecond: Astrida TrupovnieksMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

G.2. Budget-to-Actual as of March 31, 2017

The Budget-to-Actual was reviewed under item G1.

Information only, no action taken.



G.3. Financial Accounting and Consulting Services Request for Proposals Process and Timeline

Mr. Beverly indicated that the Executive Committee recommended to conduct a Request for Proposals (RFP) for Financial Accounting and Consulting Services and approved a six-month agreement with James Marta and Company while going through the RFP. The proposed RFP timeline were reviewed.

Chair Warren nominated Robin Bertagna, City of Yuba City, to serve on the Accounting Services Ad Hoc Committee.

A motion was made to approve the plan to issue a Request for Proposal for Accounting and Financial Services, the addition of Robin Bertagna to the Accounting Services Ad Hoc Committee, and authority to the Executive Committee to select and negotiate contract with the new service provider.

Motion: Brad KoehnSecond: Liz EhrenstromMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H. JPA BUSINESS

H.1. FY 17/18 NCCSI Memorandum of Coverage (MOC)

H.1.a. Liability MOC

Mr. Beverly indicated that NCCSIF annually reviews the Liability Memorandum of Coverage (MOC) and the changes are from CJPRMA (California Joint Powers Risk Management Authority) MOC. The NCCSIF is underlying coverage and follows the form of CJPRMA, excess Liability carrier. It was noted that CJPRMA added coverage for unmanned aerial vehicle (UAV), commonly known as drones, effective July 1, 2017 with retained limit of \$500. It was noted that in order for coverage to apply, members must register the drones with CJPRMA in addition to operating the drones pursuant to FAA (Federal Aviation Administration) regulations. This coverage only applies to city owned drones and it does not apply to vendor contracted services. Mr. Beverly reminded members to ensure that vendors provide at least \$1 million coverage.

Members were also reminded that CJPRMA has an Endorsement for Special Events Liability and if a contract is secured with a hold harmless agreement, the CJPRMA retained limit will drop to \$25,000. If members allow a Fireworks display, the city must require the vendor to provide a minimum \$1 Million limit, but suggested to secure a \$5 Million limit with additional insured endorsement from the vendor and to obtain a permit.

Mr. Beverly noted that if a city employee is driving his/her own car on city business the employee's insurance will be primary for any claims. The NCCSIF coverage is excess over the employee's

own insurance, but would not be covered if employee has five or more points on their driving records over the last three years.

Northern California Cities Self Insurance Fund

A Joint Power Authority

Mr. Beverly explained the hammer clause stipulated in the MOC requires CJPRMA to seek member city's approval prior to settling a claim for a specific amount. However, if the member city does not approve the recommended figure, the consent to settlement clause states that CJPRMA will not be liable for any additional monies required to settle the claim or for the defense costs that accrue from the point after CJPRMA makes the settlement recommendation.

A motion was made to approve the FY 17/18 NCCSIF Liability Memorandum of Coverage as presented.

Motion: Astrida TrupovnieksSecond: Liz CottrellMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H.1.b. Workers' Compensation MOC

Mr. Beverly indicated that there are no changes to the NCCSIF MOC. Mr. Beverly noted that NCCSIF do not cover 4850 benefits. York tracks that information and adjust the coordination of benefits accordingly.

A motion was made to approve the FY 17/18 NCCSIF Workers' Compensation Memorandum of Coverage as presented.

Motion: Liz EhrenstromSecond: Natalie SpringerMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNatalie Springer

H.2. FY 17/18 Property Program Renewal

H.2.a. Property Renewal Proposal

Mr. Beverly indicated that the Total Insured Values (TIV) for the fifteen members that have property coverage through the Alliant Property Insurance Program (APIP) have increased since last year by 6.8%, from \$992,351,869 to \$1,059,819,052. The property rate increased 1.5% from the prior year, from \$0.08 to \$0.081 per \$100 of TIV for All Risk Primary and Excess coverage with \$5,000 deductible. Rates for vehicle and other coverages remain unchanged, except for a 5% increase in Pollution coverage. These changes result in a total premium increase of 8.36%, from \$794,983.42 to \$861,481.82. Members were provided with a brief summary of the changes to the coverage offered by the APIP Program for FY 17/18.

It was noted that APIP provides extremely broad coverage and is a unique property program. It provides volt on Pollution Liability and Cyber Liability coverage. Some members have their vehicle physical damage coverage through the Alliant Mobile Vehicle Program (AMVP). AMVP is separate from the APIP program. Mr. Beverly mentioned the obvious difference between the vehicle coverage in APIP and AMVP is the replacement cost basis where in AMVP it is limited to the first three years of the life of the vehicle whereas the replacement cost in APIP, if elected by the member, covers regardless of the age of the vehicle.

Northern California Cities Self Insurance Fund

A Joint Power Authority

Mr. Michael Simmons forewarned members to provide the Claims reporting information to all departments specifically the Public Works department need to be aware of the 7 days reporting period in case of environmental incident as ACE pollution coverage would be limited if members do not promptly report a claim. The Cyber Liability is through Beazley and members were encouraged to notify Beazley immediately upon knowing of incident that may lead to a loss as coverage doubles from \$500,000 to \$1 million if Beazley vendor services are used.

As APIP provides broader Terrorism Coverage than TRIA (the Terrorism Risk Insurance Act), the Board was asked to grant President Dave Warren with authority to sign the D1 Form, the Request to Bind document and decline the TRIA coverage.

After review and discussion, a motion was made to approve the FY 17/18 Property Program renewal through Alliant Property Insurance Program and have the President sign the declination of TRIA and D1 Disclosure Form.

Motion: Liz EhrenstromSecond: Jon HankenMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H.2.b. APIP Claims Reporting Acknowledgments

Mr. Marcus Beverly reiterated the importance of promptly reporting claims. All members that have coverage in APIP will be asked to sign and return the claims reporting acknowledgment form.

Information only.

Michael Simmons left the meeting at 1:10 p.m.

H.2.c. Cyber Liability Optional Coverage Enhancement Options

Mr. Beverly presented two options for enhanced Cyber Coverage to the Board - Cyber Enhancement Option (CEO) and Alliant Cyber Excess Solutions (ACES). Mr. Beverly indicated the key difference is the dedicated limit and separate out the privacy notification. There are two different options for limits in the ACES Program either \$2 Million or \$3 Million which does not contain privacy notification.



H.3. FY 17/18 Crime Coverage Renewal

Mr. Beverly indicated that the Crime Insurance coverage is through the Alliant Crime Insurance Program (ACIP) at \$3 million policy limit. This coverage is for loss due to Employee Dishonesty, including Faithful Performance and fraud exposures. The renewal premium with the same coverage as the expiring policy increased by 1.7%, \$864, due to the addition of City of Rio Vista.

A motion was made to renew the FY 17/18 Crime Insurance coverage at \$3 million policy limit with ACIP and the President to sign the bind order.

Motion: Sandy RyanSecond: Astrida TrupovnieksMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H.4. FY 17/18 Identity Fraud Expense Reimbursement Renewal

Mr. Beverly noted the Identity Fraud Expense Reimbursement is the same coverage as last year. The coverage is for employees including family members. The limit of liability is \$25,000 per insured person for reimbursement of expenses associated with resolving a fraud event, including resolving and replacing documents. There is no deductible and the premium is based on group as a whole. Mr. Beverly noted the cost of this coverage is included in the Administrative Budget.

A motion was made to renew the FY 17/18 Identity Fraud Expense Reimbursement coverage as presented.

Motion: Sandy RyanSecond: Astrida TrupovnieksMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H.5. FY 17/18 NCCSIF Administration Budget

Mr. Beverly reviewed the FY 17/18 Administration Budget and noted the Administrative Expenses are consistent with the service provider contracts. It was noted the ACI Wellness has been eliminated and re-allocated to the budget for Conferences - which is now Member Training and Risk Management with \$4,000 allocated to each member. It was noted that members can use the training allowance for travel related expenses to regional trainings. Overall, the administrative expenses are estimated to be a 4% increase over FY 16/17.

A motion was made to approve the FY 17/18 NCCSIF Administration Budget as presented.

Motion: Dalacie BlankenshipSecond: Liz EhrenstromMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried



H.6. FY 17/18 Deposit Calculations

H.6.a. Liability

Mr. Beverly indicated at the April meeting the Board approved to increase the funding level from 70% Confidence Level (CL) to 75% CL for the FY 17/18. Mr. Beverly reviewed the deposit calculation spreadsheet with the Board. The total funding at a 75% CL is estimated at \$5,603,424, an increase of 3.9% over FY 16/17 funding at the 70% CL. Individual member increases do not need to be capped at 25% this year, with the largest increase at 24.94% when comparing funding at the 70% CL. Two members exceeded the 25% cap when comparing to the 75% CL: City of Colusa and City of Jackson.

A motion was made to approve the FY 17/18 Liability Deposit Calculations as presented.

Motion: Astrida TrupovnieksSecond: Kristina MillerMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, Springer
Nays: NoneNation Carried

H.6.b. Workers' Compensation

Mr. Beverly indicated at the April meeting the Board approved to increase the funding level from 70% Confidence Level (CL) to 75% CL for the FY 17/18. Mr. Beverly reviewed the deposit calculation spreadsheet with the Board. The total funding at a 75% CL is estimated at \$11,573,622, an increase of 9.9% over FY 16/17 funding at the 70% CL. The individual member increase cap of 40% is not applicable this year, with the largest member increase at almost 30% at the 70% CL and 34% at the 75% CL.

A motion was made to approve the FY 17/18 Workers' Compensation Deposit Calculations as presented.

Motion: Brad KoehnSecond: Corey ShaverMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, SpringerNays: None

H.7. Claims Settlement Authority

H.7.a. Settlement of Coryell vs. City of Oroville

Mr. Beverly indicated that the Executive Committee (EC) provided authority to settle this claim at the May meeting due to the limited time constraint placed on the settlement placed by the plaintiff. The details of the case was briefly discussed as the case is settled and release is signed.



A motion was made to ratify the previous approval by the Executive Committee on the settlement of Coryell vs. City of Oroville.

Motion: Astrida TrupovnieksSecond: Jon HankenMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson, SpringerNays: None

Natalie Springer left the meeting at 1:52 p.m.

H.7.b. Executive Committee Authority

The Board reviewed the proposed change to the Policy and Procedure A-6a - Liability Shared Risk Layer Claims Handling Policy and Settlement Authority. It was noted one modification to report claims "activity" at each Board of Directors meeting or at least annually.

A motion was made to approve the Executive Committee the authority to settle claims within the Shared Layer up to \$400,000 and the change to Policy and Procedure A-6a Claims Settlement Authority as amended.

Motion: Sandy RyanSecond: Brad KoehnMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, JohnsonNays: None

H.8. York Risk Services Workers' Compensation Claims Administration

H.8.a. York Quarterly Report

Ms. Dori Zumwalt from York reviewed the quarterly report to the Board. This report is part of the Performance Plan to keep members informed on trends and claims statistics on a quarterly basis. York is conducting Workers' Compensation (WC) 101 Trainings at member's locations and ramping up to conduct WC 102 for the City of Rocklin. An overwhelming interest from members for York's WC 102.

Presented as information only.

H.8.b. WC Claim TPA Survey and Follow up

Mr. Beverly indicated that at the June 2016 Board meeting, York Risk Services was put on a Performance Plan for their Management of Workers' Compensation Claims Administration. To gauge the progress made to date by York a follow up survey was sent to the members. It was noted that fifteen members responded and based on the survey result York is on track to the Performance Plan. The Board's consensus to send another follow up survey in September, 2017 requiring all members to respond in order to get feedback of the entire membership.



H.9. Long Range Planning Date and Topics

Mr. Beverly indicated the December 2017 meeting conflicts with the CalPELRA conference and since majority of the Board members attends that conference it was suggested to move the date to December 14th to ensure Board members are available for the Long Range Planning meeting.

A motion was made to move the Long Range Planning and Board meeting date to December 14, 2017.

Motion: Liz EhrenstromSecond: Kim StalieMotion CarriedAyes: Cottrell, Miller, Stalie, Koehn, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,
Shaver, Ehrenstrom, Warren, Ryan, Johnson
Nays: NoneNature
Nature

I. ROUND TABLE DISCUSSION

Mr. Brad Koehn stated he like the Glossary of Terms.

J. INFORMATION ITEMS

- 1. Glossary of Terms
- 2. NCCSIF Organizational Chart
- 3. NCCSIF 2017 Meeting Calendar
- 4. NCCSIF Vendor Services Matrix
- 5. NCCSIF Resource Contact Guide
- 6. NCCSIF Travel Reimbursement Form

These items were provided as information only.

K. ADJOURNMENT

The meeting was adjourned at 2:28 p.m.

Next Meeting Date: October 19, 2017 in Rocklin, CA

Respectfully Submitted,

Date