



**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
APRIL 25, 2019**

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson
Cristina Shafer, City of Auburn
Toni Benson, City of Colusa
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon
Brad Koehn, City of Elk Grove
Kristine Haile, City of Folsom (**Vice Chair**)
Elisa Arteaga, City of Gridley (Alternate)
Jon Hanken, City of Ione
Dalacie Blankenship, City of Jackson (Alternate)

Veronica Rodriguez, City of Lincoln
Loree McCay, City of Nevada City
Gina Will, Town of Paradise
Dave Warren, City of Placerville
Sandy Ryan, City of Red Bluff
Jose Jasso, City of Rio Vista
Kimberly Sarkovich, City of Rocklin
Tim Sailsbery, City of Willows
Natalie Springer, City of Yuba City

OTHER MEMBERS PRESENT

Jim Ramsey, City of Elk Grove
Julie Rucker, City of Elk Grove

Kristy Herbert, City of Marysville
Andy Schiltz, City of Rocklin (Alternate)

BOARD OF DIRECTORS ABSENT

Jim Francis, City of Folsom
Cora Hall, City of Galt
City of Gridley (primary Board vacant)

Yvonne Kimball, City of Jackson
Jennifer Styczynski, City of Marysville
Liz Ehrenstrom, City of Oroville (**Chair**)

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Nicole Rushing, James Marta & Company
David DeBernardi, CAJPA Accreditation
Committee Representative

Dori Zumwalt, York Risk Services Group
Mike Harrington, Bickmore Actuarial
Enriqueta Castro, York Risk Services Group
Dave Beal, York Risk Services Group

Pre-Board Meeting Presentation

Mr. Marcus Beverly provided a presentation on Cyber Liability coverage prior to the Board meeting. Board members were reminded to provide the Claims Reporting Procedure to their IT departments to ensure immediate and proper reporting is followed.

A. CALL TO ORDER

Mr. Beverly indicated that Liz Ehrenstrom is on vacation and therefore, was not able to attend the meeting. The Vice President, Kristine Haile, presided over the meeting.



Chair Kristine Haile called the meeting to order at 12:24 p.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: Tim Sailsbery **Second:** Kimberly Sarkovich **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship,
Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

D. PUBLIC COMMENTS

Mr. Dave Warren made a public acknowledgement of past NCCSIF Board member, Steve Kroeger, City Manager of City of Yuba City, for his service and valuable contribution to the JPA.

E. CONSENT CALENDAR

1. Training and Board of Directors Meeting Minutes - December 13, 2018
2. Check Register from December 1, 2018 to February 28, 2019
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2018 to February 2019
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2018
 - c. Treasurer's Report as of December 31, 2018
4. NCCSIF Conflict of Interest Code Final 2019
5. EIA 2018 Workers' Compensation Program Claims Audit and York's Response
6. York Risk Services Workers' Compensation Quarterly Claims Report
7. 18/19 APIP Alliant-Commission Opt-Out Letter dated March 28, 2019

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

Motion: Brad Koehn **Second:** Kimberly Sarkovich **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship,
Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

F. GENERAL RISK MANAGEMENT ISSUES

Mr. Marcus Beverly indicated that placing the General Risk Management at the beginning of the agenda rather than the usual Roundtable at the end would increase membership participation in



discussions. The Board agreed in placing this item at the beginning of the agenda and any members who would like to do so may e-mail Alliant in advance of the meeting to provide any materials to distribute to the group or that member may bring enough copies to distribute at the meeting.

The Board had discussion on tips for responding to SB 1421 Peace officers release of records request.

G. ADMINISTRATION REPORTS

G.1. Program Administrator's Report

Mr. Beverly introduced Mr. David DeBernardi as representative of the CAJPA Accreditation Committee. Mr. Beverly indicated that Alliant received the Certificate of Accreditation with Excellence but it does not have the dates listed and awaiting to receive the corrected certificate from CAJPA.

Mr. DeBernardi explained the process and importance of CAJPA accreditation. CAJPA Accreditation Program was launched in 1991, NCCSIF's first accreditation was in 1993, and the group has committed to the accreditation process every three years. Mr. DeBernardi confirmed the new Accreditation with Excellence for NCCSIF is effective September 26, 2018 for three years.

David DeBernardi left the meeting at 12:40 p.m.

G.2. FY 18/19 EIA Member Annual Report

Mr. Beverly reviewed the EIA 2018/19 Annual Report with the Board. NCCSIF realized a \$278,407 premium savings with EIA over traditional insurance.

G.3. Summary of the March 14, 2019 Executive Committee Meeting

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

Presented as information only.

H. FINANCIAL REPORTS

H.1. Quarterly Financial Report for Period Ending December 31, 2018

Ms. Nicole Rushing of James Marta & Company reviewed the quarterly financial report for period ending December 31, 2018. Ms. Rushing presented the highlights of the report to the Board.

A motion was made to receive and file the Quarterly Financial Report for the period ending December 31, 2018.



Motion: Dave Warren

Second: Jon Hanken

Motion Carried

Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer

Nays: None

H.2. Budget-to-Actual as of December 31, 2018

Mr. Beverly reviewed the Budget-to-Actual report with the Board. Mr. Beverly noted that Alliant received a letter from the Department of Industrial Relations Office of Self Insurance Plans (DIR OSIP) indicating that the annual assessment was miscalculated and as a result, the pool will receive a refund of the overpayment, estimated around \$57,000.

Information only, no action taken.

I. JPA BUSINESS

I.1. FY 19/20 NCCSIF Administration Budget

Mr. Beverly provided an overview of the preliminary FY 19/20 Administration Budget. The budget increases for service providers are based on current contracts. Mr. Beverly noted the State Fund Assessment was miscalculated and the Department of Industrial Relations issued a corrected invoice that resulted in a \$57,000 savings. With this correction, the budgeted increase of 15% from the actual corrected expense for FY 18/19, is essentially flat for next year. Overall, the budget increase is 2.4% over last year's budget.

I.2. Actuarial Services - Mike Harrington, Bickmore Actuarial

I.2.a. Actuarial Services Transition to "Bickmore Actuarial"

Mr. Mike Harrington discussed the change of services from York Risk Services Group, Inc. (York) to "Bickmore Actuarial" to the Board. Effective April 1, 2019, the Bickmore Actuarial Group will become a wholly independent entity and will no longer be part of York. Having the actuarial team operate as an independent group will eliminate any perceived conflicts by current and future York clients. The change is transparent and all actuarial staff has transferred over to the new company.

I.2.b. Actuarial Study for Workers' Compensation Program

Mr. Harrington of Bickmore Actuarial presented the Actuarial Study of the Workers' Compensation program. Mr. Harrington noted the pool does not cover 4850 SC (Salary Continuation) and 4850 TD (Temporary Disability) benefits for safety personnel. All actuarial estimates for WC exclude 4850 SC and 4850 TD, but the Actuarial study provides for analysis with and without the 4850 for reference. The recommended funding range is 75% to 85% CL (Confidence Level) and the pool is currently at 80% CL. Overall, the ultimates are down, liabilities are up, surplus is up and rates are down.



The Board had brief discussion on the logic behind the JPA's decision to exclude 4850 from coverage.

A motion was made to accept and file the Actuarial Study of the Self Insured Workers' Compensation Program as presented.

Motion: Kristina Miller **Second:** Sandy Ryan **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

I.2.c. Actuarial Study for Liability Program

Mr. Harrington of Bickmore Actuarial presented the Actuarial Study of the Liability program. The recommended funding range is 75% to 85% CL and the pool is currently at 80% CL. Overall, the Banking Layer ultimates are down, liabilities are down, surplus is up and rates are down. The Shared Risk Layer ultimates are up, liabilities are up, surplus is down and rates are up.

A motion was made to accept and file the Actuarial Study of the Self Insured Liability Program as presented.

Motion: Sandy Ryan **Second:** Kimberly Sarkovich **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

I.3. Workers' Compensation Program

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

Mr. Beverly 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 \$888,546 which represents 35% of the available net position, and the total assessment is \$245,862 which represents 20% of the amount for those members who fell below the required funding.

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: Tim Sailsbery **Second:** Dave Warren **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer



Nays: None

I.3.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 \$1,778,000 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 \$889,000 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: Dave Warren **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

I.3.c. FY 19/20 Deposit Premium Calculations

Mr. Beverly reviewed the FY 19/20 Deposit Premium calculation to the Committee. The total funding at the 80% CL is estimated at \$12,581,981 for FY 19/20, an increase of 3.1% over the current year funding at the 80% CL. The individual funding increase cap of 40% applies to Jackson, with a total of \$43,419. This is preliminary numbers and subject to change based on EIA final premium cost.

After review and discussion, a motion was made to approve funding at 80% Confidence Level for FY 19/20 Workers' Compensation program.

Motion: Tim Sailsbery **Second:** Brad Koehn **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

Mike Harrington left the meeting at 1:47 p.m.

I.4. Liability Program

I.4.a. Annual Banking Plan Adjustments - James Marta & Company

Mr. Beverly 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 \$336,065 which represents 35% of the available net position, and



I.5. FY 19/20 Property Program Renewal

Mr. Beverly indicated that due to the continuing uncertainty in the market the Property program is expecting a significant rate increase at July 1, 2019 renewal. This is due in part to the increasing intensity of natural disasters and more unpredictable weather has made managing property exposures more challenging than ever.

Discussion ensued on the realization of the hard insurance market and that rate increases are across the board even for insureds with no claims, based on the wildfire exposure. The Board discussed options available to help minimize the impact of expected rate increase for the members. Mr. Beverly indicated that Alliant will obtain a quote for higher deductible that may provide some savings in premium.

No action taken.

Henri Castro and Dave Beal left the meeting at 2:06 p.m.

I.6. CSAC EIA Endorsement No. U-6: Off Duty Peace Officer Injury (AB 1749)

Mr. Beverly reported AB 1749 was signed into law effective January 1, 2019, that allows employers to provide Workers' Compensation benefits to peace officers for injuries sustained outside of California. This bill stems from the mass shooting in Las Vegas on October 1, 2017. NCCSIF's Excess Workers' Compensation coverage provider, CSAC EIA, has developed an endorsement to provide such coverage, but only if the injury qualifies and the employer has passed the appropriate resolution.

The Board discussed the pros and cons of extending blanket coverage by the JPA and concluded that restriction must be made by individual jurisdiction.

A motion was made to accept the EIA endorsement as part of the NCCSIF Workers' Compensation Memorandum of Coverage effective July 1, 2019 extending the benefits to off-duty officers injured while out of state subject to individual jurisdiction restriction by passing a resolution.

Motion: Tim Sailsbery **Second:** Dave Warren **Motion Carried**
Ayes: Cottrell, Shafer, Benson, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

Jim Ramsey left the meeting at 2:18 p.m.



A motion was made to approve the Workers' Compensation Claims Administration Services Agreement with York Risk Services Group, Inc. as presented, and requested to put a cap of no more than \$360,000 for FY 19/20 and \$365,000 for FY 19/20 on the Liability Claims Administration Services Agreement with York and further requested that York meet with all members to provide claims updates by the next Board meeting on June 13, 2019.

Motion: Tim Sailsbery **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Shafer, Miller, Ancheta, Koehn, Haile, Arteaga, Hanken, Blankenship, Rodriguez, McCay, Will, Warren, Ryan, Jasso, Sarkovich, Sailsbery, Springer
Nays: None

I.7.b. Liability Claims Administration Services

Discussion and action taken under Agenda Item I.7.a.

J. INFORMATION ITEMS

- 1. Glossary of Terms
- 2. NCCSIF Organizational Chart
- 3. NCCSIF 2019 Meeting Calendar
- 4. NCCSIF Resource Contact Guide
- 5. York Who's Who in Claims - WC and Liability Contacts
- 6. NCCSIF Travel Reimbursement Form

These items were provided as information only.

K. ADJOURNMENT

The meeting was adjourned at 3:02 p.m.

Next Meeting Date: June 13, 2019

BOD Approval Date of Minutes: 6/13/2019

Respectfully Submitted,



Gina Will, Secretary

6/13/19
Date