

**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
BONANZA INN, YUBA CITY CALIFORNIA  
OCTOBER 13, 2011**

**MEMBERS PRESENT**

Steve Kimbrough, City of Corning  
Kim Stalie, City of Dixon  
Kristine Wilfong, City of Folsom  
Paula Islas, City of Galt  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Dixon Coulter, City of Marysville  
Liz Ehrenstrom, City of Oroville  
Dave Warren, City of Placerville  
Martin Nichols, City of Red Bluff  
Judy LaPorte, City of Rocklin  
Tim Sailsbery, City of Willows  
Steve Kroeger, City of Yuba City  
Gina Will, Town of Paradise

**MEMBERS ABSENT**

City of Anderson, Dana Shigley  
City of Auburn, Andy Heath  
City of Colusa, Randy Dunn  
City of Gridley, Karin Helvey  
City of Ione, Lawrence Butzlaf  
City of Nevada City, Catrina Andes  
City of Rio Vista, Hector De La Rosa

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Susan Adams, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
Marcus Beverly, York Insurance Services  
Jack Kastorff, York Insurance Services  
David Beckert, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 11:05 a.m.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the agenda as posted.

**MOTION:** Dixon Coulter **SECOND:** Liz Ehrenstrom **MOTION CARRIED**

**D. CONSENT CALENDAR**

A request was made to correct on the June 23, 2011 Board of Directors meeting minutes to reflect that Dixon Coulter was listed from the "City of Marsville", the correction should be from the "City of Marysville".

A motion was made to approve the consent calendar with the requested corrections above.

**MOTION:** Martin Nichols **SECOND:** Dave Warren **MOTION CARRIED**

**E. COMMITTEE REPORTS**

- E1. Executive Committee Meeting Minutes – September 15, 2011**
- E2. Claims Committee Meeting Minutes – September 15, 2011**
- E3. Risk Management Committee Meeting Minutes – June 23, 2011**
- E4. Police Risk Management Committee Meeting Minutes – September 29, 2011**

Steve Kroeger expressed the two comments he received from members regarding the Police Risk Management Committee teleconference. (1) Found benefits in the webinar (2) Found no benefits in the PRMC meetings.

**F. ACTION TAKEN BY THE EXECUTIVE COMMITTEE**

**F1. Approval of the Liability and Workers' Compensation Claims Audit RFP**

Steve Kroeger advised that the audit will be done by the same vendors in the past. Susan Adams confirmed that the previous vendors have agreed to prepare the audits.

**F2. Approval of Loss Control/Risk Management RFP**

Judy LaPorte advised the Board that the proposals for the Loss Control/Risk Management RFP are due back by October 31, 2011. An Ad Hoc committee of Risk Management Committee members will review the proposal responses.

**G. ADMINISTRATION REPORTS**

**G1. President's Report**

Steve Kroeger asked the Board to provide feedback regarding the recent Police Risk Management Committee teleconference vs an in person meeting. One Police Chief expressed trouble in following along via teleconference. Most members found having a teleconference convenient. There was also a member who missed interaction with other Police Chiefs.

Staff was directed not to provide a Safety Funds Grant Utilization Report to the Police Risk Management Committee meeting since the policy direction regarding use of these funds occurs at the Risk Management Committee level. Judy LaPorte from the City of Rocklin,, shared with the Board their proposed use of the Safety Grant Funds, which will be used to update their Personnel Rules.

Steve Kroeger noted the importance of two items to be discussed during today's Agenda which were the Loss Portfolio Transfer item as well as the Target Equity Ratio item.

## **G2. NCCSIF Administrator Update**

Susan Adams advised the Board that Alliant is in the process of updating the layout of the NCCSIF website noting the Risk Management Matrix to be an interactive portion on the website.

Steve Kroeger explained to the Board the purpose of the Risk Management Matrix.

## **H. FINANCIAL REPORTS**

### **H1. Approval of NCCSIF Quarterly Financial Report – Period Ending June 30, 2011**

David Beckert from James Marta & Company presented the Board with a review of the Quarterly Financial Report as of June 30, 2011.

A motion was made to accept and file the NCCSIF Quarterly Financial Report as of June 30, 2011.

**MOTION:** Tim Sailsbery    **SECOND:** Dixon Coulter    **MOTION CARRIED**

### **H2. NCCSIF Target Equity Ratios Presentation**

Susan Adams advised the Board that the audits are still currently being finalized so the unaudited June 30, 2011 financials were used to develop the Target Equity Ratios. The Target Equity Ratios are provided to develop a benchmark for the organization.

The benchmarks were developed several years prior and were selected by NCCSIF to act as a guideline for the organization.

Susan gave a presentation of the NCCSIF Target Equity Ratios to the Board.

Staff was directed to update the Target Equity Ratios and bring it back to the Board once the FY 2011 Financial Audit is finalized.

## **I. JPA BUSINESS**

### **II. Update of Transfer of Workers' Compensation Claims from July 1, 1979 – June 30, 2010 through a Loss Portfolio Transfer (LPT)**

Michael Simmons updated the Board regarding the Loss Portfolio Transfer noting the client benefits which included the following:

- Conversion of all known and unknown liabilities into a fixed payment which benefits NCCSIF by selling off unknown liabilities
- Potential release of collateral from state which is rather minimal for public sectors
- Elimination of Joint and Several Liability for group self-insureds by removing the risk sharing aspects of prior claims
- Elimination of potential for additional assessments of members involving tax deductibility issues
- Elimination of administrative costs and future assessments for prior unknown losses
- Improved balance sheet which mostly applies to private sectors rather than public sectors

Michael advised that an attorney has been hired to review the Trust Agreement and Reinsurance Agreement to present the documents to the carrier. Mike Harrington at Bickmore Risk Services will review the current Actuarial Study to verify that the calculations and assumptions are correct and then Jack Joyce from Bay Actuarial Consultants will peer review the Actuarial Study. Jim Marta has also been contacted regarding distribution allocation among the members.

An estimated cost of \$1.6 million had been budgeted into the LPT for claim handling costs as the "Cradle to the Grave" option; however this is no longer viable as it is not in the best interest of NCCSIF.

There was discussion on options regarding the calculation of distributing the available funds via over several years and how will the funds be allocated by member.

Staff was asked to provide a one page summary regarding the LPT process and status.

### **II.2. Review and Discussion of the NCCSIF Long Range Action Plan Session**

Steve Kroger advised that this year's NCCSIF Long Range Planning Session will be facilitated by David Clovis from CJPRMA. Dixon Coulter briefly explained CJPRMA's affiliation with NCCSIF as the NCCSIF's excess liability provider.

The Risk Management Committee meeting will not be held on this day. The Board of Directors meeting will be held immediately after the Long Range Planning Session on December 14, 2011 at the Bonanza Inn Hotel at Yuba City.

### **I3. NCCSIF Service Provider Evaluations – P&P A-2**

Steve Kroeger requested that the Board of Directors perform a Service Provider Performance Evaluation suggesting an Ad Hoc committee be appointed to perform the evaluations and direct the Executive Committee for Evaluations.

Steve Kimbrough will coordinate the Service Provider Performance Evaluations to be performed by the Executive Committee.

**MOTION:** Steve Kimbrough      **SECOND:** Liz Ehrenstrom   **NAYS:** Dixon Coulter  
**MOTION CARRIED**

### **I4. NCCSIF 2012 Meeting Calendar Proposed Dates**

Susan Adams addressed the Board regarding the Risk Management Committee's suggestion of holding their meetings from 9:30 a.m. – 11:30 a.m. with the Board of Directors meeting to start at 12:00 p.m. Susan advised that the location for the 2012 Executive Committee meetings, has not been decided as in the past the location of the meetings are located in the same city as the NCCSIF president.

Mike Daly noted that the proposed December Board of Directors meeting should be on December 13, 2012 rather than December 20, 2012.

### **L. INFORMATION ITEMS**

- L1. York Annual Fall Conference – October 27, 2011**
- L2. PARMA Conference – February 14 – 17, 2012 – Monterey Bay, CA**
- L3. NCCSIF Travel Reimbursement Form**

Steve Kroeger reminded the Board of the budgeted \$3,000 for each member to attend Conferences and encouraged the Board to use those funds.

### **M. ADJOURNMENT**

A motion was made to adjourn.

**MOTION:** Judy LaPorte      **SECOND:** Liz Ehrenstrom   **MOTION CARRIED**

The meeting was adjourned at 1:34 p.m.