

**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
BONANZA INN, YUBA CITY CALIFORNIA
DECEMBER 14, 2011**

MEMBERS PRESENT

Andy Heath, City of Auburn (left at 3:40 p.m.)
Steve Kimbrough, City of Corning
Bruce Cline, City of Folsom
Karin Helvey, City of Gridley
Michael Daly, City of Jackson (arrived at 9:50 a.m.)
Dixon Coulter, City of Marysville
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Martin Nichols, City of Red Bluff (arrived at 9:46 a.m. - left at 3:04 p.m.)
Judy LaPorte, City of Rocklin
Tim Sailsbery, City of Willows (left at 3:03 p.m.)
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Dana Shigley, City of Anderson
Randy Dunn, City of Colusa
Steve Johnson, City of Dixon
Paula Islas, City of Galt
Jeff Butzlaff, City of Ione
John Lee, City of Lincoln
Catrina Andes, City of Nevada City
Hector De La Rosa, City of Rio Vista

GUESTS & CONSULTANTS

Bud Houseman, City of Dixon
George A Silva, City of Dixon
Jody Worthy, City of Dixon
David Clovis, CJPRMA
Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Marylin Kelley, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Marcus Beverly, York Insurance Services
Matthew Nethaway, Perry Smith
James Marta, James Marta & Company

A. CALL TO ORDER

Mr. Steve Kroeger called the meeting to order at 9:46 a.m.

B. INTRODUCTIONS

C. PUBLIC COMMENTS

There were no public comments made.

D. APPROVAL OF AGENDA AS POSTED

Mr. Kroeger requested to move Item J5. Risk Management/Loss Control Service Provider(s) Selection after the Consent Calendar.

A motion was made to approve the Agenda as amended above.

MOTION: Martin Nichols **SECOND:** Bruce Cline **MOTION CARRIED**

E. CONSENT CALENDAR

E1. Board of Directors Meeting Draft Minutes – October 13, 2011

E2. Shared Risk Closing Reports of Check Register

E3. Quarterly Investment Reports

a. CJPRMA – September 30, 2011

b. CSAC – September 30, 2011

E4. Chandler Reports

a. September 2011

b. October 2011

c. November 2011

E5. Bylaws Amendment to Reflect New Address for NCCSIF

E6. 2012 Meeting Calendar

E7. 2012 Service Calendar

A motion was made to approve the Consent Calendar.

MOTION: Judy LaPorte **SECOND:** Bruce Cline **MOTION CARRIED**

F. COMMITTEE REPORTS

F1. Executive Committee Draft Minutes – November 17, 2011

F2. CJPRMA Board of Directors Meeting Summary – October 20, 2011

F3. Risk Management Committee Meeting Draft Minutes – October 13, 2011

There was no discussion regarding the Committee Reports.

G. FINANCIAL

G1. NCCSIF Quarterly Financial Report for Period Ending September 30, 2011

Mr. James Marta presented to the Board of Directors the NCCSIF Quarterly Financial Report for Period Ending September 30, 2011. Mr. Marta advised that \$31 million were refunded to members in the past 6 years of which \$13 million were refunded in the past 2 years.

A motion was made to approve the NCCSIF Quarterly Financial Report for Period Ending September 30, 2011.

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

G2. NCCSIF Audited Financial Statement for Year Ended June 30, 2011

Mr. Matthew Nethaway presented to the Board of Directors a report on the NCCSIF Audited Financial Statement for Year Ended June 30, 2011 explaining there are no adjustments taking place in the audited Financial Statement.

Ms. Kelley explained to the Board that NCCSIF went out to bid for a Financial Auditor 2 years prior and Perry Smith was the only auditor to respond. Ms Kelley then noted NCCSIF's comprehensive auditing process and noted that Perry Smith has been NCCSIF's Financial Auditor for the past 8 years.

Mr. Nethaway said his firm, Perry-Smith, has been purchased by a national accounting firm, Crowe Horwath.

A motion was made to approve the NCCSIF Audited Financial Statement for Year Ended June 30, 2011.

MOTION: Steve Kimbrough **SECOND:** Dixon Coulter **MOTION CARRIED**

G3. NCCSIF Investment Policy

Ms. Susan Adams reported that the policy has been reviewed by James Marta, Dixon Coulter and Chandler Asset Management with the recommended changes below.

- Page 1, A. Purpose – the suggested change deletes temporary idle funds from the overall purpose paragraph as these are discussed in paragraphs B. Scope and C. Prudence.
- Page 1, D. Objectives – deletion of the period starting the paragraph.

A motion was made to approve the NCCSIF Investment Policy as presented.

MOTION: Steve Kimbrough **SECOND:** Dave Warren **MOTION CARRIED**

H. STRATEGIC PLANNING

H1. EXPECTATIONS

Mr. David Clovis introduced himself and went over a brief synopsis of the items to be discussed today during the Strategic Planning Session including the history of NCCSIF, items for discussion and encouraged members to bring up any items they would like to discuss during the Strategic Planning Session.

H2. BACKGROUND INFORMATION

A. NCCSIF Overview and 2011 Annual Report

Ms. Marylin Kelley gave a presentation regarding the history of NCCSIF, its programs and its Governance. Ms. Kelley then proceeded to give a presentation on the NCCSIF 2011 Annual Report. Copies were provided to members as well.

B. Target Equity Ratios

Mr. Michael Simmons gave a presentation on NCCSIF's Target Equity Ratios explaining that ratios are provided to examine the JPA's funding position and surplus.

C. Best way to approach ADA claims

Mr. Marcus Beverly advised members of 2 ways of approaching ADA claims. One can fight the ADA claims or try to resolve them. In fighting ADA claims one will incur substantial costs mostly in plaintiff attorney fees. NCCSIF currently has 4 ADA claims open and it's expected to increase due to new regulation which is available to review on the Department of Justice website and will take effect on March 15, 2012. Common ADA claims consists of sidewalks, access to historic buildings and communication such as translators and visual aids. Mr. Beverly suggested to members to update and/or implement transition plans at current hotspot areas.

H3. PLANNING

A. NCCSIF Meeting Structures and Member Involvement

The Board discussed the positive values of participation in NCCSIF meetings and the problems members find which prevent participation in the meetings. Members discussed the importance of attendance in these meetings and wondered if possible change in Meeting Structure would attract more attendance. Staff has noticed improvement in attendance of the meetings and the Board feels the current set up of quarterly meetings works well for the organization. Minutes and Action Lists are now sent to the Board of Directors after each meeting.

Members discussed the Police Risk Management Committee meetings and felt the committee should not meet as often as they do. The possibility of an annual meeting was discussed. The possibility of integrating different departments such as Public Works and Fire into the Risk Management Committee was also discussed.

There was also discussion on best practice compliance, re-evaluating losses, what are areas of the greatest liabilities, risk control credits and dividends combined with policy compliance.

B. Emerging Risks

The Board held a discussion of the recent emerging risks of Copper theft, Cyber Liability and ADA claims which have been increasing in the last few years.

Mr. Martin Nichols suggested NCCSIF should hire a lobbyist to work on issues such as ADA reform. Ms. Adams advised that CAJPA already lobbies the legislature on JPA issues and CAJPA can keep NCCSIF informed on the issues.

C. How to better assist members with Risk Management Issues

Members thought the hiring of Bickmore Risk Services as the Risk Management Service Provider would improve loss control. Members also touched on individualized report cards for members, access to training, available training, identifying consultants for purposes of investigations and utilization of CSAC and CJPRMA message boards.

I. PRESIDENT'S REPORT

Mr. Kroeger expressed gratitude for the words of encouragement and support provided by members and stated that he is confident in the NCCSIF organization.

J. JPA BUSINESS

J1. Review of Items Discussed during the Strategic Planning Session

During the Strategic Planning meeting members discussed and provided a summary of goals to be considered for the upcoming year.

1. Police Risk Management Committee
Modify, Disband or Integrate into the Risk Management Committee (Possibly including all departments)
2. Focus on New Risk Management rollout with Bickmore Risk Services
 - a. Direction to Bickmore
 - b. Menu of Services
 - c. Forums for Discussion
3. Member Scorecards
Define program requirements

Items discussed on parking lots were as follows:

- ADA Transition Plans. Should NCCSIF consider looking at one consultant?
- Scorecard to monitor compliance.
- Policy on Allocation and Redistribution of Equity.
- Discuss with Bickmore Police Risk Management Committee ideas.
- Legislative issue and CAJPA follow-up.
- Lobbyist or ask CAJPA for information and/or presentations.
- Does non-participation cost the JPA money?
- CSAC and CJPRMA message boards.

J2. Loss Portfolio Transfer

Mr. Kroeger advised that a report given by James Marta regarding the Loss Portfolio Transfer to the Executive Committee is included in today's Agenda packet.

Mr. Simmons explained to the Board that the claims audit has not yet been completed by Safety National which is an important piece of completing the Loss Portfolio Transfer. Mr. Simmons noted client benefits such as improved balance sheet and conversion of known and unknown liability into a fixed payment. York has provided an estimate for pricing for Management of Tail and Future Claims which was estimated at \$1,170,000. The estimated total cost to transfer claims is \$16,017,846.

Mr. James Marta gave a brief presentation regarding the Loss Portfolio Transfer discussing Safety National and their financial stability, the advantages and disadvantages of the LPT and the steps required to execute a Loss Portfolio Transfer.

There was discussion on how NCCSIF will consider the Equity Distribution which will be developed upon execution of the Loss Portfolio Transfer.

The Board shows interest in moving forward with the Loss Portfolio Transfer after James Marta peer reviews the quote and providing the Executive Committee the authority to bind coverage.

Members inquired about credit risks should Safety National become insolvent. In that case California Insurance Guarantee Association (CIGA) provides coverage for Workers' Compensation claims up to \$500,000 per claim. A trust fund would be established to help mitigate this risk

A motion was made to move forward to complete the Loss Portfolio Transfer with authority provided to the Executive Committee and President to approve the agreement.

MOTION: Steve Kimbrough **SECOND:** Dave Warren **MOTION CARRIED**
OPPOSED: Dixon Coulter

J3. 2012 Governance

a. 2012 CJPRMA Representative

Ms. Susan Adams advised that staff is still currently looking for someone to assume the role of NCCSIF's 2012 CJPRMA Representative. Ms. Judy LaPorte volunteered to become the 2012 CJPRMA Representative.

A motion was made to approve Judy LaPorte assuming the role of CJPRMA Representative on behalf of NCCSIF.

MOTION: Steve Kimbrough **SECOND:** Liz Ehrenstrom **MOTION CARRIED**

b. 2012 Executive Committee Rotation Schedule

A motion was made to approve the 2012 Executive Committee Rotation Schedule

MOTION: Michael Daly **SECOND:** Dixon Coulter **MOTION CARRIED**

c. 2012 Slate of Officers

The 2012 Slate of Officers was recommended as follows:

President: Steve Kimbrough
Vice President: Liz Ehrenstrom
Secretary: Gina Will
Treasurer: Tim Sailsbery

A motion was made to approve the 2012 Slate of Officers.

MOTION: Judy LaPorte **SECOND:** Dixon Coulter **MOTION CARRIED**

J4. Resolution 12-01 Authorizing Investments of Monies in LAIF

A motion was made to approve Resolution 12-01 Authorizing Investments of Monies if LAIF as presented.

MOTION: Dixon Coulter **SECOND:** Michael Daly **MOTION CARRIED**

J5. Risk Management/Loss Control Service Provider(s) Selection

Ms. Adams advised that RFPs were sent to 7 vendors with 6 vendors responding. The Ad Hoc interviewed three vendors consisting of Bickmore Risk Services, York Risk Services, and Du All Safety. The Ad Hoc committee recommended entering into an agreement with Bickmore Risk Services for the following reasons.

- Proactive approach rather than reactive
- Serviced locally and will review and integrate other services provided by current vendors
- Review current services to see if duplicate services are provided to determine where members may receive the “best bang for their buck”
- Follow up with members regarding assessments provided
- Pricing was all-inclusive with no extra cost for travel

A motion was made to approve entering into an agreement with authority for the Chair to sign on behalf of NCCSIF.

Mr. Bruce Cline mentioned that in reviewing the draft agreement it was difficult to determine the services that Bickmore would be providing. Mr. Cline requested that the agreement be amended to clearly define the scope of services.

The original motion was amended to approve entering into an agreement with Bickmore Risk Services for Risk Control Services upon amendment to reflect a more specified scope of services to be provided.

MOTION: Martin Nichols **SECOND:** Judy LaPorte **MOTION CARRIED**
OPPOSED: Steve Kimbrough, Tim Sailsbery

J6. Amendment to Administration P&P A-15 Travel Expenses

Mr. Kimbrough recommended amending the Administration P&P A-15 Travel Expenses to include more educational conferences. There was discussion on the process of the approval of the Travel Expenses.

Ms. Adams said the policy will be liberalized to include more educational conferences. Staff will bring this item to the next Executive Committee meeting for approval.

J7. NCCSIF Service Provider Evaluations Update

Mr. Steve Kimbrough updated the Board regarding the current status of the NCCSIF Service Provider Evaluations. Mr. Kimbrough advised he currently received 7 reviews and reminded members that these evaluations should be provided to staff to deal with vendors on a regular basis.

J8. 2012/13 Renewal Information

a. 2012/13 Insurance Market Update & Renewal Marketing Plan

Ms. Adams advised that the Program Administrator will only be marketing the Crime Coverage for the upcoming policy year.

No action was taken due to loss of a quorum.

b. CJPRMA 2012/13 Renewal Application

Ms. Adams reminded members to expect the 2012/13 CJPRMA Renewal Application explaining that this year the application will be more in depth as CJPRMA's broker will be marketing their coverage.

J9. 2011/12 NCCSIF Program Manual

Electronic CD copies of the 2011/12 NCCSIF Program Manual were provided at the meeting.

L. ADJOURNMENT

The meeting ended at 4:35 p.m.