



**MINUTES OF THE  
NCCSIF EXECUTIVE COMMITTEE MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
SEPTEMBER 28, 2017**

**COMMITTEE MEMBERS PRESENT**

Liz Cottrell, City of Anderson  
Kristina Miller, City of Corning  
Astrida Trupovnieks, City of Lincoln  
Liz Ehrenstrom, City of Oroville

Dave Warren, City of Placerville (**Chair**)  
Tim Sailsbery, City of Willows  
Natalie Springer, City of Yuba City

**OTHER MEMBERS PRESENT**

Brad Koehn, City of Elk Grove

Robin Bertagna, City of Yuba City

**COMMITTEE MEMBERS ABSENT**

Toni Benson, City of Colusa  
City of Marysville (vacant)

Corey Shaver, City of Nevada City  
Sandy Ryan, City of Red Bluff

**CONSULTANTS & GUESTS**

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

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

**A. CALL TO ORDER**

Chair Dave Warren called the meeting to order at 12:02 p.m.

**B. APPROVAL OF AGENDA AS POSTED**

**A motion was made to approve the Agenda as posted.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

**C. PUBLIC COMMENTS**

There were no public comments.



#### **D. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes - May 18, 2017
2. Check Register from May 1, 2017 to August 31, 2017
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - May 2017 to August 2017
  - b. Local Agency Investment Fund (LAIF) Report as of June 30, 2017
  - c. Treasurer's Report as of June 30, 2017
4. CJPRMA Excess Liability Claims Audit

**A motion was made to approve the Consent Calendar as presented.**

**Motion:** Liz Ehrenstrom                      **Second:** Natalie Springer                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

#### **E. ADMINISTRATION REPORTS**

##### **E1. President's Report**

Chair Warren encouraged members to attend York Risk Services' Annual Fall Into Education Conference scheduled on October 10, 2017. Chair Warren announced that Corey Shaver is retiring effective October 2, 2017 after 23 years of service with the City of Nevada City. It was noted Corey's service on the NCCSIF Board as the Board Representative for the city, and most notably as Board Secretary since 2015.

##### **E2. CJPRMA Update**

*Discussed under agenda item G.5.*

##### **E3. Program Administrator's Report**

Mr. Marcus Beverly noted that he usually meets and provides orientation for new Board members of the JPA regarding governance, Board member responsibilities and city specific coverages. Mr. Beverly indicated he recently visited the new City Manager of City of Jackson, Yvonne Kimball. It was noted that former City Manager, Michael Daly, is in a rehab facility in Los Angeles undergoing brain tumor treatment.

Mr. Beverly reminded members to support CAJPA's (California Association of Joint Powers Authorities) efforts to Oppose Assembly Bill (AB) 570 - Apportionment to Pre-existing Workers' Compensation Permanent Disability. The AB 44 - Workers' Compensation Medical Treatment: Terrorist Attacks Work Violence, was recently approved and this bill would require a Nurse Case Manager for employees injured in the course of employment by an act of domestic terrorism.





## **F. FINANCIAL REPORTS**

### **F1. Quarterly Financial Report for Period Ending June 30, 2017**

Ms. Alana Theiss reviewed the Quarterly Financial Report for Period Ending June 30, 2017. Ms. Theiss presented the highlights of the report. The Liability Program Shared Layer is in surplus position for the first time in years, in part due to the changes in estimated claims liability for prior years, increasing Confidence Level funding in the past couple of years and members headway in assessment to combat the deficit.

Ms. Theiss proceeded and reviewed the Budget-to Actual. The Administrative expenses year-to-date are currently on track with the FY 16/17 budget with the exception of Legal Services and the annual State assessment of the Workers' Compensation Program. It was noted the State Assessment is very hard to estimate due to many variables.

**A motion was made to accept and file the Quarterly Financial Report for the period ending June 30, 2017.**

**Motion:** Tim Sailsbery                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

### **F2. Budget-to-Actual as of June 30, 2017**

The Budget-to-Actual was reviewed under item F1.

Presented as information only, no action taken.

### **F3. Financial Status at June 30, 2017**

Mr. James Marta and Ms. Alana Theiss provided a presentation of NCCSIF Financial Status at June 30, 2017. Highlights of the presentation as follows:

- Increase in net position for the fiscal year ended June 30, 2017 was \$1,996,528 for the pool as a whole.
- Decrease in prior years claims liabilities totaled \$2,163,928: \$1,236,867 for the liability program and \$927,061 for workers' compensation.
- Expenses during the year included dividends to members totaling \$2,534,805.
- Assessments to members totaled \$617,693: \$249,644 in the banking layer and \$368,049 in liability shared layer.
- Liability shared layer ended the year with positive net position of \$1,387,946, largely due to change in estimated claims liability of \$1,949,490.

It was noted the net refunds to members over the last ten years totaled \$45 million.



Presented as information only, no action taken.

#### **F4. Accounting Services Ad Hoc Committee Recommendation**

Chair Warren asked James Marta & Company staff and York Risk Services' staff to step out of the room.

Mr. Beverly provided the sequence of events that took place during the Request for Proposal (RFP) process. NCCSIF issued a RFP in response to a significant increase in James Marta and Company's annual fee from \$68,000 to \$96,000. An Ad Hoc Committee was formed to review the proposals and make a recommendation to the Executive Committee (EC). The Ad Hoc Committee consisted of Dave Warren, City of Placerville; Liz Ehrenstrom, City of Oroville; Tim Sailsbery, City of Willows; Brad Koehn, City of Elk Grove; and Robin Bertagna, City of Yuba City. Three firms responded to the RFP: James Marta & Company, LLP; Maze & Associates; and Bickmore. The Ad Hoc Committee interviewed the three firms which all took place the morning of this meeting.

Chair Warren indicated the entire process in negotiating the contract including the RFP process took about seven months, and thanked the members of the Ad Hoc Committee for their time. After much deliberation the Ad Hoc recommended to the EC that James Marta and Company be selected. It was noted it was not a unanimous decision. Although the fee is a large increase, it has been tested in the RFP process that the cost increase is justified in the current market.

The Committee reviewed the proposed terms of James Marta & Company new agreement for financial accounting and consulting services effective January 1, 2018.

**A motion was made to renew James Marta & Company & LLP agreement for three years with two, one-year optional extensions; and authorized the President to negotiate the contract and discuss with James Marta the expectations about timely communication of future increases and handling of material errors.**

**Motion:** Astrida Trupovnieks      **Second:** Liz Cottrell      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

*Brad Koehn left the meeting at 12:53 pm*

James Marta & Company staff and York Risk Services' staff rejoined the meeting at 12:53 p.m.

Chair Warren informed James Marta & Company of the Executive Committee's decision.





## **G. JPA BUSINESS**

### **G1. Preliminary 2018 Meeting Calendar**

Mr. Beverly asked the Committee to review the dates and advise if there are any conflicts. Some of the proposed dates were changed to work around the CJPRMA meeting dates to lessen conflict with the CJPRMA Board Representative.

After review, the Committee approved recommending the preliminary 2018 Meeting Calendar to the Board. The general consensus of the Committee is to keep the meeting location in Rocklin, CA.

**A motion was made to recommend the Preliminary 2018 Meeting Calendar to the Board of Directors.**

**Motion:** Tim Sailsbery                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

### **G2. Nomination of Officers - 2018**

Mr. Beverly reported that the Vice President and Secretary positions are up for nomination. The makeup of the Executive Committee (EC) members rotates annually based on the EC Rotation Schedule: cities of Colusa, Marysville and Yuba City are rotating off December 31, 2017; and cities of Gridley, Oroville and Town of Paradise are rotating on effective January 1, 2018. Mr. Beverly suggested changing the Bylaws to allow some flexibility in the number of EC members from the current eight members to a range from seven to nine.

The Committee discussed changing the EC Rotation Schedule based on a mix of member sizes (Large, Medium, and Small) to have a more equitable representation of members at any given time rather than the current rotation based on geography. The Committee directed the Program Administrators to present options to change the EC rotation based on size.

The Committee nominated Liz Ehrenstrom for the Vice President position and Astrida Trupovnieks for the Secretary position.

**A motion was made to nominate Liz Ehrenstrom as Vice President and Astrida Trupovnieks as Secretary; and to recommend amending the Bylaws on the number of Executive Committee to a range of seven to nine members to the Board of Directors.**

**Motion:** Tim Sailsbery                      **Second:** Kristina Miller                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer



### **G3. FY 17/18 Police Risk Management Grant Funds Allocation and Usage**

Mr. Beverly indicated that the Police Risk Management Committee (PRMC) had approved the fund allocation and the use of the grant for general risk management and not strictly for body-camera program or video storage. The allocation calculation was based on the same allocation used for the FY 16/17 body camera grants. It was noted two cities have yet to use their grants, cities of Anderson and Galt.

**A motion was made to approve the \$50,000 budget per the allocation as presented and use of funds for general risk management use.**

**Motion:** Liz Ehrenstrom                      **Second:** Liz Cottrell                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

### **G4. Claims Services**

#### **G4a. Approval of FY 17/18 Liability Claims Auditor**

Mr. Marcus Beverly indicated that NCCSIF is scheduled to conduct the Liability Claims Audit this year. Alliant has requested proposals from Risk Management Services (RMS) and Risky Business Pros (RBP). RMS conducted the last four audits for NCCSIF and RBP is relatively new firm that recently conducted an excess claims audit for CJPRMA. Although RBP cost was higher than RMS it is within budget, and given the length of time RMS has been conducting audits for NCCSIF, it is time to involve a different audit perspective.

**After review of the two proposals a motion was made to approve Risky Business Pros to conduct the FY 17/18 Liability Claims Audit.**

**Motion:** Kristina Miller                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

#### **G4b. Workers' Compensation Claims Administration Performance Plan Follow-up Survey Result**

Chair Warren asked York Risk Services' staff to step out of the room.

*James Marta & Alana Theiss left the meeting.*

Mr. Beverly reported that 100% of the members responded to the survey. Overall the results are an improvement from the last survey completed in March 2017 and tend to indicate those who did not respond previously were satisfied with the service. Mr. Beverly noted three members provided additional comments under question 12, should NCCSIF issue a RFP for Workers' Compensation Third Party Claims Administrator services in the near future.





The Executive Committee (EC) reviewed the results and agreed that York was meeting or exceeding goals. The EC directed the Program Administrators to meet with York to review the feedback and to send a follow-up survey in September 2018 to gauge members' satisfaction as a basis for negotiating contract renewal terms or going to RFP prior to the contract expiration in June 2019.

Chair Warren encouraged members to reach out to York to request onsite training for city staff or present the Workers' Compensation analysis trend report to City Councils as York has done for the City of Placerville.

**A motion was made to recommend to the Board to review and accept the survey results and that York is meeting and exceeding the goals and for Program Administrator to discuss the areas for improvement.**

**Motion:** Tim Sailsbery                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

York Risk Services staff rejoined the meeting at 2:00 p.m.

Chair Warren informed York Risk Services' staff of the Executive Committee's decision.

#### **G5. CJPRMA New Annual Contribution Calculation**

Mr. Beverly indicated that CJPRMA (California Joint Powers Risk Management Authority), NCCSIF's Liability Excess carrier, is developing a Loss Allocation Policy for annual contributions that will for the first time incorporate an experience modification factor (ex-mod) into the calculation. The proposed contribution formula is based 90% on payroll and 10% on loss history, subject to a cap of no more than a 10% increase from the pure payroll rate for those members with higher ex-mod. This new methodology could potentially impact NCCSIF's deposit premium if it passed.

Mr. Michael Simmons provided historical background of CJPRMA's funding methodology and it is based on a tier system. Program Administrators will closely monitor the development and will report back to the Board.

**A motion was made to request additional information and explanation in the development of the loss allocation methodology.**

**Motion:** Liz Ehrenstrom                      **Second:** Astrida Trupovnieks                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

*Tim Sailsbery left the meeting at 2:15 p.m.*



## **G6. December 2017 Long Range Planning**

Mr. Beverly indicated the Long Range Planning (LRP) and Board meeting is scheduled for December 14, 2017. Mr. Beverly briefly reviewed the draft agenda and topics: the morning session is the LRP and Michael Simmons will be the moderator for that portion; and the afternoon session is the Board meeting to conduct the regular business of the JPA. Topics includes: 1) financial stability, 2) coverage and governance, 3) program services and 4) marketing and growth.

Presented as information only.

## **G7. Round Table Discussion**

Ms. Kristina Miller indicated that the City of Corning reinitiated their police academy sponsorship. Discussion ensued whether the trainee is covered for workers' compensation (WC) while in police academy under the sponsor's coverage.

## **H. INFORMATION ITEMS**

1. NCCSIF 2017 Meeting Calendar
2. NCCSIF Organizational Chart
3. NCCSIF Travel Reimbursement

There was no discussion on these items.

## **I. ADJOURNMENT**

The meeting was adjourned at 2:32 p.m.

Respectfully Submitted,

  
Astrida Trupovnieks MA MBA  
Astrida Trupovnieks, Secretary

3-22-18  
Date