



**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
APRIL 26, 2018**

**BOARD OF DIRECTORS PRESENT**

Liz Cottrell, City of Anderson  
Toni Benson, City of Colusa  
Kristina Miller, City of Corning  
Rachel Ancheta, City of Dixon  
Kara Reddig, City of Elk Grove (Alternate)  
Kristine Haile, City of Folsom (Alternate)  
Juan Solis, City of Gridley  
Yvonne Kimball, City of Jackson

Astrida Trupovnieks, City of Lincoln  
Liz Ehrenstrom, City of Oroville  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville (**Chair**)  
Sandy Ryan, City of Red Bluff  
Yujun Du, City of Rio Vista  
Kimberly Sarkovich, City of Rocklin (Alternate)  
Tim Sailsbery, City of Willows

**OTHER MEMBERS PRESENT**

Jim Ramsey, City of Elk Grove  
Elisa Arteaga, City of Gridley (Alternate)

Andy Schiltz, City of Rocklin

**BOARD OF DIRECTORS ABSENT**

City of Auburn (primary & alternate rep vacant)  
Brad Koehn, City of Elk Grove  
Jim Francis, City of Folsom  
Cora Hall, City of Galt  
Jon Hanken, City of Ione

Martha Brown, City of Marysville  
Loree McCay, City of Nevada City  
Steven Rudolph, City of Rocklin  
Natalie Springer, City of Yuba City

**CONSULTANTS & GUESTS**

Marcus Beverly, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Raychelle Maranan, Alliant Insurance Services  
Alana Theiss, James Marta & Company

Mike Harrington, Bickmore  
Dori Zumwalt, York Risk Services  
Sidney DiDomenico, CSAC EIA  
Naomi Whatley, GSRMA

Sidney DiDomenico with CSAC EIA and Naomi Whatley with Golden State Risk Management Authority presented an information about CSAC EIA/GSRMA Group Benefits Program.

**A. CALL TO ORDER**

Chair Dave Warren called the meeting to order at 12:30 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:** Sandy Ryan                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom,  
Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

**D. PUBLIC COMMENTS**

There were no public comments.

**E. CONSENT CALENDAR**

1. Board Meeting Minutes - December 14, 2017
2. Check Register from December 1, 2017 to February 28, 2018
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
  - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
  - c. Treasurer's Report as of December 31, 2017
4. FY 17/18 CSAC EIA Member Annual Report
5. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of March 22, 2018
6. 17-18 APIP Alliant-Commission Opt-Out Letter dated April 3, 2018

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

**Motion:** Liz Ehrenstrom                      **Second:** Sandy Ryan                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom,  
Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

**F. ADMINISTRATION REPORTS**

**F.1. President's Report**

Chair Warren reminded members about Lexipol's free webinar on De-Escalation on May 10, 2018.

**F.2. Program Administrator's Report**

Mr. Marcus Beverly reminded members that the registration for the 2018 CAJPA conference is now open. Members can use their Member Training Fund to pay for the cost to attend the CAJPA conference. The conference is great educational forum and network that provides greater understanding of pooling of joint powers authorities.



### **F.3. Summary of the March 22, 2018 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 December 31, 2017**

Ms. Alana Theiss reviewed the quarterly financial report for period ending December 31, 2017. Ms. Theiss 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, 2017.**

**Motion:** Tim Sailsbery                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

### **G.2. Budget-to-Actual as of December 31, 2017**

Ms. Theiss reviewed the Budget-to-Actual report and noted it is on target as a whole as of December 31. There were no questions from the Board.

Information only, no action taken.

## **H. JPA BUSINESS**

### **H.1. FY 18/19 NCCSIF Administration Budget**

Mr. Beverly provided an overview of the preliminary FY 18/19 Administration Budget. The budget increases for service providers are based on current contracts. It was noted that the Bickmore contract remained flat, but the budget line items was restructured to reflect the actual cost as outlined in the contract. The Lexipol Policy Manual and Daily Training Bulletin services for Police is estimated to increase by 8%. One significant increase is the State Funding/Fraud Assessment by 18% from the actual expense for FY 17/18. Last year's invoice was included in the agenda packet to show the breakdown of the charges and the different factors in the State Fund's assessment calculation. Overall, the budget increase is 2% over last year's budget without the State Fund increase.

Mr. Beverly noted that all of NCCSIF's key service provider contracts: Alliant for Program Administration and Brokerage Services; York contracts for both Liability and Workers'



Compensation Claims Administration; and Bickmore contract for Safety and Risk Control Services are all scheduled to expire on June 30, 2019. The Program Administrators will present a strategy to stagger the renewal dates of these contracts to the Executive Committee in the May meeting.

Information only, no action taken.

## **H.2. Actuarial Studies of the Self Insured Programs – Mike Harrington, Bickmore**

### **H.2.a. Workers' Compensation Program**

Mr. Mike Harrington from Bickmore presented the Actuarial Study of the WC program. The actuarial analysis consists of two main components. The first being a review of the estimates of the ultimate liabilities as of December 31, 2017, and the second component is a loss forecasting analysis to determine the rates for the 18/19 program year.

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).

Total assets of the WC Program are approximately \$44,489,000 on June 30, 2018, compared to \$42,896,000 last year. The Outstanding Liabilities are projected to increase by 3% from \$29,205,000 to \$30,252,000. The prior estimate of the Projected Losses is projected to increase by 1% from \$8,205,000 to \$8,259,000. The rate decreased by 3% from \$3.87 to \$3.76. Overall, the liabilities are down, surplus is up and rates are down.

**A motion was made to accept and file the Draft Actuarial Studies of the Self Insured Workers' Compensation Program as presented and to finalize the report.**

**Motion:** Astrida Trupovnieks      **Second:** Liz Ehrenstrom      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

### **H.2.b. Liability Program**

Mr. Harrington presented the Actuarial Study of the Liability program. The recommended funding range is 75% to 85% CL (Confidence Level). Total assets of the Liability Program are approximately \$13,132,000 on June 30, 2018, compared to \$11,811,000 last year. The Outstanding Liabilities are projected to decrease by 10% from \$7,948,000 to \$7,165,000. The prior estimate of the Projected Losses is projected to increase by 1% from \$3,104,000 to \$3,147,000. The rate decreased by 3% from \$1.91 to \$1.86. Overall, the liabilities are down, surplus is up and rates are down.



**A motion was made to accept and file the Draft Actuarial Studies of the Self Insured Liability Program as presented and to finalize the report.**

**Motion:** Liz Ehrenstrom                      **Second:** Gina Will                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

### **H.3. Workers' Compensation Program**

#### **H.3.a. Annual Banking Plan Adjustments - James Marta & Company**

Ms. Alana Theiss 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 \$1,562,520 which represents 35% of the available net position, and the total assessments is \$188,760 which represents 20% of the amount for those members who fell below the required funding. The cities in deficit are: Cities of Oroville, Red Bluff, Yuba City and Town of Paradise.

**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:** Liz Ehrenstrom                      **Second:** Kristina Miller                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

#### **H.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 \$1,562,000 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 \$781,000 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:** Tim Sailsbery                      **Second:** Kimberly Sarkovich                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom,  
Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

### **H.3.c. FY 18/19 Deposit Premium Calculations**

Mr. Beverly handed out revised deposit calculations which replaced page 186 included in the agenda packet, and noted the revised reports were e-mailed to the Board members prior to the meeting. The first estimates are slightly higher due to the need to cap the increase in one member's funding, City of Oroville. The prior worksheet compared the 18/19 funding to the net funding for this year, so the cap was not a factor in that draft. Mr. Beverly indicated that the Executive Committee recommended increasing funding levels from 75% CL to 80% CL for FY 18/19.

- Total funding at the 75% CL - is estimated at \$11,672,129 compared to \$11,568,170 for FY 17/18, an increase of 0.9%. Given the rate has decreased, the overall increase is due to increased payroll of 4.3%
- Total funding at the 80% CL - is estimated at \$12,084,775, an increase of 3.7% over current funding at the 75% CL. The cap was increased slightly from 40% to 43% to account for the 80% CL. The notable exception is the City of Willows, with a decrease of almost 47% due to outsourcing police.

It was noted that the Town of Paradise and the City of Placerville were inadvertently switched on the Deposit Premium CL Comparison exhibit on page 188.

**After review and discussion, a motion was made to approve funding at 80% Confidence Level for FY 18/19 Workers' Compensation program.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom,  
Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

### **H.4. Liability Program**

#### **H.4.a. Annual Banking Plan Adjustments - James Marta & Company**

Ms. Theiss 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 \$506,483 which represents 35% of the available net position, and the total assessments is \$79,760 which represents 20% of the amount for those members who fell



below the required funding. The cities in deficit are: Cities of Auburn, Colusa, Ione, Jackson, Rio Vista, and Willows.

**After review and discussion, a motion was made to approve the 35% Banking Layer refund from the Liability 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 Fund Adjustments.**

**Motion:** Liz Ehrenstrom                      **Second:** Kristina Miller                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

*Mike Harrington left the meeting at 1:52 p.m.*

#### **H.4.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services**

Mr. Beverly reviewed the plan adjustment calculation for the Liability Shared Risk Layer and noted this is the first time assets have been above the 90% CL in at least five years. The fund also reached its other target benchmark of Net Position at least five times the SIR of \$450,000 (\$2,250,000), with Net Position estimated at just over \$3 million. It was noted that FY 18/19 would have been the fifth year of five-year assessment of \$600,000 per year. Given that the Fund has just exceeded its funding goals after years of assessments, the Executive Committee does not recommend a refund or assessment if the members agree to fund at the 80% CL for FY 18/19. It was noted that this is first year that there will be no CJPRMA dividend to offset any assessment.

The Board proceeded to review item H.4.c. - FY 18/19 Deposit Premium Calculations in order to take action on this item.

Action taken under agenda item H.4.c.

#### **H.4.c. FY 18/19 Deposit Premium Calculations**

Mr. Beverly noted a revised deposit calculation exhibit was also included in the handouts earlier which replaced page 196 in the agenda packet. Mr. Beverly explained that the net funding for the Liability Program is less than the first draft since this exhibit does not include the scheduled Assessment that was included in the first draft. Mr. Beverly noted that the Executive Committee recommended increasing funding levels from 75% CL to 80% CL. It was noted that the revised net exhibit reflects that recommendation, which shows the difference in the change from the 75% to 80% CL compared to the scheduled assessment amount. Moving to 80% CL is less cost to the members than the planned assessment.

- Total funding at the 75% CL - is estimated at \$5,731,880 compared to \$5,605,674 for FY 17/18, an increase of 2.25%. Payroll for the liability program increased by 3.5%, accounting for all of the funding increase.



- Total funding at the 80% CL - is estimated at \$6,030,880, an increase of 7.59% over FY 17/18 funding at the 75% CL. The increase from a 75% to 80% CL for FY 18/19 funding is \$425,206, One member hit the cap, City of Auburn. The cap was increased slightly from 25% to 28% due to increase in CL.

**After review and discussion, a motion was made to not issue refunds or assessments for the Shared Risk Plan Adjustments and to approve funding at 80% Confidence Level for FY 18/19 Liability program.**

**Motion:** Toni Benson                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None

#### **H.5. Violent Event Liability Program Sublimit Option**

Mr. Beverly reviewed the proposed endorsement adding Violent Event Coverage to the Liability Memorandum of Coverage (MOC). The first draft of the endorsement was presented to the Executive Committee at the March 2018 meeting as Active Shooter Coverage. The need for this coverage was identified at the December 2017 Long Range Planning meeting as a result of incident in Tehama County that affected one member that responded to the incident. The recommended endorsement language is based on similar language found in the parametric insurance policies. Members have access to their Banking Layer after a triggering event. It does not require members to provide any documentation of having paid an extraordinary amount of extra expense. The intent is immediate payment to the member after a triggering event similar to parametric coverage.

Mr. Michael Simmons indicated that parametric coverage is gaining traction and growing interest for unique extraordinary event coverage in the commercial market. Payment occurs if the parameters surrounding the event are triggered. The payment itself is an agreed upon figure prior to the event. Thus, there is no need for claims adjustment after the event occurs. Allowing members access to their Banking Layer for violent event type loss is a first step, and coverage may expand to the Shared Risk Layer to address needs in the future.

**After discussion, a motion was made to approve the proposed Violent Event Endorsement Sublimit Coverage to the Liability Memorandum of Coverage effective July 1, 2018 as presented.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery  
**Nays:** None





## **H.6. Fire Department Guidelines and Training Options**

Mr. Beverly indicated that Program Administrators obtained quotes from Lexipol for Fire Training Services as a result of members' interested in subscribing for the service. The Executive Committee approved to move forward to a master contract with Lexipol to take advantage of the significant savings afforded to the members through group pricing if NCCSIF pays for the service and allocates the cost to the subscribing members. Cities of Corning and Oroville were also added since the last meeting. Program Administrators are finalizing the agreement with Lexipol. It was noted that there is no need to enter into master contract with TargetSolutions as NCCSIF members can avail of CSAC EIA discounted rate for the premium contents.

## **H.7. Property Program Member Appraisals**

Mr. Beverly indicated that members in the Alliant Property Insurance Program (APIP) are scheduled to have their properties appraised in 2018, the last appraisal was completed in 2013. Buildings over \$5 million (M) in value and Waste Water Treatment Plants (WWTP) at or above 10 MGD (million gallons per day) are conducted by Alliant Appraisal Services (AAS) as part of APIP paid appraisals. AAS also provided a breakdown of the cost to appraise the remaining properties: \$1M to \$4.9M are appraised for \$250 per building; buildings below \$1M are appraised for \$150 per building; and WWTP 5 to 9 MGD is appraised at \$6,000; and less than 5MGD is appraised at \$4,800. Alliant has also prepared a Request for Proposal (RFP) for Appraisal Services to obtain additional quotes from other vendors. For comparison purposes and to ensure a comprehensive appraisal of member properties, the list properties identified by AAS will be used for the RFP. The appraisal cost is a separate charge and not part of the members APIP premium and is not part of the NCCSIF Administration budget as not all members participate in the APIP program.

**A motion was made to issue a Request for Proposal for Property Appraisal Services for properties outside of APIP paid appraisals.**

**Motion:** Liz Ehrenstrom

**Second:** Rachel Ancheta

**Motion Carried**

**Ayes:** Cottrell, Benson, Miller, Ancheta, Reddig, Haile, Solis, Kimball, Trupovnieks, Ehrenstrom, Will, Warren, Ryan, Du, Sarkovich, Sailsbery

**Nays:** None

## **H.8. Review of Strategic Goals**

Mr. Beverly reviewed the goals the Board established from the Long-Range Planning meeting in December 2017. Some are progressing relatively quickly in achieving the goals such as funding at 80% Confidence Level for both the Liability and Workers' Compensation Programs for FY 18/19.

Information only, no action taken.

*Mike Simmons left the meeting at 2:30 p.m.*



## **H.9. York Risk Services Quarterly Report**

Ms. Dori Zumwalt from York reviewed the quarterly report to the Board. The report shows the recent activities and progress to date in meeting claims management benchmarks. File reviews are regularly conducted either in person or over the phone. The goal is to close more claims through Compromise & Release settlement. Ms. Dori indicated that a lot of claims are reported late and reiterated to the members to report claims as quickly as possible within 24 hours. It was noted that members can file claims on-line and offered to train members' staff on how to use York's on-line system.

Ms. Dori reported that the City of Jackson was subject to a case law vs. Rice, apportionment causation in a degenerative disease case, ruled in favor of the City. The City of Lincoln sub-rosa case was in favor of the city.

Information only, no action taken.

*Sandy Ryan left the meeting at 2:38 p.m.*

## **I. ROUND TABLE DISCUSSION**

Mr. Beverly stated that the Alliant Property Insurance Program (APIP) Coverage Overview Presentation is optional.

## **J. INFORMATION ITEMS**

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF 2018 Meeting Calendar
4. NCCSIF Vendor Services Matrix
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement Form

These items were provided as information only.

Mr. Beverly presented the Board with a review of the APIP coverage highlights. APIP is a joint purchase program where limits are shared, but not risk and is a broad form policy that is tailored for public entities. It was established in 1993 and now the single largest property placement in the world. Coverages available in the program such as: Rental Interruption, Tax Revenue Interruption, Business Interruption, Course of Construction (COC), unscheduled vs. scheduled landscaping, Money & Securities, unscheduled vs. scheduled Fine Arts, Accidental Contamination, Infrastructure (Tunnels, Bridges, roads, sidewalks, traffic signals, street lights). APIP features Time Element coverages but a member would have to have direct physical damage to a covered location (i.e. City Hall was damaged due to a fire and you have to relocate to a new facility).



*Kara Reddig left the meeting at 2:41 p.m.*

*Liz Cottrell left the meeting at 2:42 p.m.*

*Tim Sailsbery left the meeting at 2:47p.m.*

*Dori Zumwalt left the meeting at 2:50 p.m.*

*Juan Solis and Elisa Arteaga left the meeting at 2:55 p.m.*

*Toni Benson left the meeting at 2:57 p.m.*

*Jim Ramsey left the meeting at 3:04 p.m.*

Mr. Beverly noted that APIP has bolt-on Pollution Liability and Cyber Privacy Notification and both are claims made coverage. Claims-made policy means claims must be submitted to the insurer during the policy period in order for coverage to apply.

**K. ADJOURNMENT**

The meeting was adjourned at 3:12 p.m.

**Next Meeting Date:** June 14, 2018 in Rocklin, CA

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "A. Trupovnieks", is written over a horizontal line.

Astrida Trupovnieks, Secretary

6/14/2018

Approval Date