



E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - May 21, 2015
2. Executive Committee Special Teleconference Meeting Minutes - June 30, 2015
3. Check Register at June 30, 2015
4. Investment Reports
 - a. Chandler Asset Management Short/Long Term - June 2015 to July 2015
 - b. Treasurer's Report as of June 30, 2015
 - c. Local Agency Investment Fund (LAIF) Report as of June 30, 2015

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

Motion: Bruce Cline

Second: Brad Koehn

Motion Carried

Ayes: Daly, Warren, Hildebrand

Nays: None

F. ADMINISTRATION REPORTS

F1. President's Report

Mr. Russell Hildebrand had no items to report.

F2. Program Administrator's Report

Mr. Marcus Beverly had no items to report.

G. FINANCIAL REPORTS

G1. Quarterly Financial Report for Period Ending June 30, 2015

Ms. Alana Theiss reviewed the quarterly financial report and indicated the report is for the 12-month period ending June 30, 2015. The Statement of Net position lists assets at \$2.3 million in cash, \$47 million in investments and \$634,000 in Accounts Receivable (AR). These AR represent assessments declared in FY 2015 and not billed until FY 2016. Similarly in Current Liabilities, \$667,000 in deferred revenue which are refunds that members elected to apply the following year. Total Liabilities are \$40.7 million and total Net Position is \$9.38 million. The Actual Change in Net Position is a net loss of \$684,000.

Ms. Theiss indicated the Liability Shared fund is in negative position which is inclusive of the Shared Liability assessment that was declared last year. Ms. Theiss noted City of Colusa, City of Corning, City of Jackson and City of Marysville are in negative position as of June 30, 2015. Four member cities are in negative net position in WC: City of Anderson, City of Elk Grove, City of Red Bluff, and City of Yuba City.



Ms. Theiss stated the 2015 claims experience is relatively high and noted the following as the significant factors:

- Actuary estimated \$1.5 million for the Liability Banking layer for this year; however, \$475,000 was paid out already and reserve at almost a \$1 million as of June 30, 2015. Therefore, a “Change in the Management Estimate” was realized and an increase of \$500,000 for the Liability Shared Layer was added to the original Actuary estimate.
- Similarly, the Actuary estimated \$4.3 million for the WC Banking Layer and to date the paid and reserve is at \$3.1 million; therefore, an increase of \$760,000 was added to the original Actuary estimate.
- The Actuary estimated \$2.5 million in WC Shared layer. The reserve to date is at \$1.1 million; therefore, an increase of \$500,000 was added to the original Actuary estimate.

All these adjustments were reviewed with the Actuary.

Mr. Ben Burg provided a background on a particular WC claim from City of Jackson that attributed to the high cost incurred in 2015.

Mr. Michael Simmons indicated this particular year will have a big impact in developing rates for next year and will affect the experience modification (ex-mod) factor for the group as CSAC-EIA uses ex-mods in its rating model.

Ms. Theiss proceeded and reviewed the Budget-to Actual. She noted this represent the whole fiscal year so the budget to financial is of equivalent values.

A motion was made to receive and file the Quarterly Financial Report for the period ending June 30, 2015.

Motion: Bruce Cline

Second: Dave Warren

Motion Carried

Ayes: Koehn, Daly, Hildebrand

Nays: None

G2. Budget-to-Actual as of June 30, 2015

The Budget-to-Actual was reviewed under item G1.

G3. Draft 2015 Financial Audit

Ms. Alana Theiss provided the Executive Committee with a brief report on the preliminary draft of the audited financial statement for fiscal year June 30, 2015. She noted the main difference that is not included in the quarterly financial statement is the Claims Development information that includes ten years of losses. It illustrates the claims development overtime. Ms. Theiss indicated Matthew Nethaway, a partner with Crowe Horwath LLP will be in attendance at the October 15, 2015 Board meeting to review the final audited financial statement.



Information only and no action was taken.

H. JPA BUSINESS

H1. Review of Preliminary 2016 Meeting Calendar

Mr. Marcus Beverly explained the 2016 Meeting Calendar is presented for review and subsequently will be presented to the Board of Directors at the October 15, 2015 meeting for approval. Some of the proposed dates were changed to work around the CJPRMA meeting dates to lessen conflict with Ms. Paula Islas' schedule as she is the CJPRMA Board Representative. Mr. Beverly asked for the Committee to review the dates and advise if there are any conflicts.

H2. Claims Services

H2a. Revisions to Policy and Procedure A-9: Defense Counsel Selection

Mr. Marcus Beverly reported the Claims Committee reviewed this item at its earlier meeting and the Committee recommended approval of the revisions to NCCSIF's Policy and Procedure (P&P) A-9: Defense Counsel Selection. The Chair of the Claims Committee, Mr. Bruce Cline, suggested most of the recommended changes.

The key components of the proposed changes are as follows:

- Members to use only attorneys and investigators on the Approved List. Attorney and investigator selection should be recommended by the Claims Committee and approved by the Executive Committee, rather than the full Board.
- A new section was added that addresses partners, associates and paralegals working with an attorney on the Approved List. This section provides more clarity to question and practice that often arises.
- It identifies the Claims Administrator's role and the role of the Member City. The client is the City and should control the key decisions and settlement authority.
- Adds that a City Attorney or Contract City attorney or members of his/her office may not defend claims against the City for whom they are City Attorney but could defend another City.
- A new section was added for use of attorney prior to litigation and during the pendency of a disputed coverage issue. This section provides as an explanation and not an expansion of rights under the Memorandum of Coverage (MOC).

Mr. Beverly noted there is coverage up to the Banking Layer limit for defense costs if the denial is based solely on exclusion, and any coverage matter dispute still lies at the Board level. The proposed revision to this policy was reviewed by NCCSIF Legal Counsel, Byrne Conley.



Mr. Beverly suggested changes to the policy as presented to make it more clear and consistent with other provisions:

- Under Defense Counsel Selection, Number 3, last sentence of last paragraph to read: “If time does not permit approval by the Executive Committee, the Administrator may authorize assignment of a case(s) and shall report the assignment to the Claims Committee **and Executive Committee** at their next committee meetings.”
- Under Payment for Attorneys Pre-Litigation and Pending a Coverage Decision, Number 2, second paragraph, to strike out “*See the Underlying Memorandum of Coverage at Section 11(b).*” and the second sentence to read: “(2) the Member City has incurred legal expenses with counsel qualifying, to strike out “*under sections 1-3 above*” and replaced it with “**under this policy**”, then NCCSIF will reimburse the Member City for its actual expenditures for counsel, up to the approved rates.

The Committee discussed the proposed revisions and concurred revising the policy as recommended by the Claims Committee.

A motion was made to approve the revisions to Policy and Procedure A-9: Defense Counsel Selection as amended and recommend approval to the Board.

MOTION: Bruce Cline **SECOND:** Michael Daly **MOTION CARRIED**
AYES: Koehn, Warren, Hildebrand
NAYS: None

H.2.b. Revisions to Policy and Procedure L-5: Liability Litigation Management Plan

Mr. Marcus Beverly noted P&P L-5: Liability Litigation Management Plan is a companion policy to P&P A-9: Defense Counsel Selection. To be consistent with P&P A-9 similar changes must be made to P&P L-5. This policy provides litigation management guidelines for liability defense counsel and claims administrators.

The revisions are as follows:

- Included in the guidelines for use of partners, associates, and paralegals.
- Mandatory status reports by legal counsel rather than the City.

A correction was noted under Section A, last paragraph to delete the reference to the “The JPA Legal Counsel” and to read: “Adding or deleting an attorney to or from the defense panel will require recommendation by a Member City. The Claims Administrator will review the recommended firm and/or individual per P & P A-9 and submit a written recommendation to the Claims Committee and subsequently the Executive Committee for approval.”



risk management services and how to fund those services. An invitation was extended to PRMC Chair, Chief John Ruffcorn from City of Auburn.

Mr. Beverly reviewed the items and topics to be discussed at this meeting specifically an overview of progress made from risk assessments and progress from those recommendations. Claims analysis will be provided to keep member aware of what the losses are and some housekeeping items on updating the Risk Management policies and roll it into one set of best practices and most importantly, the funding of these services. Mr. Beverly noted he is working with Henri Castro in getting the Scorecard completed in time for the Risk Management Planning session. The Board of Directors will have a meeting later in the day to take care of business items.

The Committee briefly discussed the funding of the Safety Grant and ways to have a penalty process for those members who are out of compliance with the law.

Mr. Russell Hildebrand instructed Program Administrators to place on future agenda for the Executive Committee to discuss penalty process.

H.6.b. Review of Long Range Planning Items from January 8, 2015

Mr. Marcus Beverly reviewed the action item list from the January 8, 2015 Long Range Planning meeting and noted each item discussed has been addressed. The EPL Hotline service is still in the works and Alliant is in the RFP process and will have an update at the October 15, 2015 meeting. The Contracted Vendor Services will be discussed in the later agenda item.

H.6.c. December 2015 Long Range Planning Meeting

Mr. Marcus Beverly indicated this is more tactical than a long range planning meeting as he anticipates having a number of follow up items for the Board from the Risk Management Committee planning session on October 15, 2015. The Program Administrators propose moving the December 10, 2015 Board of Directors meeting to November 19, 2015 in place of the Executive Committee meeting, and canceling the December 10, 2015 meetings altogether.

Mr. Russell Hildebrand noted the Committee is okay with moving the Board meeting to November 19, 2015 and canceling the December 10, 2015 meetings. Topics are based mostly from the anticipated items from the October 15, 2015 RMC Planning session. Mr. Hildebrand noted to EC to provide additional topics to Alliant by October 20th for any items as deemed necessary.

Mr. Michael Daly left the meeting at 1:35 p.m.

H.7. Contracted Service Provider Survey Update

Mr. Marcus Beverly indicated the Board directed the Program Administrators to research the potential for Shared Contracted Service Providers amongst NCCSIF members. The services were narrowed to four categories: ADA Compliance, Arborist, Drug & Alcohol Testing, and Janitorial Services. A survey was done to gauge member interest in those categories, but received minimal



responses from members. At this point minimal information was gathered in each of the four categories and it's not clear whether there is enough interest to be able to negotiate a group discount rate, and the Committee was asked to provide a recommendation as to how to proceed.

Mr. Russell Hildebrand noted City of Rocklin is satisfied with their ADA provider and will forward the information to Alliant to include in the vendor services list. Mr. Hildebrand noted significant improvement on the nccsif.org website and he would like to see this contracted vendor list on the website as resource to the members.

H.8. ROUND TABLE DISCUSSION

Mr. Marcus Beverly noted holding the Claims Committee (CC) meeting and Closed Session Items at the beginning of the day seem logical; therefore, the EC and CC meeting time will be reversed.

I. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2015 Meeting Calendar
3. NCCSIF Travel Reimbursement Form
4. NCCSIF Resource Contact Guide

There was no discussion on these items.

J. ADJOURNMENT

This meeting was adjourned at 1:41 p.m.

NEXT MEETING DATE: November 19, 2015 in Rocklin, CA

Respectfully Submitted,

A handwritten signature in blue ink that reads "Corey Shaver".

Corey Shaver, Secretary

5/23/16

Date