



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
SEPTEMBER 25, 2014**

MEMBERS PRESENT

Michelle Pellegrino, City of Dixon
Paula Islas, City of Galt
John Lee, City of Lincoln
Elizabeth Ehrenstrom, City of Oroville
Corey Shaver, City of Nevada City
Russell Hildebrand, City of Rocklin
Tim Chapa, City of Rio Vista
Tim Sailsbery, City of Willows

MEMBERS ABSENT

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Alana Theiss, James Marta & Company
Ben Burg, York Risk Services
Dorienne Zumwalt, York Risk Services
Jennifer Nogosek, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:34 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Corey Shaver **SECOND:** John Lee **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: None



D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – May 29, 2014
2. Check Register as of June 30, 2014
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term as of June 30, 2014
 - b. LAIF Report as of June 30, 2014
4. Utilization Report for Safety Grant Funds as of June 30, 2014
5. Crowe Horwath Financial Audit Engagement Letter

Mr. Johnny Yang advised that a correction needs to be made to the May 29, 2014 Executive Committee Meeting Minutes to reflect Tim Sailsbery as a non-voting member.

A motion was made to approve the Consent Calendar with the correction noted above.

MOTION: Paula Islas **SECOND:** Corey Shaver **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: None

E. COMMITTEE REPORTS

1. Police Risk Management Committee Meeting Minutes – August 7, 2014 (Draft)
2. Claims Committee Meeting Minutes – August 4, 2014 (Draft)
3. Claims Committee Meeting Minutes – July 8, 2014 (Draft)
4. Risk Management Committee Meeting Minutes – June 12, 2014 (Draft)
5. Board of Directors Meeting Minutes – June 12, 2014 (Draft)

There was no discussion on these items.

F. ADMINISTRATION REPORTS

F1. President's Report

Ms. Liz Ehrenstrom had no items to report.

F2. Program Administrator's Report

Mr. Marcus Beverly advised that NCCSIF recently had two large losses due to the fall of tree limbs onto a pedestrian. Mainly due to budget cuts it seems as though cities no longer have a tree trimming program in place. Mr. Beverly explained that should members not have a tree maintenance program in place then a plan should be in the works.

Mr. Mike Simmons also expressed that he was pleased to see many NCCSIF representation at the CAJPA Conference this year.



G. FINANCIAL REPORTS

G1. Quarterly Financial Report for Period Ending June 30, 2014

Ms. Alana Theiss provided the Committee with the Quarterly Financial Report for Period Ending June 30, 2014. She explained that there was a change in Net Position was \$2,670,428 from the prior year. Most of this change is due to the Workers' Compensation revision from the Actuary regarding 4850. She noted that expenses during the year included dividends were provided to members in the amount of roughly \$1.4 million and mentioned that NCCSIF incurred large losses in 2013 and 2012. She also advised that the Liability Shared Risk layer is currently in a negative net position.

A motion was made to approve the Quarterly Financial Report for Period Ending June 30, 2014.

MOTION: Russell Hildebrand **SECOND:** Paula Islas **MOTION CARRIED**

AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa

NAYS: None

ABSENT: None

G2. Budget to Actual as of June 30, 2014

Mr. Beverly explained that all items were under budget with the exception of the Liability Shared Risk program. The Liability program incurred expenses of \$894,000 higher than expected due to losses for which NCCSIF has lowered its retention to \$500,000.

G3. Update of YE 2014 Financial Audits

Ms. Theiss explained that in speaking with Crowe Horwath a copy of the financial audit will be presented at the October Board of Directors meeting.

H. JPA BUSINESS

H1. Review of Preliminary 2015 Meeting Calendar

Mr. Johnny Yang asked members review the Preliminary 2015 Meeting Calendar. Ms. Ehrenstrom asked if there was a reason the dates for the Police Risk Management Committee are not listed. Mr. Yang explained that the Committee usually sets its date for its next meeting during their meetings. Mr. Beverly asked that these dates be provided for the year. Ms. Ehrenstrom asked if members have any conflicts to please let Alliant know to revise accordingly.

H2. Selection of 2014 WC Claims Auditor

Mr. Beverly explained NCCSIF has received 3 responses to the Workers' Compensation Claims Auditor Request for Proposal from Gary Jennings, Angela Livingston and Farley Consulting Servcies. Mr. Beverly explained that Gary Jennings seems to have a large amount of experience



dealing with all types of claims management and provided a cost of services in the amount of \$21,500. Angela Livingston has much experience with CSAC-EIA and other joint powers authority and provided a cost of services in the amount of \$19,656. Farley Consulting Services has much experience with similar JPAs and provided a cost of services in the amount of \$10,500. Mr. Beverly explained that he would recommend Farley Consulting Services first, Angela Livingston second and Gary Jennings third mainly according to cost.

Mr. Tim Sailsbery also noted that NCCSIF only budgeted \$7,500 for a WC Claims Audit this year and inquired to the value of this process. Mr. Simmons explained that as a best practice a claims audit should be performed every other year not only for CAJPA Accreditation or the requirement by CSAC-EIA, but to ensure the claims handling process is running smoothly.

Mr. Ben Burg suggested moving back the timeline of the audit until after spring as York has received new auditors and has an upcoming CSAC-EIA audit. Mr. Beverly agreed and noted that he will be doing a claims review with York soon recommending the audit be completed by May 1, 2015.

Ms. Paula Islas also suggested that NCCSIF should review its Policies and Procedures as some point as a best practice.

A motion was made to select Farley Consulting Services as the Workers' Compensation Claims Auditor for 2014.

MOTION: Paula Islas **SECOND:** Jim Lindley **MOTION CARRIED**
AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa
NAYS: None
ABSENT: None

H3. Long Range Planning

H3a. Review of Long Range Planning Items from December 13, 2012

Mr. Yang explained that CAJPA requires a Long Range Planning every three years to be accredited. NCCSIF had its last Long Range Planning in December 13, 2012. He briefly went over the Items List and noted that each item discussed has been addressed. Mr. Simmons noted that CSAC-EIA credits NCCSIF's deposit in the amount of \$7,500 annually if members are accredited with excellence by CAJPA.

H3b. Discussion of December 11, 2014 Long Range Planning Meeting

Mr. Beverly asked members for their thoughts on having a Long Range Planning Meeting on December 11, 2014. He noted that he has reviewed Administrative Policies and Procedures and has a few recommendations which will be discussed in the next item but believes NCCSIF should not only review and clean the terms but NCCSIF should review the benchmarks and policies such as the process of dividends and assessments. He also explained that for CAJPA Accreditation organizations will be required to have an underwriting policy.



Mr. Simmons recommends that NCCSIF holds a half day Long Range Planning Session focused on finance and funding prior to the Board of Directors meeting. NCCSIF would want to look at Confidence Levels, Discount Rates as well.

Mr. Yang advised that the Risk Management Committee meeting will have to be rescheduled as it is currently scheduled for December 11, 2014 prior to the Board of Directors meeting.

A motion was made to approve holding a half day Long Range Planning Meeting prior to the Board of Directors meeting on December 11, 2014.

MOTION: Corey Shaver **SECOND:** Russell Hildebrand **MOTION CARRIED**
AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa
NAYS: None
ABSENT: None

H4. Administrative Policy and Procedures Revisions

- a. A-1, Banking Layer Plan Fund Adjustments**
- b. A-12, Shared Risk Layer Plan Fund Adjustments**
- c. A-17, Shared Risk Layer Target Equity Policy**

Mr. Beverly advised that NCCSIF maintains three policies that guide its funding decisions, including Banking Layer adjustments, Shared Layer adjustments, and target funding benchmarks. The policies are in need of updating due to changes in the accounting terms they refer to and are minor revisions to clarify some provisions. In addition, the benchmarks for refunds or assessments have been added to the Shared Risk layer Adjustment policy. Many of the current recommended changes are made to replace references to Equity with the more precise current terms Net Assets or Net Position. Changes are also recommended to the definition of “Outstanding Claims Liabilities” to refer to the Actuary’s calculations rather than the financial consultant. Lastly, the additions of the benchmarks to the Shared Risk Layer Policy reflect the benchmark for refunds in the Target Equity Policy and current practice for assessments.

Mr. Sailsbery advised that it may be in the best interest of NCCSIF to have the flexibility to address how to handle refunds and assessments when a program is in trouble. Mr. Simmons explained that this would be the type of conversation would be discussed during the Long Range Planning Session.

A motion was made to accept the suggested administrative revisions to Policies and Procedures A-1, A-12 and A-17 less the highlighted items on Section 4, 6 and 7 of the P&P A-12 which should be discussed and approved by the Board of Directors.

MOTION: Russell Hildebrand **SECOND:** Paula Islas **MOTION CARRIED**
AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa
NAYS: None
ABSENT: None



H5. Police Risk Management Body Camera Update

Mr. Yang advised that all the body cameras have been distributed to members and a Training Session was provided to NCCSIF by James Hillary who then provided site visits to the remaining members who did not attend the training session. Mr. Yang explained that the allocation method was based on each member's percentage of the administration budget with a 2 camera minimum to each participating agency. He noted that Anderson, Elk Grove and Placerville opted out to their allotted VieVu cameras as they currently have or are looking to purchase cameras from a different vendor. Those members will be reimbursed their amount for the purchase of body cameras. Mr. Yang also noted that the price of any additional cameras will be \$757, which is NCCSIF's discounted price, for the remainder of the year.

H6. Defense Counsel

H6a. Liability Defense Attorney Porter Scott Rate Increase

Mr. Russell Hildebrand advised that he uses Porter Scott very often and would recommend the increase for Porter Scott as they are a great firm to work with and extremely efficient.

A motion was made to approve the Rate Increase for Liability Defense Attorney Porter Scott.

MOTION: Russell Hildebrand **SECOND:** Paula Islas **MOTION CARRIED**
AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa
NAYS: None
ABSENT: None

H6b. Addition of WC Defense Attorney Kurt Peterson

A motion was made to approve the addition of Workers' Compensation Defense Attorney Kurt Peterson.

MOTION: Russell Hildebrand **SECOND:** Paula Islas **MOTION CARRIED**
AYES: Pellegrino, Islas, Lee, Ehrenstrom, Shaver, Hildebrand, Chapa
NAYS: None
ABSENT: None

H7. Round Table Discussion

Mr. Russell Hildebrand asked if there will be discussion on the Risk Benchmarks at the Long Range Planning Session and noted that cities are unaware of pool funding vs. insurance thought process by city council members which may be a good topic for discussion or information at the Long Range Planning Session.

Michelle Pellegrino advised that she is replacing Jim Lindley with the City of Dixon.



I. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF Travel Reimbursement Form
3. NCCSIF Resource Contact Guide

J. ADJOURNMENT

The meeting was adjourned at 12:00 p.m.