



**President**  
Mr. Dave Warren  
City of Placerville

**Vice President**  
Ms. Liz Ehrenstrom  
City of Oroville

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**Secretary**  
Vacant

## NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND BOARD OF DIRECTORS MEETING AGENDA

**Date:** Thursday, October 25, 2018

**Time:** 12:30 p.m.  
Lunch available at noon

**Location:** Rocklin Event Center - Garden Room  
2650 Sunset Blvd.  
Rocklin, CA 95677

**A - Action**  
**I - Information**

**1 - Attached**  
**2 - Hand Out**  
**3 - Separate Cover**  
**4 - Verbal**

### MISSION STATEMENT

*The Northern California Cities Self Insurance Fund, or NCCSIF, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.*

**A. CALL TO ORDER**

**B. INTRODUCTIONS**

**C. APPROVAL OF AGENDA AS POSTED**

**A 1**

**D. PUBLIC COMMENTS**

*This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.*

pg. 6 **E. CONSENT CALENDAR**

**A 1**

*All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.*

pg. 7  
pg. 17

1. Board of Directors Meeting Minutes - June 14, 2018
2. Check Register from May 1, 2018 to August 31, 2018
3. Investment Reports

pg. 21  
pg.53  
pg. 63  
pg. 65

- a. Chandler Asset Management Short/Long Term - May 2018 to August 2018
- b. Chandler Asset Management GASB 40 Reports as of June 30, 2018
- c. Chandler Asset Management GASB 72 Reports as of June 30, 2018
- d. Local Agency Investment Fund (LAIF) Report as of June 30, 2018



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pg. 66	e. Treasurer’s Report as of June 30, 2018		
pg. 67	4. NCCSIF Quarterly Financial Report for Period Ending June 30, 2018		
pg. 103	5. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of September 27, 2018		
pg. 106	6. FY 17/18 Liability Program Claims Audit and York Response		
pg. 118	7. FY 18/19 Alliant Deadly Weapon Response Program Proposal		
pg. 130	8. Alliant Deadly Weapon Response Program Brochure		
pg. 132	9. AssetWorks Property Appraisal Services Agreement		
pg. 149	10. FY 18/19 Workers’ Compensation Program Claims Audit Agreement with Farley Consulting Services, LLC		
pg. 160	11. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions		
pg. 163	<b>F. SUMMARY OF THE SEPTEMBER 27, 2018 EXECUTIVE COMMITTEE MEETING</b>	<b>I</b>	<b>1</b>
	<b>G. ADMINISTRATION REPORTS</b>	<b>I</b>	<b>4</b>
	1. <b>President’s Report</b> <i>Dave Warren will address the Board on items pertaining to NCCSIF.</i>		
	2. <b>CJPRMA Update</b> <i>Liz Ehrenstrom will update the Committee on CJPRMA matters pertinent to NCCSIF. Minutes of the last meeting can be found at <a href="http://www.cjprma.org">http://www.cjprma.org</a>.</i>		
	3. <b>Program Administrator’s Report</b> <i>Alliant will address the Board on items pertaining to NCCSIF.</i>		
	a. CAJPA Reaccreditation Update		
	b. Property Appraisal Update		
pg. 164	<b>H. 2019 OFFICERS AND EXECUTIVE COMMITTEE</b> <i>The Board will be asked to review the Executive Committee Rotation Schedule and elect Officers.</i>	<b>A</b>	<b>1</b>
	1. Election of President, Vice President and Secretary		
	2. Appointment of Treasurer and CJPRMA Board Representative		
	3. Approve Executive Committee Rotation Schedule		
	<b>I. FINANCIAL REPORTS</b>		
pg. 170	1. <b>Financial Status at June 30, 2018</b> <i>James Marta from James Marta &amp; Company will present a financial status of NCCSIF.</i>	<b>I</b>	<b>1</b>



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- |  |           |  |                   |
|--|-----------|--|-------------------|
| <p><i>Time Certain</i><br/>1:00 p.m.<br/>pg. 179</p> | <p>2.</p> | <p><b>FY 17/18 Financial Audit</b><br/><i>Matthew Nethaway from Crowe Horwath LLP will present the Financial Audit for Year Ending June 30, 2018 to the Board for review and to Receive and File.</i></p>                        | <p><b>A 1</b></p> |
| <p>pg. 231</p>                                       | <p>3.</p> | <p><b>Investment Policy</b><br/><i>The Board will review and approve the investment policy revisions as recommended by Chandler Asset Management..</i></p>   | <p><b>A 1</b></p> |
| <p><i>Time Certain</i><br/>1:30 p.m.<br/>pg. 244</p> | <p>4.</p> | <p><b>NCCSIF Investment Portfolio Review</b><br/><i>Carlos Oblites from Chandler Asset Management will present a current economic overview and NCCSIF's Investment Portfolio.</i></p>  | <p><b>I 1</b></p> |
| <p>pg. 294</p>                                       | <p>5.</p> | <p><b>Resolution 19-01 Authorizing the Treasurer to Invest and Re-invest Funds</b><br/><i>Review and approve Resolution 19-01 Authorizing the Treasurer to invest and re-invest funds.</i></p>                                   | <p><b>A 1</b></p> |
| <p>pg. 296</p>                                       | <p>6.</p> | <p><b>Resolution 19-02 Authorizing Signers for the Investment of Monies in the Local Agency Investment Fund (LAIF)</b><br/><i>Review and approve Resolution 19-02 Authorizing signers to transfer money to or from LAIF.</i></p> | <p><b>A 1</b></p> |

**J. JPA BUSINESS**

- |                |           |  |                   |
|----------------|-----------|--|-------------------|
| <p>pg. 299</p> | <p>1.</p> | <p><b>December 2018 Board Training Day and Meeting Agenda</b><br/><i>The Board to review the draft meeting agenda and may recommend additional topics for the Board Training Day on December 13, 2018.</i></p>   | <p><b>I 1</b></p> |
| <p>pg. 304</p> | <p>2.</p> | <p><b>Revision of Policy and Procedure A-6B: Workers' Compensation Shared Layer Settlement Authority</b><br/><i>Review and approve the proposed changes to Policy and Procedure A-6B to grant the Executive Committee the authority to settle claims in the Shared Risk Layer.</i></p> | <p><b>A 1</b></p> |
| <p>pg. 308</p> | <p>3.</p> | <p><b>NCCSIF Underwriting Policy</b><br/><i>The Board will review an Underwriting Policy summarizing all underwriting criteria in one document as required by CAJPA Accreditation with Excellence.</i></p>   | <p><b>A 1</b></p> |
| <p>pg. 311</p> | <p>4.</p> | <p><b>2019 Meeting Calendar</b><br/><i>The Board will be asked to review and approve the preliminary meeting calendar.</i></p>   | <p><b>A 1</b></p> |



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- pg. 313      5.    **2019 Service Calendar** **I    1**  
*The Board is presented a service calendar to keep abreast with business items and the required completion dates.*
- 6.    **York Risk Services Workers' Compensation Claims Administration**
- pg. 320      a.    **York Quarterly Report** **I    1**  
*Dori Zumwalt, York Risk Services, will update the Board on overall claims management and benchmarks.*
- pg. 324      b.    **WC Claim TPA Follow-up Survey Results** **A    1**  
*The Board will receive the results of the follow up survey to accept and file.*
- pg. 332      7.    **Service Providers Contract Renewal Strategy** **I    1**  
*Review the status of contract renewal strategy as recommended by the Executive Committee.*
- pg. 334      8.    **Round Table Discussion** **I    4**  
*This is an opportunity for Board members to ask questions or raise issue on risk exposures common to the members.*

**K.    INFORMATION ITEMS** **I    1**

- pg. 336      1.    CalPELRA 2018 Conference (December 3-7, 2018) in Monterey, CA
- pg. 338      2.    PARMA 2019 Conference (February 10-13, 2019) in Anaheim, CA
- pg. 345      3.    Glossary of Terms
- pg. 354      4.    NCCSIF Organizational Chart
- pg. 355      5.    NCCSIF 2018 Meeting Calendar
- pg. 356      6.    York Who's Who in Claims WC Contacts
- pg. 357      7.    York Who's Who in Claims Liability Contacts
- pg. 358      8.    NCCSIF Resource Contact Guide
- pg. 359      9.    NCCSIF Travel Mileage Reimbursement Form

**L.    ADJOURNMENT**

**UPCOMING MEETINGS**

- Police Risk Management Committee Meeting - November 1, 2018
- Executive Committee Meeting - November 19, 2018
- Board Training Day and Meeting - December 13, 2018



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*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Raychelle Maranan at Alliant Insurance Services at (916) 643-2712.*

*The Agenda packet will be posted on the NCCSIF website at [www.nccsif.org](http://www.nccsif.org). Documents and material relating to an open session agenda item that are provided to the NCCSIF Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.*

*Access to some buildings and offices may require routine provisions of identification to building security. However, NCCSIF does not require any member of the public to register his or her name or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*



**Agenda Item E.**

**CONSENT CALENDAR**

**ACTION ITEM**

**ISSUE:** The Board of Directors reviews items on the Consent Calendar and, if any item requires clarification or discussion, a Member should ask that it be removed for separate action. The Board should then consider action to approve the Consent Calendar excluding those items removed. Any items removed from the Consent Calendar will be placed later on the agenda in an order determined by the President.

**RECOMMENDATION:** Adoption of the Consent Calendar after review by the Board.

**FISCAL IMPACT:** None.

**BACKGROUND:** Routine items that generally do not require discussion are regularly placed on the Consent Calendar for approval.

**ATTACHMENT(S):**

1. Board of Directors Meeting Minutes - June 14, 2018
2. Check Register from May 1, 2018 to August 31, 2018
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - May 2018 to August 2018
  - b. Chandler Asset Management GASB 40 Reports as of June 30, 2018
  - c. Chandler Asset Management GASB 72 Reports as of June 30, 2018
  - d. Local Agency Investment Fund (LAIF) Report as of June 30, 2018
  - e. Treasurer's Report as of June 30, 2018
4. NCCSIF Quarterly Financial Report for Period Ending June 30, 2018
5. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of September 27, 2018
6. FY 17/18 Liability Program Claims Audit and York Response
7. FY 18/19 Alliant Deadly Weapon Response Program Proposal
8. Alliant Deadly Weapon Response Program Brochure
9. AssetWorks Property Appraisal Services Agreement
10. FY 18/19 Workers' Compensation Program Claims Audit Agreement with Farley Consulting Services, LLC
11. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions



**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
JUNE 14, 2018**

**BOARD OF DIRECTORS PRESENT**

Liz Cottrell, City of Anderson  
Cristina Shafer, City of Auburn  
Brad Koehn, City of Elk Grove  
Kristine Haile, City of Folsom (Alternate)  
Astrida Trupovnieks, City of Lincoln  
Jennifer Styczynski, City of Marysville  
Loree McCay, City of Nevada City

Liz Ehrenstrom, City of Oroville  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville (**Chair**)  
Sandy Ryan, City of Red Bluff  
Kimberly Sarkovich, City of Rocklin  
Andy Schiltz, City of Rocklin (Alternate)  
Tim Sailsbery, City of Willows

**BOARD OF DIRECTORS ABSENT**

Toni Benson, City of Colusa  
Kristina Miller, City of Corning  
Rachel Ancheta, City of Dixon  
Jim Francis, City of Folsom  
Cora Hall, City of Galt

Juan Solis, City of Gridley  
Jon Hanken, City of Ione  
Yvonne Kimball, City of Jackson  
Yujun Du, City of Rio Vista  
Natalie Springer, City of Yuba City

**CONSULTANTS & GUESTS**

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

James Marta, James Marta & Company  
Dori Zumwalt, York Risk Services

**A. CALL TO ORDER**

Chair Dave Warren called the meeting to order at 12:00 noon.

**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:** Liz Ehrenstrom

**Motion Carried**

**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

**Nays:** None

#### **D. PUBLIC COMMENTS**

There were no public comments.

#### **E. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes - April 26, 2018
2. Check Register from March 1, 2018 to April 30, 2018
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - March 2018 to April 2018
  - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2018
  - c. Treasurer's Report as of March 31, 2018
4. Risky Business Pros Claims Auditing Services Agreement for Liability Program
5. 2017-19 ACIP Policy Crime Coverage Premium for FY 18/19
6. 2019-20 Lexipol Police Manual Updates and Daily Training Bulletins Memorandum of Understanding
7. 2018-19 Lexipol Fire Subscription Services Memorandum of Understanding
8. 2018-20 ACI Employee Assistance Program Group Discount Contract
9. Executive Committee Rotation Schedule 2019-2025

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

**Motion:** Kimberly Sarkovich      **Second:** Liz Ehrenstrom      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

#### **F. ADMINISTRATION REPORTS**

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

Chair Warren welcomed two new board members, Christina Shafer from City of Auburn and Jennifer Styczynski from City of Marysville.

Chair Warren stated one of the biggest challenges most cities face is homelessness. He encouraged members to sign up for DKF Solutions Tactical Training Verbal Judo for Sewer, Water and Public Works Employees. One is scheduled in Sacramento on August 21, 2018. The fee is \$225 per person.

Mr. Marcus Beverly chimed in and indicated that members can use their \$4,000 Training and Conference fund to pay for the training. It is a use-it-or-lose-it-fund so members are encouraged to use the fund prior to end of fiscal year.

## **F.2. CJPRMA Update**

Ms. Astrida Trupovnieks noted that she attended the CJPRMA annual membership retreat in South Lake Tahoe last month. Ms. Trupovnieks provided a detailed update on CJPRMA matters:

- High cost claims due to California's litigious climate.
- Approved the lower admin budget for FY 18/19.
- Staff updates: David Clovis, General Manager, is retiring in October 2018; Tony Giles was hired as Assistant General Manager and will eventually assume as General Manager once David retires; and YCPARMIA Board Representative was hired as the Claims Administrator.
- Membership updates: Livermore Fire Department was approved for membership and City of Richmond joined the APD program.

## **F.3. Program Administrator's Report**

None.

## **F.4. Summary of the May 17, 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 March 31, 2018**

Mr. James Marta reviewed the Quarterly Financial Report for period ending March 31, 2018. Mr. Marta presented the highlights of the report.

**A motion was made to accept and file the Quarterly Financial Report for the period ending March 31, 2018.**

**Motion:** Gina Will

**Second:** Tim Sailsbery

**Motion Carried**

**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

### **G.2. Budget-to-Actual as of March 31, 2018**

Mr. Beverly indicated that NCCSIF administrative expenses year-to-date are currently right on track with the FY 17/18 Budget. Total expenses are \$949,774, or 75% of the budgeted amount, with 25% of the budget remaining for fourth quarter expenses.

Information only, no action taken.



## **H. JPA BUSINESS**

### **H.1. Conflict of Interest Code**

Mr. Beverly noted the Board is required to review their Conflict of Interest Code (COIC) every even-numbered year and mentioned in December 2017 the Board made a change to remove the Risk Management Committee in COIC since the Committee has no approval authority.

**A motion was made to approve the Conflict of Interest Code as presented and authorized the President to sign the Multi-County Agency Biennial Notice to file with the California Fair Political Practices Commission.**

**Motion:** Liz Ehrenstrom                      **Second:** Kimberly Sarkovich                      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

### **H.2. FY 18/19 NCCSIF Administration Budget**

Mr. Beverly indicated the only change from the preliminary budget for FY 18/19 since the April 2018 Board meeting was the full cost for the Lexipol Police Manual Updates and Daily Training Bulletins was moved to the Workers' Compensation Admin budget, since all members participate in that program. The biggest unknown is the State Funding/Fraud Assessment which is estimated to increase by 18%. Overall, the budget increase is 3% over FY 17/18 largely due to the State Comp Assessment increase, without the State Assessment increase, the increase would have been just 1%.

**A motion was made to approve the FY 18/19 NCCSIF Administration Budget as presented.**

**Motion:** Liz Ehrenstrom                      **Second:** Loree McCay                      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

### **H.3. FY 18/19 NCCSIF Memorandum of Coverage (MOC)**

#### **H.3.a. Liability MOC**

Mr. Beverly indicated that NCCSIF annually reviews the Liability Memorandum of Coverage (MOC). The NCCSIF MOC is underlying coverage and follows the form of CJPRMA, excess Liability provider. There are no changes to the CJPRMA MOC. There is a new endorsement to the NCCSIF MOC for Violent Event Coverage. Mr. Beverly noted that the Declaration pages have been updated to reflect the excess coverage provided by CJPRMA. One discrepancy noted in the exclusion number, transit exclusion 35 and 26, are now 35 and 25 in CJPRMA MOC.



**A motion was made to approve the FY 18/19 NCCSIF Liability Memorandum of Coverage with correction to CJPRMA's exclusion numbers.**

**Motion:** Liz Ehrenstrom                      **Second:** Gina Will                      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

### **H.3.b. Workers' Compensation MOC**

Mr. Beverly indicated that there are no changes to the NCCSIF MOC. Mr. Beverly noted that the Declaration pages have been updated to reflect the excess coverage provided by CSAC EIA.

**A motion was made to approve the FY 18/19 NCCSIF Workers' Compensation Memorandum of Coverage as presented.**

**Motion:** Kimberly Sarkovich                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

### **H.4. FY 18/19 Property Program Renewal**

#### **H.4.a. Property Renewal Proposal**

Mr. Beverly indicated that the Total Insurable Values (TIV) for the fifteen members that have property coverage through the Alliant Property Insurance Program (APIP) have increased by 13.62% since last year from \$1,059,819,258 to \$1,204,173,435. The property rate increased 16.30% from \$0.081 to \$0.094 per \$100 of TIV for All Risk Primary and Excess coverage with \$5,000 deductible. The property rate increases are associated with a hard market. Overall changes resulted in a total premium increase of 32.14%, from \$861,481.82 to \$1,138,402.59.

Ms. Raychelle Maranan confirmed the inflation factor used to adjust values for real property and personal property is 3.66% and 2.33%, respectively.

Mr. Beverly also reviewed some of the changes to the Property Coverage this year noting that for the current year FY 17/18 there is a sublimit of \$2M for unscheduled infrastructure (with a \$500k deductible) – this sublimit will decrease for FY 18/19 to \$750,000 (with a \$500k deductible). It was mentioned if a city chooses to schedule infrastructure the all-risk deductible would apply instead.

Members were also reminded to report a claim as soon as it occurs to ensure coverage is provided due to the strict reporting requirements of the APIP Pollution and Cyber coverages.

**After review and discussion, a motion was made to approve the FY 18/19 Property Program renewal through Alliant Property Insurance Program and have the President sign the declination of TRIA and D1 Disclosure Form.**



**Motion:** Kimberly Sarkovich      **Second:** Astrida Trupovnieks      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

Item H.4.d. Active Shooter Coverage Option

Mr. Beverly provided a presentation of the new coverage offering through Alliant Property Insurance Program (APIP) called Active Shooter coverage effective July 1, 2018. The limit is \$500,000 per claim with \$2.5 million aggregate limit for the JPA; the deductible is \$10,000. The coverage includes \$250,000 sub-limits for crisis management, counseling services, funeral expenses and creation of a memorial. A crisis management hotline is available 24 hours a day. The additional premium for this coverage is \$8,467 based on the Total Insurable Value of members in the Property Program. Mr. Beverly handed out the premium calculation estimate for each member in APIP.

Mr. Mike Simmons stated that APIP will need to have 40% of its insureds purchase the coverage in order to roll out the active shooter program. Alliant could provide a quote for members not in the Property Program this year however, it is unknown if it would be offered on a stand-alone basis next year.

**A motion was made to approve the Active Shooter Coverage for members in the Alliant Property Insurance Program as presented.**

**Motion:** Tim Sailsbery      **Second:** Liz Ehrenstrom      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

**H.4.b. APIP Claims Reporting Acknowledgments**

Mr. Marcus Beverly reiterated the importance of promptly reporting claims. All members that have coverage in APIP will be asked to sign and return the claims reporting acknowledgment form.

Information only.

**H.4.c. Cyber Liability Coverage Enhancement Options**

Mr. Beverly presented the Board with information about the options that are available for Cyber Coverage including the APIP Primary Coverage, Cyber Enhancement Options (CEO) and the Alliant Cyber Excess Solutions (ACES) Program. Mr. Beverly explained the coverage in APIP Primary Cyber and how the CEO and ACES Programs work in tandem with the Primary Coverage.

Information only.



#### **H.4.d. Active Shooter Coverage Options**

*This item was discussed under agenda item H.4.a*

#### **H.5. Property Appraisal Services Request for Proposals**

Mr. Beverley noted that four responses from appraisal firms were received with cost ranging from \$128,000 to \$235,000. The Board was presented with a summary of the RFP responses and evaluation worksheet and was asked to provide guidance to the program administrator. The Program Administrator recommended AssetWorks on best value based on the evaluation criteria.

**A motion was made to award the Property Appraisal Services contract to AssetWorks.**

**Motion:** Astrida Trupovnieks      **Second:** Liz Ehrenstrom      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

#### **H.6. FY 18/19 Identity Fraud Expense Reimbursement Coverage Renewal**

Mr. Beverly noted the Identity Fraud Expense Reimbursement is the same coverage as last year. The coverage is for employees including family members. The limit of liability is \$25,000 per insured person for reimbursement of expenses associated with resolving a fraud event, including resolving and replacing documents. There is no deductible and the premium is based on the group as a whole. The cost of this coverage is included in the Administrative Budget. Mr. Beverly noted that he will clarify whether the age of child is under 25 or 18 prior to renewal. The premium increase was due to 17.5% increase in the number of employees from 2,727 to 3,203.

**A motion was made to renew the FY 18/19 Identity Fraud Expense Reimbursement coverage with clarification on the age of child under family coverage.**

**Motion:** Gina Will      **Second:** Kimberly Sarkovich      **Motion Carried**  
**Ayes:** Cottrell, Shafer, Koehn, Haile, Trupovnieks, Styczynski, McCay, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery

#### **H.7. FY 18/19 Deposit Calculations**

##### **H.7.a. Liability**

Mr. Beverly indicated at the April meeting the Board approved to increase the funding level from 75% Confidence Level (CL) to 80% CL for the FY 18/19. Mr. Beverly reviewed the deposit calculation spreadsheet with the Board. The total funding at 80% CL is estimated at \$5,897,011, an increase of 5.2% over FY 17/18 funding at the 75% CL. Individual member increases are capped at 28% with one member exceeding the 28% cap, City of Auburn.





Chair Warren indicated the Board direction to approve the extension terms as recommended by the Executive Committee as presented on the schedule of contracts with one correction to Bickmore as three years with two one-year extension as it was cut off on the report.

Information item.

*Michael Simmons left the meeting at 2:35 p.m.*

## **H.10. Board Training Day - December 13, 2018**

### **H.10.a. Training Day**

#### **H.10.b. 40<sup>th</sup> Anniversary Recognition**

Mr. Beverly reviewed the list of topics for the Board Training Day in December 2018. It was noted that 2019 marks the 40<sup>th</sup> anniversary of the JPA. Mr. Beverly stated that staff will embark on a new logo design project in collaboration with the City of Placerville incorporating the milestone and a fresh look that represent the members' NorCal geographic region. The general consensus of the Board is to celebrate the JPA's anniversary in fall 2019.

## **H.11. York Quarterly Report**

Ms. Dori Zumwalt from York reviewed the quarterly report with 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.

Presented as information only.

## **I. ROUND TABLE DISCUSSION**

None.

## **J. INFORMATION ITEMS**

1. CAJPA Conference - September 12-15, 2018 in South Lake Tahoe, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2018 Meeting Calendar
5. NCCSIF Vendor Services Matrix
6. NCCSIF Resource Contact Guide
7. NCCSIF Travel Reimbursement Form

These items were provided as information only.

**K. ADJOURNMENT**

The meeting was adjourned at 2:48 p.m.

**Next Meeting Date:** October 25, 2018 in Rocklin, CA

Respectfully Submitted,

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Approval Date

DRAFT

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 8/22/2018

Check#	Date	Vendor	Account title	Account	Amount	Memo
11348	5/4/2018	Raychelle Maranan	Board Meetings	52503	1,058.90	Catering Reimbursements**BOD/RMC & PRMC Meetings
11349	5/4/2018	James Marta and Co.	Accounting Services	52403	16,430.00	Monthly Accounting Services
11350	5/4/2018	City of Anderson	Seminars and PARMA	52207	3,149.22	5.1.18 CalPELRA Reimbursement
11351	5/4/2018	Champion Awards Enterprises	Board Meetings	52503	215.29	Plastic Plates
11352	5/4/2018	City of Folsom	Banking Layer Refund	41050	810,314.00	Refund 6.30.18
			Shared Risk Refund	41060	174,545.00	Refund 6.30.18
11353	5/4/2018	City of Nevada City	Banking Layer Refund	41050	6,946.00	2017-18 Refund
			Shared Risk Refund	41060	9,840.00	2017-18 Refund
11354	5/4/2018	Gina Will	Board Meetings	52503	87.20	04.26.18 RMC and BOD Mtg
11355	5/4/2018	Jim Ramsey	Risk Mgmt Comm Mtg Exp	52202	35.97	04.26.18 Ramsey Travel RM and BOD
11356	5/4/2018	Sandy Ryan	Board Meetings	52503	151.51	04.26.18 RM and BOD Mtg
11357	5/4/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
			Safety Grant Funds	54200	4,500.00	Risk Management for City of Folsom
11358	5/4/2018	Chandler Asset Management	Investment Income	44040	4,377.95	Apr-18
11359	5/4/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11360	5/4/2018	Liz Ehrenstrom	Board Meetings	52503	130.80	4.26 BOD&RMC and 5.2 PRMC mtg
11361	5/4/2018	City of Colusa	Board Meetings	52503	69.76	04.26.18 Benson Reimb Member Travel
11362	5/4/2018	City of Oroville	Seminars and PARMA	52207	813.19	05.03 CALPELRA Conf
11363	5/4/2018	City of Placerville	Banking Layer Refund	41050	65,852.00	Refund 06.30.18
			Shared Risk Refund	41060	27,695.00	Refund 06.30.18
			Board Meetings	52503	41.75	04.26.18 RM and BOD Mtg
11364	5/4/2018	Kim Stalie	Risk Mgmt Comm Mtg Exp	52202	50.14	04.26.18 RMC Meeting
11365	5/4/2018	Kristine Haile	Board Meetings	52503	15.91	4.26.18 RM and BOD
11366	5/4/2018	Liz Cottrell	Board Meetings	52503	183.12	4.26.18 Board Mtg
11367	5/4/2018	Tom Watson	Risk Mgmt Comm Mtg Exp	52202	95.92	04.26.18 RM and BOD Mtg
11368	5/4/2018	City of Dixon	Banking Layer Refund	41050	125,674.00	Refund 06.30.18
			Shared Risk Refund	41060	35,350.00	Refund 06.30.18
11369	5/18/2018	Yvonne Kimball	Board Meetings	52503	55.59	4.26.18 RC and BOD mtg
11370	5/18/2018	Rachel Ancheta	Risk Mgmt Comm Mtg Exp	52202	71.28	11.2.17 and 5.2.18 RM Mtg
			Board Meetings	52503	48.94	4.26.18 RM Mtg
11371	5/18/2018	Raychelle Maranan	Executive Committee	52501	235.47	05.17.18 Catering Reimbursement EC Meeting
11372	5/18/2018	York	Claims Admin - Monthly WC	52300	47,278.75	Monthly Claims Administration Fee
11373	5/18/2018	York Risk Services Group, Inc.	Claims Admin - Liability	51135	41,536.46	Apr 2018 Liab Service Fees
11374	5/18/2018	Gibbons and Conley	Legal Services	52103	789.25	April 2018 General Matters
11375	5/18/2018	DKF Solutions Group, LLC	Risk Mgmt Comm Services	52201	4,200.00	Tactical Comm. Training - Yuba City
11376	5/18/2018	Kristina Miller	Board Meetings	52503	92.54	4.26.18 BOD Mtg

\*\* 4.26.18 BOD & RMC Meetings and  
 5.2.18 PRMC Meeting

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board  
**Created On:** 8/22/2018

Check#	Date	Vendor	Account title	Account	Amount	Memo
11377	6/8/2018	Yujun Du	Board Meetings	52503	76.30	4.26.18 BOD and RMC Mtg
11378	6/8/2018	Gina Will	Member Travel	52502	87.20	05.17.18 Exec and Clms Mtg
11379	6/8/2018	Bickmore Risk Services Inc.	Actuarial Services	52104	9,780.00	Actuarial Review
			Safety Grant Funds	54200	9,000.00	Risk Management for City of Folsom
			On Site	52204	14,726.66	Safety and Risk Control Services
11380	6/8/2018	James C. Wheeler	Risk Mgmt Comm Services	52201	1,300.00	5.16.18 Workshop
11381	6/8/2018	Liz Cottrell	Member Travel	52502	183.12	05.17.18 EC and Claims Mtg
11382	6/8/2018	City of Dixon	Safety Contingency	52209	2,934.38	05.18 Dixon Wolfcom Cams
11383	6/8/2018	City of Oroville	Risk Mgmt Comm Services	52201	224.62	5.23.18 Training
11384	6/8/2018	City of lone	Safety Contingency	52209	1,234.14	2 LE5 Body cameras
11385	6/8/2018	City of Marysville	Banking Layer Refund	41050	69,219.00	2018 Refund
			Shared Risk Refund	41060	20,644.00	2018 Refund
11386	6/8/2018	City of Placerville	Member Travel	52502	41.75	05.17.18 EC Mtg
11387	6/8/2018	Liz Ehrenstrom	Risk Mgmt Comm Mtg Exp	52202	65.40	05.17.18 EC Mtg
11388	6/8/2018	Sandy Ryan	Risk Mgmt Comm Mtg Exp	52202	151.51	05.17.18 EC Mtg
11389	6/8/2018	Chandler Asset Management	Investment Income	44040	4,382.80	May-18
11390	6/8/2018	James Marta and Co.	Accounting Services	52403	8,215.00	Monthly Accounting Services
11391	6/8/2018	York Risk Services Group, Inc.	Claims Admin - Liability	51135	39,011.81	May 2018 Liab Service Fees
11392	6/8/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11393	6/8/2018	York	Claims Admin - Monthly WC	52300	47,278.76	Monthly Claims Administration Fee
11394	6/12/2018	Yujun Du	Seminars and PARMA	52207	1,070.71	2.21-2.23.18 CSMFO Conf
11395	6/22/2018	Kristine Haile	Board Meetings	52503	14.98	05/08/17 Haile Travel
11396	6/22/2018	Gibbons and Conley	Legal Services	52103	735.00	April 2018 General Matters
11397	6/22/2018	Raychelle Maranan	Board Meetings	52503	472.80	06.14.18 Catering Reimbursement BOD Meeting
11398	6/22/2018	Alliant Insurance Services	Prepaid Expense	13500	51,449.00	17-19 ACIP Crime
11399	6/22/2018	CAJPA	Prepaid Expense	13500	450.00	2017-2018 CAJPA Membership Renewal
11400	6/22/2018	City of Red Bluff	Risk Mgmt Comm Services	52201	108.05	06.29.17 Red Bluff Reimb - Catering
			Seminars and PARMA	52207	4,000.00	17-18 Safety and RM Mangement Reimbursement
11401	6/22/2018	City of Rio Vista	Seminars and PARMA	52207	871.00	08-18 IAFC Conf
11402	6/22/2018	City of Rocklin	Risk Mgmt Comm Services	52201	421.76	6.15.18 Reimbursement
11403	6/22/2018	LEXIPOL LLC	Prepaid Expense	13500	136,267.00	07/01/18-06/30/19 Law Policy Manual
11404	6/25/2018	York Risk Services Group, Inc.	Claims Refunds	51110	3,219.98	Refund NPWA-559043 Debbie Patterson

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 8/22/2018

Check#	Date	Vendor	Account title	Account	Amount	Memo
11405	7/11/2018	Alliant Insurance Services	Prepaid Expense Program Admin Fee	13500 52401	1,179,747.14 25,798.00	18/19 APIP, ID, Deadly Weapon premiums Monthly Consulting Services
11406	7/11/2018	City of Placerville	Member Travel	52502	41.75	06.14.18 BOD Mtg
11407	7/11/2018	Gina Will	Board Meetings	52503	87.20	06.14.18 BOD Mtg
11408	7/11/2018	Kristine Haile	Board Meetings	52503	15.70	06.14.18 BOD
11409	7/11/2018	Liz Cottrell	Board Meetings	52503	183.12	06.14.18 BOD Mtg
11410	7/11/2018	Liz Ehrenstrom	Board Meetings	52503	65.40	06.14.18 BOD
11411	7/11/2018	Sandy Ryan	Risk Mgmt Comm Mtg Exp	52202	162.41	06.14.18 BOD Mtg
11412	7/11/2018	Loree McCay	Board Meetings	52503	46.87	6.14.18 BOD Mtg
11413	7/11/2018	Jennifer Styczynski	Board Meetings	52503	36.52	06.14.18 BOD Mtg
11414	7/11/2018	City of Rio Vista	Seminars and PARMA	52207	1,226.43	09-18 CAJPA Conf Reimb
11415	7/11/2018	City of Yuba City	Risk Mgmt Comm Svcs Seminars and PARMA	52201 52207	74.36 695.00	DKF Training Snacks and Drinks CALPELRA Springer
11416	7/11/2018	Risky Business Pros	Claims Audit	52101	7,500.00	17/18 Liability Claims Audit services
11417	7/11/2018	City of Rocklin	Seminars and PARMA	52207	3,838.84	2.13-2.16.18 Rocklin PARMA Reimb
11418	7/11/2018	Bickmore Risk Services Inc.	On Site Safety Grant Funds	52204 54200	14,726.67 4,500.00	Safety and Risk Control Services Risk Management for City of Folsom
11419	7/11/2018	Chandler Asset Management	Investment Income	44040	4,392.64	Jun-18
11420	7/11/2018	James Marta and Co.	Accounting Services	52403	8,215.00	Monthly Accounting Services
11421	7/11/2018	York Risk Services Group, Inc.	Claims Admin-Liab	51135	35,809.51	June 2018 Liab Service Fees
11422	7/11/2018	City of Corning	Risk Mgmt Comm Svcs	52201	295.35	Catering for Training
11423	7/20/2018	CSAC EIA	Prepaid Expense	13500	1,569,509.00	Excess WC Program
11424	7/20/2018	Gibbons and Conley	Legal Services	52103	484.31	April 2018 General Matters
11425	7/20/2018	CJPRMA	Prepaid Expense	13500	1,173,339.00	18/19 General Liability Premium
11426	7/20/2018	LEXIPOL LLC	Prepaid Expense	13500	27,098.00	07/01/18-06/30/19 Fire Procedure Manual
11427	7/20/2018	NONPROFIT	Claims Refunds	51110	3,219.98	Refund NPWA-559043 Debbie Patterson

**Company Name:** NCCSIF  
**Report Name:** NCCSIF Check Register Board Report  
**Created On:** 8/22/2018

Check#	Date	Vendor Name	Account title	Account	Amount	Memo
11428	8/6/2018	Raychelle Maranan	Risk Mgmt Comm Mtg Exp	52202	423.96	08.02.18 Catering Reimbursement PRMC Meeting
11429	8/6/2018	York	Claims Admin - Monthly WC	52300	48,224.17	Monthly Claims Administration Fee
			Claims Admin Fee	52302	50,600.00	Annual Claims Administration Fees
11430	8/6/2018	York Risk Services Group, Inc.	Claims Admin - Liability	51135	22,265.98	July 2018 Liab Service Fees
11431	8/6/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
			Safety Grant Funds	54200	4,500.00	Risk Management for City of Folsom
11432	8/6/2018	James Marta and Co.	Accounting Services	52403	8,215.00	Monthly Accounting Services
11433	8/6/2018	Alliant Insurance Services	Program Admin Fee	52401	25,798.00	Monthly Consulting Services
11434	8/6/2018	Chandler Asset Management	Investment Income	44040	4,391.27	Jul-18
11435	8/6/2018	City of Dixon	Risk Mgmt Comm Services	52201	522.51	8.3 NCCSIF Regional Training Reimbursement
11436	8/21/2018	York	Claims Admin - Monthly WC	52300	48,224.15	Monthly Claims Administration Fee
11437	8/21/2018	Liz Ehrenstrom	Board Meetings	52503	65.40	08.18Ehrenstrom65.40
11438	8/21/2018	Gibbons and Conley	Legal Services	52103	717.50	July 2018 General Matters

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

May 1, 2018 through May 31, 2018

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email operations@chandlerasset.com

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

***Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.***



PORTFOLIO CHARACTERISTICS

Average Duration	2.34
Average Coupon	1.78 %
Average Purchase YTM	1.85 %
Average Market YTM	2.59 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.57 yrs
Average Life	2.44 yrs

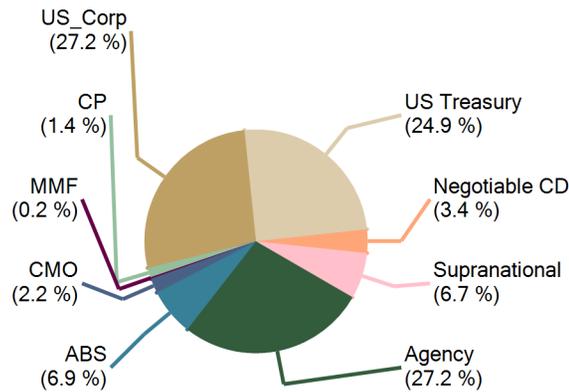
ACCOUNT SUMMARY

	Beg. Values as of 4/30/18	End Values as of 5/31/18
<b>Market Value</b>	25,304,983	25,418,415
<b>Accrued Interest</b>	108,007	113,952
<b>Total Market Value</b>	<b>25,412,991</b>	<b>25,532,366</b>
<b>Income Earned</b>	38,249	39,457
<b>Cont/WD</b>		0
<b>Par</b>	25,887,251	25,926,782
<b>Book Value</b>	25,844,066	25,877,579
<b>Cost Value</b>	25,820,572	25,855,550

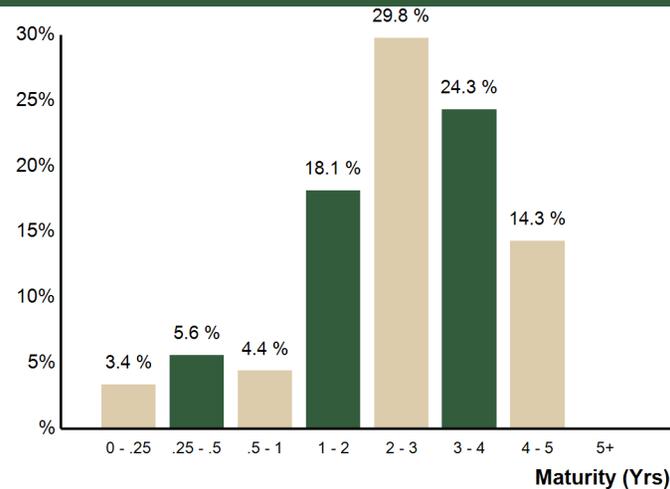
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.9 %
Federal National Mortgage Assoc	16.4 %
Federal Home Loan Mortgage Corp	7.8 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	2.5 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
<b>Total</b>	<b>64.8 %</b>

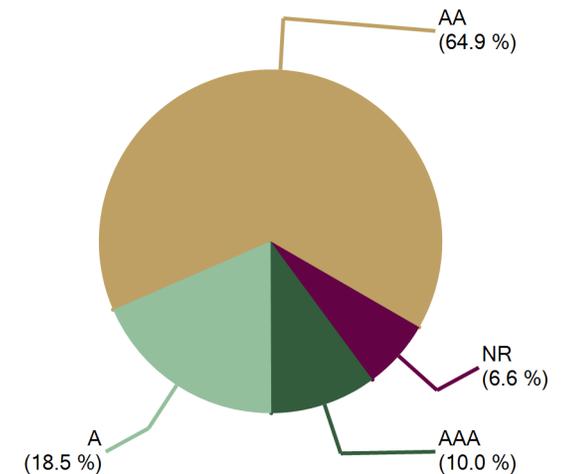
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.47 %	0.50 %	-0.16 %	-0.14 %	0.77 %	1.00 %	2.19 %	3.82 %	115.09 %
ICE BAML 1-5 Yr US Treasury/Agency Index	0.48 %	0.45 %	-0.23 %	-0.47 %	0.49 %	0.74 %	1.84 %	3.49 %	101.63 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.48 %	0.46 %	-0.25 %	-0.39 %	0.61 %	0.86 %	1.97 %	3.60 %	106.05 %



## Northern California Cities Self-Insurance Fund - Short Term

May 31, 2018

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



## Reconciliation Summary

As of 5/31/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$25,844,065.66</b>
<b>Acquisition</b>	
+ Security Purchases	\$487,871.15
+ Money Market Fund Purchases	\$444,891.03
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$932,762.18</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$489,815.59
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$275,000.00
- Calls	\$0.00
- Principal Paydowns	\$135,544.03
<b>Total Dispositions</b>	<b>\$900,359.62</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$1,110.37
	\$1,110.37
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$25,877,578.59</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$97,823.02</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$34,186.30
Dividend Received	\$160.70
Principal on Maturities	\$275,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$135,544.03
<b>Total Acquisitions</b>	<b>\$444,891.03</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$487,871.15
Accrued Interest Paid	\$1,944.44
<b>Total Dispositions</b>	<b>\$489,815.59</b>
<b>Ending Book Value</b>	<b>\$52,898.46</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

May 1, 2018 through May 31, 2018

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email operations@chandlerasset.com

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

***Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.***



PORTFOLIO CHARACTERISTICS

Average Duration	3.35
Average Coupon	2.09 %
Average Purchase YTM	2.12 %
Average Market YTM	2.73 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.68 yrs
Average Life	3.58 yrs

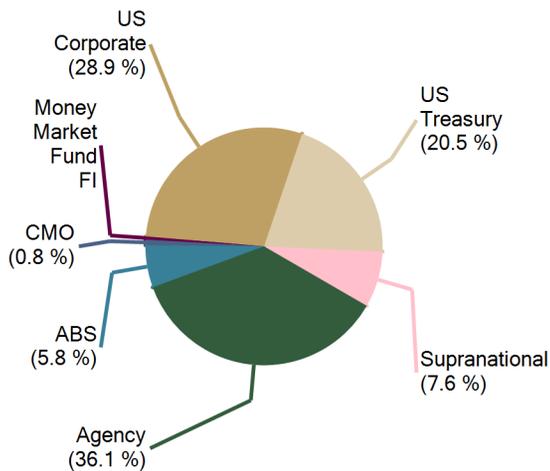
ACCOUNT SUMMARY

	Beg. Values as of 4/30/18	End Values as of 5/31/18
<b>Market Value</b>	26,077,635	26,256,081
<b>Accrued Interest</b>	139,052	123,208
<b>Total Market Value</b>	<b>26,216,686</b>	<b>26,379,289</b>
<b>Income Earned</b>	45,655	46,645
<b>Cont/WD</b>		0
<b>Par</b>	26,761,530	26,833,120
<b>Book Value</b>	26,702,189	26,762,725
<b>Cost Value</b>	26,722,840	26,780,486

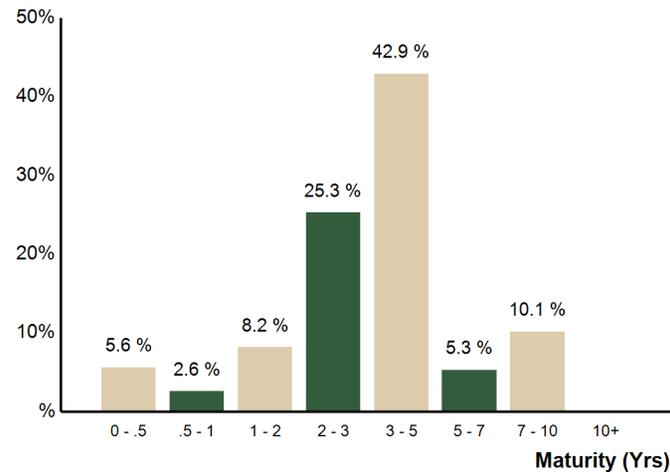
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.5 %
Federal National Mortgage Assoc	13.6 %
Federal Home Loan Bank	13.5 %
Federal Home Loan Mortgage Corp	6.3 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.4 %
John Deere ABS	2.3 %
Intl Bank Recon and Development	2.1 %
<b>Total</b>	<b>66.5 %</b>

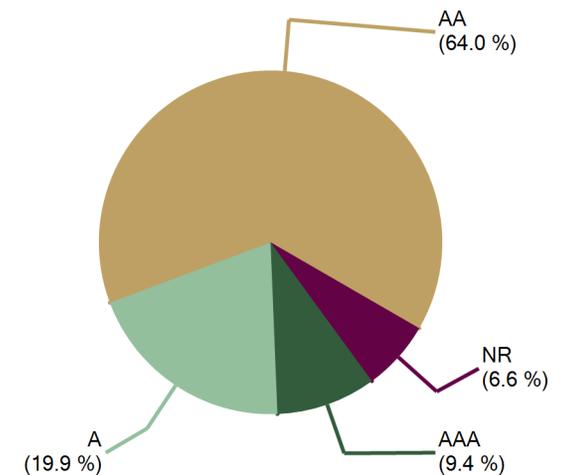
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.62 %	0.62 %	-0.49 %	-0.49 %	0.96 %	1.29 %	2.94 %	3.65 %	53.71 %
ICE BAML 1-10 Yr US Treasury/Agency Index	0.62 %	0.59 %	-0.61 %	-0.91 %	0.52 %	0.91 %	2.49 %	3.25 %	46.85 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.60 %	0.51 %	-0.74 %	-0.75 %	0.78 %	1.19 %	2.74 %	3.40 %	49.33 %



**Northern California Cities Self-Insurance Fund - Long Term**  
**May 31, 2018**

**COMPLIANCE WITH INVESTMENT POLICY**

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



## Reconciliation Summary

As of 5/31/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$26,702,188.92</b>
<b>Acquisition</b>	
+ Security Purchases	\$689,443.90
+ Money Market Fund Purchases	\$192,721.86
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$882,165.76</b>
<b>Dispositions</b>	
- Security Sales	\$602,785.45
- Money Market Fund Sales	\$136,747.43
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.01
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$80,383.60
<b>Total Dispositions</b>	<b>\$819,916.49</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$239.99
	\$239.99
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	(\$1,953.34)
	(\$1,953.34)
<b>Ending Book Value</b>	<b>\$26,762,724.84</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$57,381.33</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$602,785.45
Accrued Interest Received	\$4,604.05
Interest Received	\$64,776.18
Dividend Received	\$96.55
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$80,383.60
<b>Total Acquisitions</b>	<b>\$752,645.83</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$689,443.90
Accrued Interest Paid	\$7,227.50
<b>Total Dispositions</b>	<b>\$696,671.40</b>
<b>Ending Book Value</b>	<b>\$113,355.76</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

June 1, 2018 through June 30, 2018

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email operations@chandlerasset.com

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

***Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.***



PORTFOLIO CHARACTERISTICS

Average Duration	2.33
Average Coupon	1.80 %
Average Purchase YTM	1.88 %
Average Market YTM	2.72 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.57 yrs
Average Life	2.43 yrs

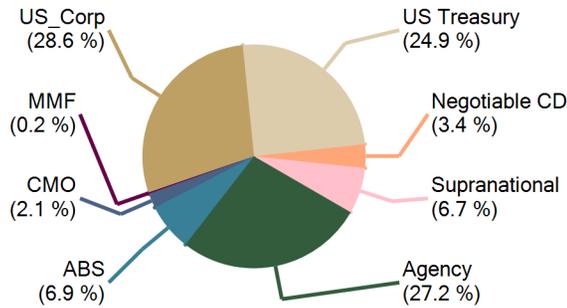
ACCOUNT SUMMARY

	Beg. Values as of 5/31/18	End Values as of 6/30/18
<b>Market Value</b>	25,418,415	25,399,847
<b>Accrued Interest</b>	113,952	128,798
<b>Total Market Value</b>	<b>25,532,366</b>	<b>25,528,644</b>
<b>Income Earned</b>	39,457	39,809
<b>Cont/WD</b>		-638
<b>Par</b>	25,926,782	25,961,360
<b>Book Value</b>	25,877,579	25,901,724
<b>Cost Value</b>	25,855,550	25,878,578

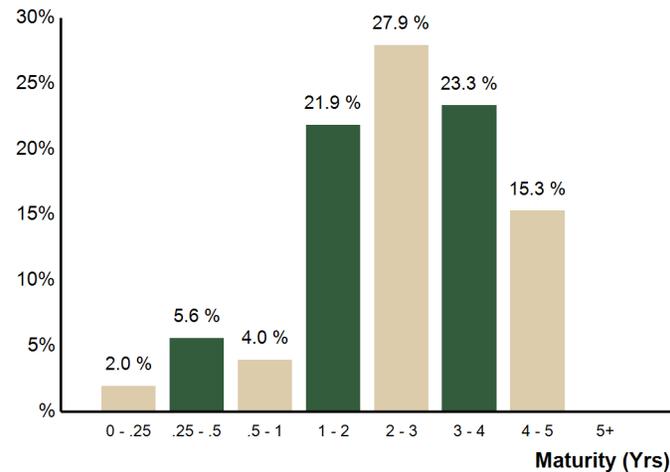
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.9 %
Federal National Mortgage Assoc	16.4 %
Federal Home Loan Mortgage Corp	7.8 %
Federal Home Loan Bank	5.1 %
Inter-American Dev Bank	3.8 %
Toyota ABS	2.4 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
<b>Total</b>	<b>64.5 %</b>

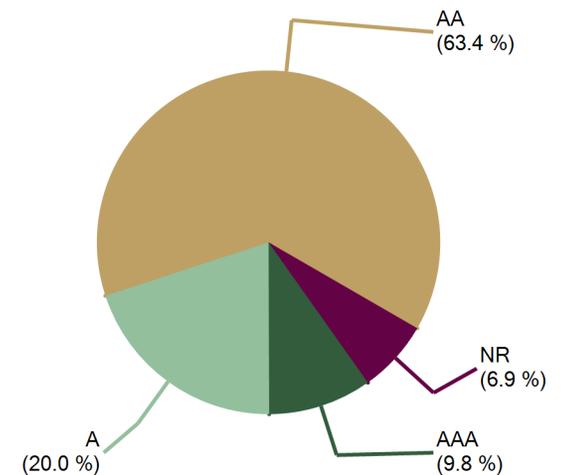
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 6/30/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.01 %	0.26 %	-0.17 %	-0.08 %	0.82 %	1.10 %	2.17 %	3.81 %	115.06 %
ICE BAML 1-5 Yr US Treasury/Agency Index	0.00 %	0.13 %	-0.24 %	-0.33 %	0.52 %	0.82 %	1.81 %	3.48 %	101.62 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.02 %	0.15 %	-0.28 %	-0.28 %	0.64 %	0.96 %	1.94 %	3.59 %	106.00 %



## Northern California Cities Self-Insurance Fund - Short Term

June 30, 2018

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 6/30/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$25,877,578.59</b>
<b>Acquisition</b>	
+ Security Purchases	\$576,369.24
+ Money Market Fund Purchases	\$572,765.05
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,149,134.29</b>
<b>Dispositions</b>	
- Security Sales	\$79,802.40
- Money Market Fund Sales	\$579,070.00
- MMF Withdrawals	\$637.50
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$353,094.83
- Calls	\$0.00
- Principal Paydowns	\$113,479.66
<b>Total Dispositions</b>	<b>\$1,126,084.39</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$1,275.87
	\$1,275.87
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	(\$180.71)
	(\$180.71)
<b>Ending Book Value</b>	<b>\$25,901,723.65</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$52,898.46</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$79,802.40
Accrued Interest Received	\$8.67
Interest Received	\$24,265.16
Dividend Received	\$209.16
Principal on Maturities	\$353,094.83
Interest on Maturities	\$1,905.17
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$113,479.66
<b>Total Acquisitions</b>	<b>\$572,765.05</b>
<b>Disposition</b>	
Withdrawals	\$637.50
Security Purchase	\$576,369.24
Accrued Interest Paid	\$2,700.76
<b>Total Dispositions</b>	<b>\$579,707.50</b>
<b>Ending Book Value</b>	<b>\$45,956.01</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

June 1, 2018 through June 30, 2018

### Chandler Team

For questions about your account,  
please call (800) 317-4747 or  
Email operations@chandlerasset.com

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

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PORTFOLIO CHARACTERISTICS

Average Duration	3.28
Average Coupon	2.09 %
Average Purchase YTM	2.13 %
Average Market YTM	2.82 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.62 yrs
Average Life	3.52 yrs

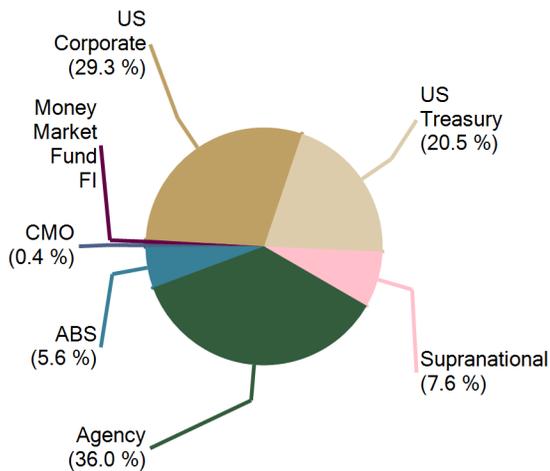
ACCOUNT SUMMARY

	Beg. Values as of 5/31/18	End Values as of 6/30/18
<b>Market Value</b>	26,256,081	26,211,063
<b>Accrued Interest</b>	123,208	152,484
<b>Total Market Value</b>	<b>26,379,289</b>	<b>26,363,547</b>
<b>Income Earned</b>	46,645	46,908
<b>Cont/WD</b>		0
<b>Par</b>	26,833,120	26,850,412
<b>Book Value</b>	26,762,725	26,780,357
<b>Cost Value</b>	26,780,486	26,795,196

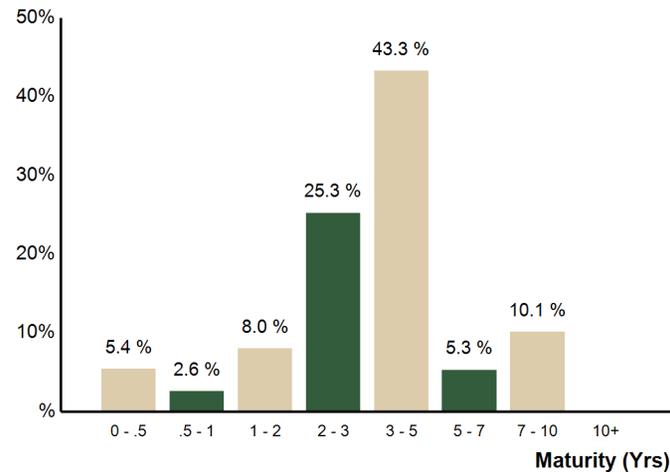
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.5 %
Federal National Mortgage Assoc	13.6 %
Federal Home Loan Bank	13.5 %
Federal Home Loan Mortgage Corp	6.0 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.4 %
John Deere ABS	2.2 %
Intl Bank Recon and Development	2.1 %
	<b>66.1 %</b>

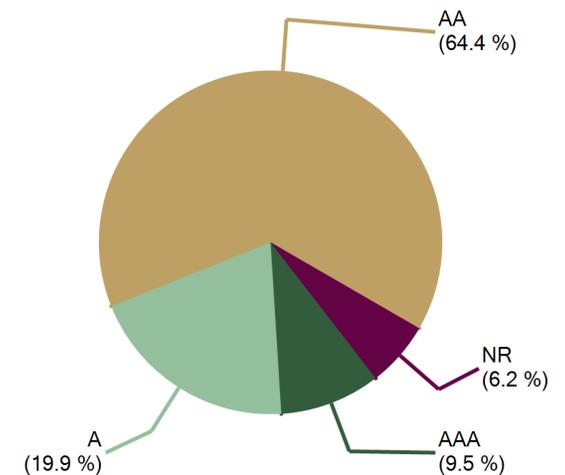
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 6/30/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.06 %	0.17 %	-0.55 %	-0.42 %	1.09 %	1.54 %	2.90 %	3.62 %	53.62 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.01 %	0.07 %	-0.62 %	-0.67 %	0.65 %	1.10 %	2.44 %	3.23 %	46.83 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.04 %	0.07 %	-0.78 %	-0.58 %	0.93 %	1.41 %	2.72 %	3.37 %	49.27 %



**Northern California Cities Self-Insurance Fund - Long Term**  
**June 30, 2018**

**COMPLIANCE WITH INVESTMENT POLICY**

*The portfolio complies with state law and with the Client's investment policy.*

<b>Category</b>	<b>Standard</b>	<b>Comment</b>
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



## Reconciliation Summary

As of 6/30/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$26,762,724.84</b>
<b>Acquisition</b>	
+ Security Purchases	\$114,968.95
+ Money Market Fund Purchases	\$147,422.71
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$262,391.66</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$114,968.95
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$130,162.11
<b>Total Dispositions</b>	<b>\$245,131.06</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$371.61
	\$371.61
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$26,780,357.05</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$113,355.76</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$17,114.08
Dividend Received	\$146.52
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$130,162.11
<b>Total Acquisitions</b>	<b>\$147,422.71</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$114,968.95
Accrued Interest Paid	\$0.00
<b>Total Dispositions</b>	<b>\$114,968.95</b>
<b>Ending Book Value</b>	<b>\$145,809.52</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

July 1, 2018 through July 31, 2018

### Chandler Team

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### Custodian

Bank of New York Mellon  
Lauren Dehner  
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PORTFOLIO CHARACTERISTICS

Average Duration	2.35
Average Coupon	1.85 %
Average Purchase YTM	1.93 %
Average Market YTM	2.81 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.45 yrs

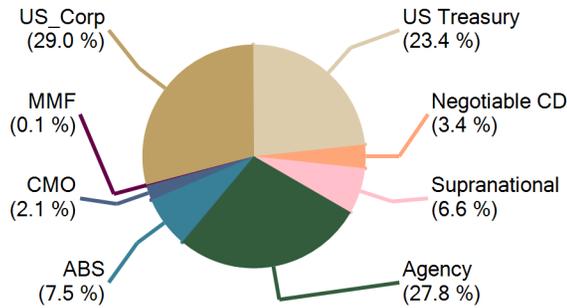
ACCOUNT SUMMARY

	Beg. Values as of 6/30/18	End Values as of 7/31/18
<b>Market Value</b>	25,399,847	25,420,919
<b>Accrued Interest</b>	128,798	107,287
<b>Total Market Value</b>	<b>25,528,644</b>	<b>25,528,206</b>
<b>Income Earned</b>	39,809	40,875
<b>Cont/WD</b>		-307
<b>Par</b>	25,961,360	26,013,562
<b>Book Value</b>	25,901,724	25,954,004
<b>Cost Value</b>	25,878,578	25,932,736

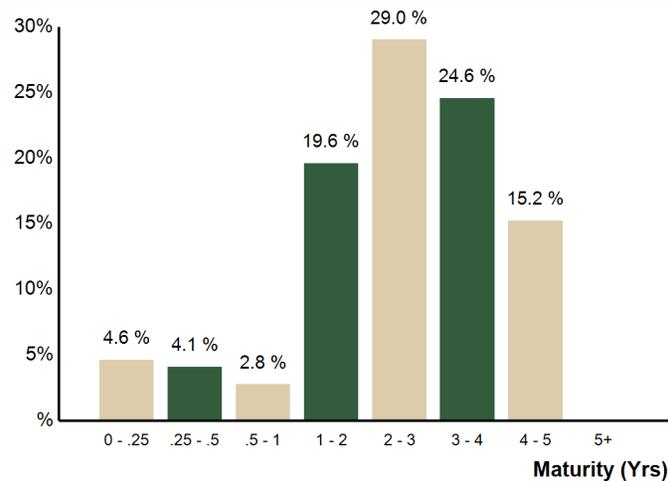
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.4 %
Federal National Mortgage Assoc	15.7 %
Federal Home Loan Mortgage Corp	9.1 %
Federal Home Loan Bank	5.1 %
Inter-American Dev Bank	3.8 %
Toyota ABS	2.2 %
John Deere ABS	2.1 %
Intl Bank Recon and Development	2.1 %
<b>Total</b>	<b>63.6 %</b>

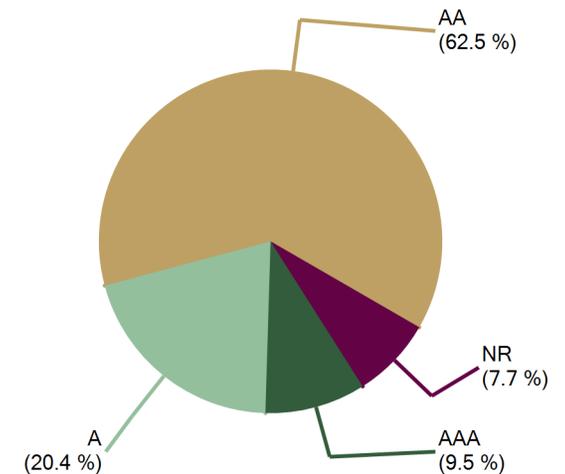
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 7/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.00 %	0.46 %	-0.17 %	-0.39 %	0.76 %	1.04 %	2.12 %	3.79 %	115.06 %
ICE BAML 1-5 Yr US Treasury/Agency Index	-0.09 %	0.38 %	-0.33 %	-0.69 %	0.42 %	0.76 %	1.75 %	3.46 %	101.44 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.04 %	0.41 %	-0.32 %	-0.63 %	0.56 %	0.89 %	1.90 %	3.57 %	105.92 %



## Northern California Cities Self-Insurance Fund - Short Term

July 31, 2018

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



## Reconciliation Summary

As of 7/31/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$25,901,723.65</b>
<b>Acquisition</b>	
+ Security Purchases	\$852,297.67
+ Money Market Fund Purchases	\$378,213.48
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,230,511.15</b>
<b>Dispositions</b>	
- Security Sales	\$683,948.77
- Money Market Fund Sales	\$389,889.61
- MMF Withdrawals	\$307.19
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$95,814.50
<b>Total Dispositions</b>	<b>\$1,169,960.07</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$1,527.34
	\$1,527.34
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	(\$9,798.09)
	(\$9,798.09)
<b>Ending Book Value</b>	<b>\$25,954,003.98</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$45,956.01</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$683,948.77
Accrued Interest Received	\$3,793.28
Interest Received	\$58,577.16
Dividend Received	\$92.00
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$95,814.50
<b>Total Acquisitions</b>	<b>\$842,225.71</b>
<b>Disposition</b>	
Withdrawals	\$307.19
Security Purchase	\$852,297.67
Accrued Interest Paid	\$1,604.17
<b>Total Dispositions</b>	<b>\$854,209.03</b>
<b>Ending Book Value</b>	<b>\$33,972.69</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

July 1, 2018 through July 31, 2018

### Chandler Team

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### Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	3.32
Average Coupon	2.13 %
Average Purchase YTM	2.18 %
Average Market YTM	2.93 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.65 yrs
Average Life	3.56 yrs

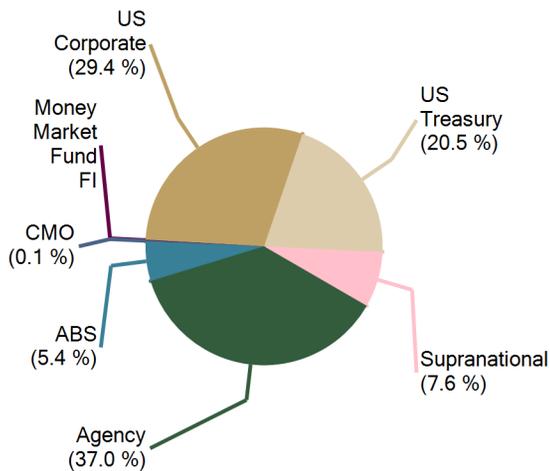
ACCOUNT SUMMARY

	Beg. Values as of 6/30/18	End Values as of 7/31/18
<b>Market Value</b>	26,211,063	26,197,870
<b>Accrued Interest</b>	152,484	148,973
<b>Total Market Value</b>	<b>26,363,547</b>	<b>26,346,843</b>
<b>Income Earned</b>	46,908	47,677
<b>Cont/WD</b>		-380
<b>Par</b>	26,850,412	26,905,524
<b>Book Value</b>	26,780,357	26,826,601
<b>Cost Value</b>	26,795,196	26,835,212

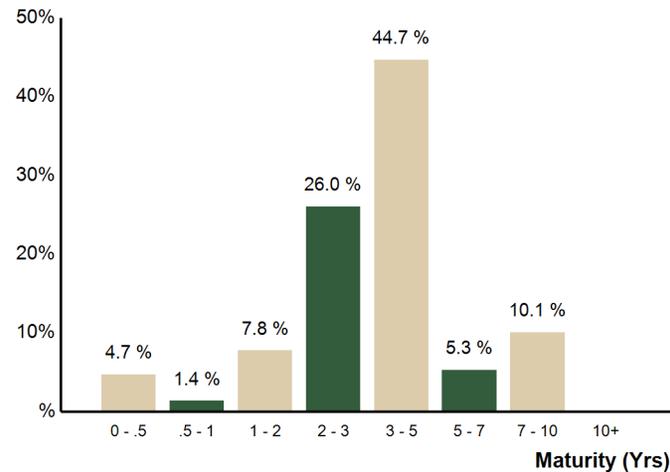
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.5 %
Federal National Mortgage Assoc	13.6 %
Federal Home Loan Bank	13.5 %
Federal Home Loan Mortgage Corp	6.6 %
Inter-American Dev Bank	4.7 %
Tennessee Valley Authority	3.4 %
John Deere ABS	2.2 %
Intl Bank Recon and Development	2.1 %
	<b>66.6 %</b>

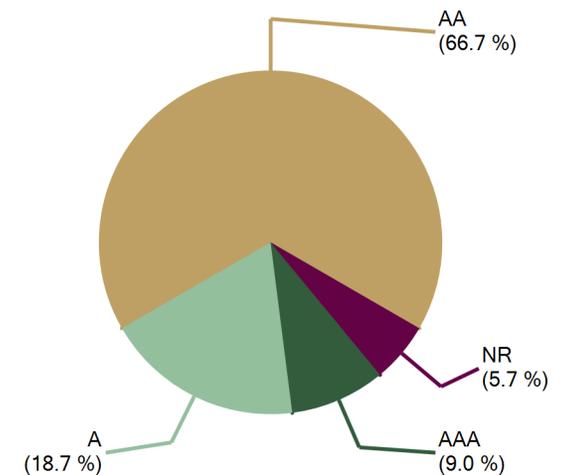
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 7/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.06 %	0.50 %	-0.61 %	-0.86 %	0.95 %	1.49 %	2.84 %	3.59 %	53.53 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.18 %	0.43 %	-0.80 %	-1.17 %	0.45 %	1.04 %	2.37 %	3.19 %	46.56 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.06 %	0.50 %	-0.84 %	-1.02 %	0.78 %	1.35 %	2.70 %	3.34 %	49.18 %



**Northern California Cities Self-Insurance Fund - Long Term**  
**July 31, 2018**

**COMPLIANCE WITH INVESTMENT POLICY**

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



## Reconciliation Summary

As of 7/31/2018

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$26,780,357.05</b>
<b>Acquisition</b>	
+ Security Purchases	\$890,468.50
+ Money Market Fund Purchases	\$191,261.15
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,081,729.65</b>
<b>Dispositions</b>	
- Security Sales	\$580,305.35
- Money Market Fund Sales	\$311,062.05
- MMF Withdrawals	\$380.31
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$139,707.21
<b>Total Dispositions</b>	<b>\$1,031,454.92</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$532.46
	\$532.46
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	(\$4,563.59)
	(\$4,563.59)
<b>Ending Book Value</b>	<b>\$26,826,600.65</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$145,809.52</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$580,305.35
Accrued Interest Received	\$3,326.45
Interest Received	\$51,262.04
Dividend Received	\$291.90
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$139,707.21
<b>Total Acquisitions</b>	<b>\$774,892.95</b>
<b>Disposition</b>	
Withdrawals	\$380.31
Security Purchase	\$890,468.50
Accrued Interest Paid	\$4,225.35
<b>Total Dispositions</b>	<b>\$895,074.16</b>
<b>Ending Book Value</b>	<b>\$25,628.31</b>



# Northern CA Cities Self Ins. Fund Short Term - Account #170

## MONTHLY ACCOUNT STATEMENT

AUGUST 1, 2018 THROUGH AUGUST 31, 2018

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

**CHANDLER ASSET MANAGEMENT**  
chandlerasset.com

*Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.*



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	2.36
Average Coupon	1.88%
Average Purchase YTM	1.97%
Average Market YTM	2.76%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.63 yrs
Average Life	2.48 yrs

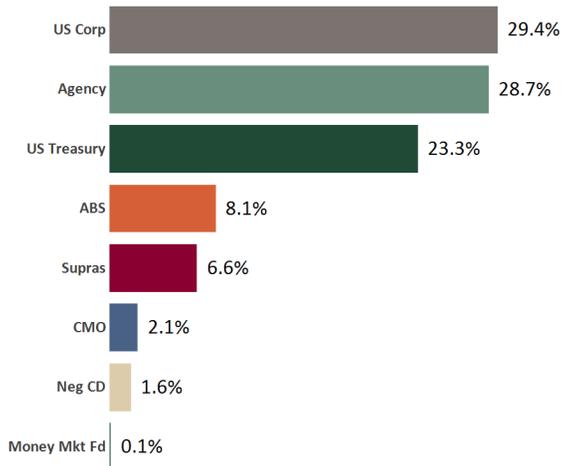
**ACCOUNT SUMMARY**

	Beg. Values as of 7/31/18	End Values as of 8/31/18
Market Value	25,420,919	25,539,095
Accrued Interest	107,287	104,629
<b>Total Market Value</b>	<b>25,528,206</b>	<b>25,643,724</b>
Income Earned	40,875	41,530
Cont/WD		0
Par	26,013,562	26,059,732
Book Value	25,954,004	25,998,102
Cost Value	25,932,736	25,974,327

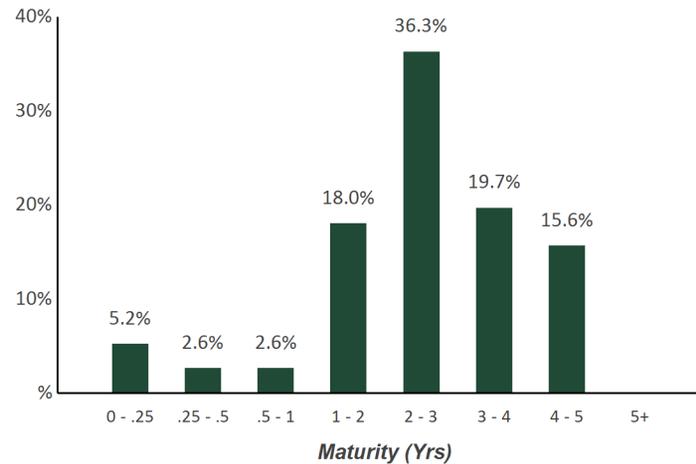
**TOP ISSUERS**

Government of United States	23.3%
Federal National Mortgage Assoc	15.7%
Federal Home Loan Mortgage Corp	9.1%
Federal Home Loan Bank	6.1%
Inter-American Dev Bank	3.8%
Honda ABS	2.2%
Intl Bank Recon and Development	2.1%
Toyota ABS	2.1%
<b>Total</b>	<b>64.3%</b>

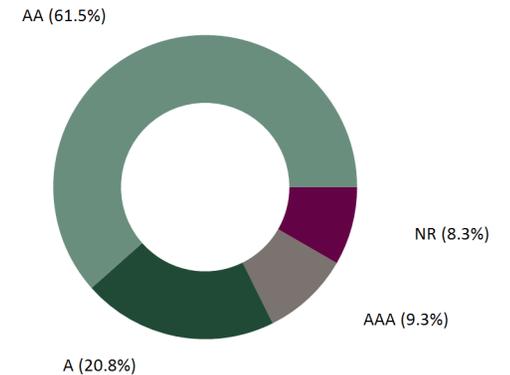
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.45%	0.44%	0.28%	-0.24%	0.28%	0.91%	1.18%	2.12%	3.80%	
ICE BAML 1-5 Yr US Treasury/Agency Index	0.42%	0.33%	0.09%	-0.61%	-0.07%	0.57%	0.90%	1.73%	3.47%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.44%	0.37%	0.12%	-0.53%	0.04%	0.72%	1.03%	1.89%	3.58%	

# Statement of Compliance

As of August 31, 2018



## Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies

## Reconciliation Summary

As of August 31, 2018



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$25,954,003.98</b>
<b>Acquisition</b>		
+ Security Purchases	\$716,579.82	
+ Money Market Fund Purchases	\$715,356.76	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$1,431,936.58</b>
<b>Dispositions</b>		
- Security Sales	\$144,955.05	
- Money Market Fund Sales	\$717,968.71	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$450,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$76,218.38	
<b>Total Dispositions</b>		<b>\$1,389,142.14</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	\$1,393.11	
		\$1,393.11
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	(\$89.54)	
		(\$89.54)
<b>ENDING BOOK VALUE</b>		<b>\$25,998,101.99</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$33,972.69</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$144,955.05	
Accrued Interest Received	\$1,018.52	
Interest Received	\$35,958.48	
Dividend Received	\$43.20	
Principal on Maturities	\$450,000.00	
Interest on Maturities	\$7,163.13	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$76,218.38	
<b>Total Acquisitions</b>	<b>\$715,356.76</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$716,579.82	
Accrued Interest Paid	\$1,388.89	
<b>Total Dispositions</b>	<b>\$717,968.71</b>	
<b>ENDING BOOK VALUE</b>		<b>\$31,360.74</b>



# Northern Cal. Cities Self Ins. Fund Long Term - Account #171

## MONTHLY ACCOUNT STATEMENT

AUGUST 1, 2018 THROUGH AUGUST 31, 2018

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

Bank of New York Mellon  
Lauren Dehner  
(904) 645-1918

**CHANDLER ASSET MANAGEMENT**  
chandlerasset.com

*Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.*



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	3.32
Average Coupon	2.14%
Average Purchase YTM	2.19%
Average Market YTM	2.84%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.65 yrs
Average Life	3.56 yrs

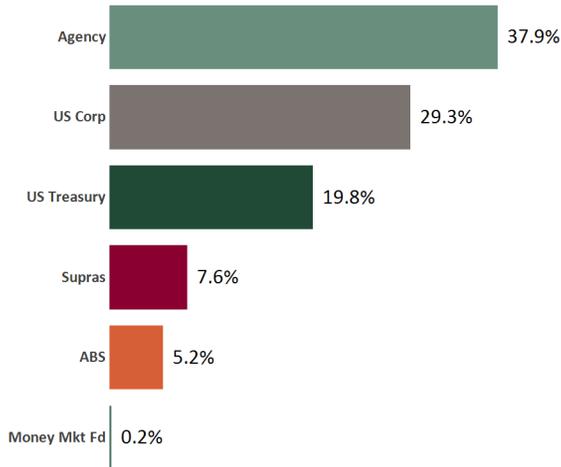
**ACCOUNT SUMMARY**

	Beg. Values as of 7/31/18	End Values as of 8/31/18
Market Value	26,197,870	26,364,740
Accrued Interest	148,973	139,010
<b>Total Market Value</b>	<b>26,346,843</b>	<b>26,503,750</b>
Income Earned	47,677	48,908
Cont/WD		0
Par	26,905,524	26,959,033
Book Value	26,826,601	26,884,837
Cost Value	26,835,212	26,899,972

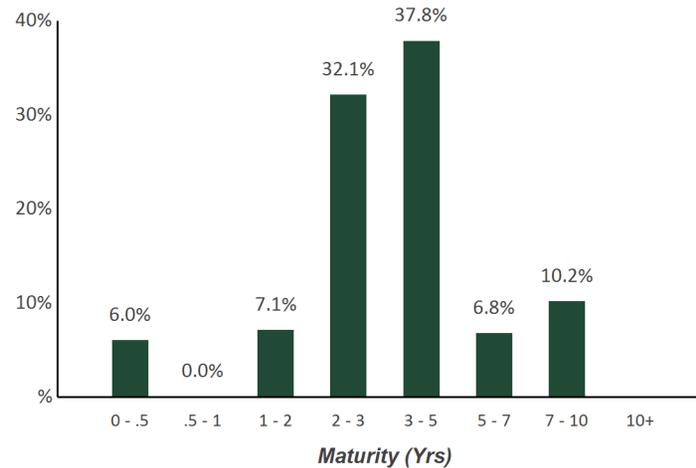
**TOP ISSUERS**

Government of United States	19.8%
Federal Home Loan Bank	15.0%
Federal National Mortgage Assoc	13.6%
Federal Home Loan Mortgage Corp	6.0%
Inter-American Dev Bank	4.7%
Tennessee Valley Authority	3.4%
John Deere ABS	2.1%
Intl Bank Recon and Development	2.1%
<b>Total</b>	<b>66.7%</b>

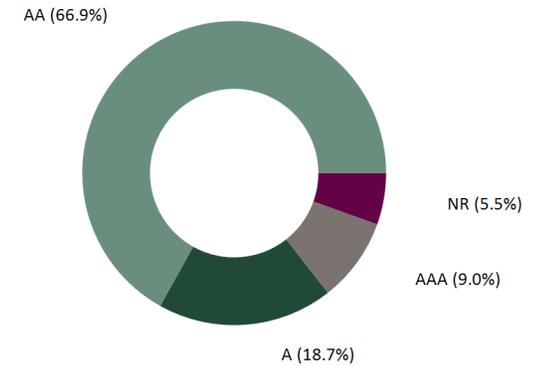
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.60%	0.47%	-0.02%	-0.80%	-0.04%	1.13%	1.72%	2.83%	3.61%	
ICE BAML 1-10 Yr US Treasury/Agency Index	0.58%	0.38%	-0.23%	-1.17%	-0.53%	0.63%	1.26%	2.35%	3.22%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.59%	0.49%	-0.25%	-1.02%	-0.30%	0.98%	1.56%	2.68%	3.37%	

# Statement of Compliance

As of August 31, 2018



## Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies

## Reconciliation Summary

As of August 31, 2018



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$26,826,600.65</b>
<b>Acquisition</b>		
+ Security Purchases	\$401,372.00	
+ Money Market Fund Purchases	\$126,169.86	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$527,541.86</b>
<b>Dispositions</b>		
- Security Sales	\$296,811.47	
- Money Market Fund Sales	\$107,484.69	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$65,175.82	
<b>Total Dispositions</b>		<b>\$469,471.98</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	\$801.13	
		\$801.13
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	(\$634.17)	
		(\$634.17)
<b>ENDING BOOK VALUE</b>		<b>\$26,884,837.49</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$25,628.31</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$296,811.47	
Accrued Interest Received	\$825.84	
Interest Received	\$60,682.90	
Dividend Received	\$311.14	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$65,175.82	
<b>Total Acquisitions</b>	<b>\$423,807.17</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$401,372.00	
Accrued Interest Paid	\$3,750.00	
<b>Total Dispositions</b>	<b>\$405,122.00</b>	
<b>ENDING BOOK VALUE</b>		<b>\$44,313.48</b>



**Portfolio Characteristics**

Market Value	25,399,847
Ave Portfolio Duration	2.33
Ave Portfolio Maturity	2.57

**Interest Rate Shock Analysis**

<b>Fair value of portfolio after increase of:</b>	
100 bps	-592,247
200 bps	-1,184,494
300 bps	-1,776,741

Sector	Sector Characteristics				Segmented Time Distribution			
	Market Value	Ave Duration	Ave Maturity	% of Port	<1 yr	1-3 yrs	3-5 yrs	>5 yrs
US Corporate	7,258,578	2.24	2.37	28.58%	1,455,583	3,500,750	2,302,244	0
Agency	6,909,076	2.66	2.77	27.20%	0	3,793,556	3,115,520	0
US Treasury	6,328,098	2.83	2.95	24.91%	0	3,726,858	2,601,239	0
ABS	1,760,277	0.86	2.63	6.93%	24,049	863,159	873,069	0
Supranational	1,692,330	1.87	1.96	6.66%	543,407	625,183	523,739	0
Negotiable CD	860,000	0.23	0.23	3.39%	860,000	0	0	0
CMO	545,534	3.39	3.85	2.15%	0	145,378	400,155	0
Money Market Fund FI	45,956	0.00	0.00	0.18%	45,956	0	0	0
	<b>25,399,847</b>	<b>2.33</b>	<b>2.57</b>	<b>100.00%</b>	<b>2,928,996</b>	<b>12,654,884</b>	<b>9,815,967</b>	<b>0</b>

**Concentration of Credit**

Issuer Name	Cost	Market Value	Ave Duration	Ave Maturity	% of Port
Government of United States	6,469,747	6,328,098	2.83	2.95	24.91%
Federal National Mortgage Association	4,259,431	4,151,831	2.83	2.96	16.35%
Federal Home Loan Mortgage Corp	2,037,241	1,993,590	2.42	2.59	7.85%
Federal Home Loan Bank	1,353,063	1,309,188	2.79	2.89	5.15%
Inter-American Dev Bank	983,275	966,117	2.66	2.79	3.80%
Toyota ABS	605,021	602,725	0.58	2.08	2.37%
Intl Bank Recon and Development	544,074	543,407	0.26	0.27	2.14%
US Bancorp	511,982	505,164	1.59	1.68	1.99%
Bank of Nova Scotia Houston	450,000	450,000	0.11	0.11	1.77%
Bank of Montreal Chicago	410,000	410,000	0.35	0.36	1.61%
Deere & Company	381,424	374,444	3.23	3.46	1.47%
Qualcomm Inc	379,560	374,398	1.83	1.89	1.47%
Honda ABS	370,430	370,646	1.10	2.84	1.46%
Cisco Systems	368,113	364,086	0.66	0.67	1.43%



**Concentration of Credit**

Issuer Name	Cost	Market Value	Ave Duration	Ave Maturity	% of Port
Nissan ABS	351,387	349,009	1.07	2.89	1.37%
PNC Financial Services Group	354,968	342,664	3.80	4.08	1.35%
Berkshire Hathaway	339,864	334,884	1.10	1.13	1.32%
Microsoft	339,642	329,068	2.69	2.84	1.30%
Chubb Corporation	336,578	329,039	2.17	2.35	1.30%
Oracle Corp	332,387	323,822	3.05	3.21	1.27%
Royal Bank of Canada	326,232	319,293	2.42	2.56	1.26%
JP Morgan Chase & Co	321,131	316,537	4.14	4.55	1.25%
Wells Fargo Corp	320,029	315,511	1.53	1.59	1.24%
State Street Bank	326,620	314,854	2.77	2.89	1.24%
John Deere ABS	316,533	314,740	0.90	2.50	1.24%
Exxon Mobil Corp	323,594	314,110	2.55	2.67	1.24%
Occidental Petroleum Corporation	307,484	307,971	3.56	3.79	1.21%
General Electric Co	306,136	304,310	0.53	0.54	1.20%
Praxair	295,537	298,587	0.35	0.36	1.18%
IBM Corp	304,755	296,588	3.93	4.19	1.17%
General Dynamics Corp	292,932	294,052	2.71	2.87	1.16%
Bank of New York	255,099	253,620	1.08	1.20	1.00%
Toyota Motor Corp	194,939	195,903	3.30	3.54	0.77%
International Finance Corp	184,456	182,805	2.45	2.58	0.72%
Costco Wholesale Corporation	169,822	167,318	1.58	1.63	0.66%
Honda Motor Corporation	146,162	144,873	0.28	0.28	0.57%
Home Depot	139,919	137,482	1.88	1.93	0.54%
American Express ABS	123,057	123,157	0.85	4.21	0.48%
Dreyfus Institutional Reserves Money Market Fund	45,956	45,956	0.00	0.00	0.18%
	<b>25,878,578</b>	<b>25,399,847</b>	<b>2.33</b>	<b>2.57</b>	<b>100.00%</b>

**Cusip Details**

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
26200X845	Dreyfus Funds	Inst'l Reserve Treasury #6541	1.53	06/30/2018	N		45,956	0.00	0.00	Aaa	AAA	AAA
06417GXH6	Bank of Nova Scotia	Yankee CD	1.57	08/09/2018	N		450,000	0.11	0.11	P-1	A-1	NR



**Cusip Details**

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
459058ER0	Intl. Bank Recon & Development	Note	1.00	10/05/2018	N		543,407	0.26	0.27	Aaa	AAA	AAA
02665WAC5	American Honda Finance	Note	2.13	10/10/2018	N		144,873	0.28	0.28	A2	A+	NR
74005PBH6	Praxair	Note	1.25	11/07/2018	N		298,587	0.35	0.36	A2	A	NR
06371ETT4	Bank of Montreal Chicago	Yankee CD	1.76	11/07/2018	N		410,000	0.35	0.36	P-1	A-1	F-1+
91159HHE3	US Bancorp	Callable Note Cont 10/15/2018	1.95	11/15/2018	Y	10/15/2018	29,936	0.37	0.38	A1	A+	AA-
36962G7G3	General Electric Capital Corp	Note	2.30	01/14/2019	N		304,310	0.53	0.54	A2	A	A
17275RAR3	Cisco Systems	Note	2.13	03/01/2019	N		364,086	0.66	0.67	A1	AA-	NR
43814RAB2	Honda Auto Receivables	2016-4 A2	1.04	04/18/2019	N		17,639	0.04	0.80	NR	AAA	AAA
91159HHH6	US Bancorp	Callable Note Cont 3/25/2019	2.20	04/25/2019	Y	03/25/2019	313,790	0.80	0.82	A1	A+	AA-
89231LAB3	Toyota Auto Receivables Owner	2016-D	1.06	05/15/2019	N		6,410	0.03	0.87	Aaa	AAA	NR
43814TAB8	Honda Auto Receivables	2017-1 A2	1.42	07/22/2019	N		32,786	0.12	1.06	Aaa	NR	AAA
084664CK5	Berkshire Hathaway	Note	1.30	08/15/2019	N		334,884	1.10	1.13	Aa2	AA	A+
06406HCW7	Bank of New York	Callable Note Cont 8/11/2019	2.30	09/11/2019	Y	08/11/2019	253,620	1.08	1.20	A1	A	AA-
3135G0ZG1	FNMA	Note	1.75	09/12/2019	N		148,786	1.17	1.20	Aaa	AA+	AAA
89238MAB4	Toyota Auto Receivables Owner	2017-A	1.42	09/16/2019	N		58,581	0.16	1.21	Aaa	AAA	NR
3137EADM8	FHLMC	Note	1.25	10/02/2019	N		462,859	1.23	1.26	Aaa	AA+	AAA
47787XAB3	John Deere Owner Trust	2017-A A2	1.50	10/15/2019	N		45,550	0.17	1.29	Aaa	NR	AAA
654747AB0	Nissan Auto Receivables	2017-A A2A	1.47	01/15/2020	N		53,154	0.24	1.55	Aaa	NR	AAA
3135G0A78	FNMA	Note	1.63	01/21/2020	N		458,796	1.52	1.56	Aaa	AA+	AAA
94974BGF1	Wells Fargo Corp	Note	2.15	01/30/2020	N		315,511	1.53	1.59	A2	A-	A+
912828H52	US Treasury	Note	1.25	01/31/2020	N		362,918	1.55	1.59	Aaa	AA+	AAA
22160KAG0	Costco Wholesale Corp	Note	1.75	02/15/2020	N		167,318	1.58	1.63	A1	A+	A+
912828J84	US Treasury	Note	1.38	03/31/2020	N		451,052	1.71	1.75	Aaa	AA+	AAA
47788MAC4	John Deere Owner Trust	2016-A A3	1.36	04/15/2020	N		88,411	0.36	1.79	Aaa	NR	AAA
47788BAB0	John Deere Owner Trust	2017-B A2A	1.59	04/15/2020	N		46,943	0.38	1.79	Aaa	NR	AAA
3137EADR7	FHLMC	Note	1.38	05/01/2020	N		460,327	1.79	1.84	Aaa	AA+	AAA
4581X0CX4	Inter-American Dev Bank	Note	1.63	05/12/2020	N		442,378	1.82	1.87	Aaa	AAA	AAA
747525AD5	Qualcomm Inc	Note	2.25	05/20/2020	N		374,398	1.83	1.89	A1	A	NR
912828VF4	US Treasury	Note	1.38	05/31/2020	N		440,279	1.87	1.92	Aaa	AA+	AAA
437076BQ4	Home Depot	Note	1.80	06/05/2020	N		137,482	1.88	1.93	A2	A	A



Cusip Details

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
3135G0D75	FNMA	Note	1.50	06/22/2020	N		421,285	1.93	1.98	Aaa	AA+	AAA
89237RAB4	Toyota Auto Receivable	2017-C A2A	1.58	07/15/2020	N		218,932	0.49	2.04	Aaa	AAA	NR
912828L32	US Treasury	Note	1.38	08/31/2020	N		458,323	2.11	2.17	Aaa	AA+	AAA
89238BAB8	Toyota Auto Receivables Owner	2018-A A2A	2.10	10/15/2020	N		318,803	0.73	2.30	Aaa	AAA	NR
912828L99	US Treasury	Note	1.38	10/31/2020	N		462,086	2.27	2.34	Aaa	AA+	AAA
00440EAT4	Chubb INA Holdings Inc	Callable Note Cont 10/3/2020	2.30	11/03/2020	Y	10/03/2020	329,039	2.17	2.35	A3	A	A
594918BG8	Microsoft	Callable Note Cont. 10/03/20	2.00	11/03/2020	Y	10/03/2020	118,108	2.18	2.35	Aaa	AAA	AA+
3135G0F73	FNMA	Note	1.50	11/30/2020	N		218,985	2.35	2.42	Aaa	AA+	AAA
78012KKU0	Royal Bank of Canada	Note	2.50	01/19/2021	N		319,293	2.42	2.56	A1	AA-	AA
45950KCM0	International Finance Corp	Note	2.25	01/25/2021	N		182,805	2.45	2.58	Aaa	AAA	NR
912828N89	US Treasury	Note	1.38	01/31/2021	N		441,119	2.50	2.59	Aaa	AA+	AAA
3130A7CV5	FHLB	Note	1.38	02/18/2021	N		387,214	2.55	2.64	Aaa	AA+	AAA
3135G0J20	FNMA	Note	1.38	02/26/2021	N		464,472	2.57	2.66	Aaa	AA+	AAA
912828B90	US Treasury	Note	2.00	02/28/2021	N		580,804	2.56	2.67	Aaa	AA+	AAA
30231GAV4	Exxon Mobil Corp	Callable Note Cont 2/1/2021	2.22	03/01/2021	Y	02/01/2021	314,110	2.55	2.67	Aaa	AA+	NR
24422ESL4	John Deere Capital Corp	Note	2.80	03/04/2021	N		228,082	2.54	2.68	A2	A	A
912828Q37	US Treasury	Note	1.25	03/31/2021	N		530,278	2.67	2.75	Aaa	AA+	AAA
3135G0K69	FNMA	Note	1.25	05/06/2021	N		365,595	2.77	2.85	Aaa	AA+	AAA
369550BE7	General Dynamics Corp	Note	3.00	05/11/2021	N		294,052	2.71	2.87	A2	A+	NR
857477AV5	State Street Bank	Note	1.95	05/19/2021	N		314,854	2.77	2.89	A1	A	AA-
313379RB7	FHLB	Note	1.88	06/11/2021	N		405,238	2.84	2.95	Aaa	AA+	AAA
3137BDDC7	FHLMC	K716 A2	3.13	06/25/2021	N		145,378	2.65	2.99	Aaa	AA+	NR
3130A8QS5	FHLB	Note	1.13	07/14/2021	N		516,736	2.94	3.04	Aaa	AA+	AAA
594918BP8	Microsoft	Callable Note Cont 7/8/21	1.55	08/08/2021	Y	07/08/2021	210,960	2.98	3.11	Aaa	AAA	AA+
3137EAEC9	FHLMC	Note	1.13	08/12/2021	N		524,871	3.02	3.12	Aaa	AA+	AAA
43811BAC8	Honda Auto Receivables	2017-2 A3	1.68	08/16/2021	N		320,221	1.26	3.13	Aaa	AAA	NR
654747AD6	Nissan Auto Receivables	2017-A A3	1.74	08/16/2021	N		295,855	1.22	3.13	Aaa	NR	AAA
3135G0N82	FNMA	Note	1.25	08/17/2021	N		516,661	3.02	3.13	Aaa	AA+	AAA
68389XBK0	Oracle Corp	Callable Note Cont 8/01/21	1.90	09/15/2021	Y	08/15/2021	323,822	3.05	3.21	A1	AA-	A+
912828T34	US Treasury	Note	1.13	09/30/2021	N		519,261	3.15	3.25	Aaa	AA+	AAA
3135G0Q89	FNMA	Note	1.38	10/07/2021	N		287,565	3.15	3.27	Aaa	AA+	AAA
47788BAD6	John Deere Owner Trust	2017-B A3	1.82	10/15/2021	N		49,274	1.38	3.30	Aaa	NR	AAA



**Cusip Details**

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
3135GOS38	FNMA	Note	2.00	01/05/2022	N		536,082	3.33	3.52	Aaa	AA+	AAA
89236TDP7	Toyota Motor Credit Corp	Note	2.60	01/11/2022	N		195,903	3.30	3.54	Aa3	AA-	A
4581X0CW6	Inter-American Dev Bank	Note	2.13	01/18/2022	N		523,739	3.36	3.56	Aaa	NR	AAA
91159HHP8	US Bancorp	Callable Cont 12/23/2021	2.63	01/24/2022	Y	12/23/2021	161,438	3.33	3.57	A1	A+	AA-
912828J43	US Treasury	Note	1.75	02/28/2022	N		551,542	3.50	3.67	Aaa	AA+	AAA
674599CK9	Occidental Petroleum	Callable Note Cont 3/15/2022	2.60	04/15/2022	Y	03/15/2022	307,971	3.56	3.79	A3	A	A
47788CAC6	John Deere Owner Trust	2016-B A4	2.66	04/18/2022	N		84,563	1.85	3.80	Aaa	NR	AAA
912828XG0	US Treasury	Note	2.13	06/30/2022	N		513,659	3.80	4.00	Aaa	AA+	AAA
69353RFE3	PNC Bank	Callable Note Cont 6/28/2022	2.45	07/28/2022	Y	06/28/2022	342,664	3.80	4.08	A2	A	A+
3137BM6P6	FHLMC	K721 A2	3.09	08/25/2022	N		400,155	3.66	4.16	Aaa	NR	NR
44932HAC7	IBM Credit Corp	Note	2.20	09/08/2022	N		296,588	3.93	4.19	A1	A+	A+
02587AAJ3	American Express Credit	2017-1	1.93	09/15/2022	N		123,157	0.85	4.21	Aaa	NR	AAA
912828L57	US Treasury	Note	1.75	09/30/2022	N		504,964	4.04	4.25	Aaa	AA+	AAA
3135G0T78	FNMA	Note	2.00	10/05/2022	N		193,548	4.03	4.27	Aaa	AA+	AAA
912828N30	US Treasury	Note	2.13	12/31/2022	N		511,814	4.25	4.51	Aaa	AA+	AAA
48128BAB7	JP Morgan Chase & Co	Callable Note 1X 1/15/2022	2.97	01/15/2023	Y	01/15/2022	316,537	4.14	4.55	A3	A-	AA-
3135G0T94	FNMA	Note	2.38	01/19/2023	N		540,058	4.24	4.56	Aaa	AA+	AAA
24422ETG4	John Deere Capital Corp	Note	2.80	03/06/2023	N		146,362	4.31	4.68	A2	A	A
							<b>25,399,847</b>					



**Portfolio Characteristics**

Market Value	26,211,063
Ave Portfolio Duration	3.28
Ave Portfolio Maturity	3.62

**Interest Rate Shock Analysis**

**Fair value of portfolio after increase of:**

100 bps	-859,926
200 bps	-1,719,853
300 bps	-2,579,779

**Sector Characteristics**

**Segmented Time Distribution**

Sector	Sector Characteristics				Segmented Time Distribution			
	Market Value	Ave Duration	Ave Maturity	% of Port	<1 yr	1-3 yrs	3-5 yrs	>5 yrs
Agency	9,436,503	4.06	4.41	36.00%	0	3,710,837	3,124,102	2,601,563
US Corporate	7,659,041	2.56	2.73	29.22%	1,276,577	2,628,982	3,753,483	0
US Treasury	5,382,596	4.11	4.38	20.54%	0	1,021,548	2,923,828	1,437,220
Supranational	2,001,000	2.27	2.39	7.63%	563,349	607,030	830,621	0
ABS	1,469,798	0.97	2.67	5.61%	0	764,445	705,353	0
Money Market Fund FI	145,810	0.00	0.00	0.56%	145,810	0	0	0
CMO	116,317	0.13	0.15	0.44%	116,317	0	0	0
	<b>26,211,063</b>	<b>3.28</b>	<b>3.62</b>	<b>100.00%</b>	<b>2,102,051</b>	<b>8,732,842</b>	<b>11,337,386</b>	<b>4,038,784</b>

**Concentration of Credit**

Issuer Name	Cost	Market Value	Ave Duration	Ave Maturity	% of Port
Government of United States	5,506,917	5,382,596	4.11	4.38	20.54%
Federal National Mortgage Association	3,681,754	3,563,025	4.40	4.75	13.59%
Federal Home Loan Bank	3,657,809	3,535,706	4.49	4.95	13.49%
Federal Home Loan Mortgage Corp	1,576,345	1,561,928	2.53	2.65	5.96%
Inter-American Dev Bank	1,287,453	1,249,905	3.14	3.31	4.77%
Tennessee Valley Authority	911,065	892,162	3.19	3.39	3.40%
John Deere ABS	590,858	587,429	1.21	3.04	2.24%
Intl Bank Recon and Development	564,040	563,349	0.26	0.27	2.15%
US Bancorp	482,911	475,673	1.41	1.50	1.81%
Toyota ABS	474,827	472,872	0.64	2.14	1.80%
State Street Bank	409,422	397,200	2.77	2.89	1.52%
Wells Fargo Corp	400,808	394,388	1.53	1.59	1.50%
Microsoft	399,280	383,563	2.98	3.11	1.46%
Oracle Corp	399,404	380,968	3.05	3.21	1.45%
Honda ABS	353,805	354,031	1.15	2.93	1.35%



**Concentration of Credit**

Issuer Name	Cost	Market Value	Ave Duration	Ave Maturity	% of Port
Toyota Motor Corp	349,450	350,967	3.26	3.54	1.34%
Deere & Company	339,994	342,176	4.20	4.58	1.31%
Charles Schwab Corp/The	340,904	340,696	4.20	4.58	1.30%
JP Morgan Chase & Co	341,866	339,461	0.56	0.58	1.30%
Chubb Corporation	346,625	338,861	2.17	2.35	1.29%
Bank of New York	340,382	338,160	1.08	1.20	1.29%
Occidental Petroleum Corporation	345,473	337,301	3.56	3.79	1.29%
Qualcomm Inc	340,075	334,987	1.83	1.89	1.28%
Cisco Systems	338,005	334,162	0.66	0.67	1.27%
Exxon Mobil Corp	330,697	319,018	2.55	2.67	1.22%
PNC Financial Services Group	328,819	316,883	3.39	3.64	1.21%
IBM Corp	309,670	301,371	3.93	4.19	1.15%
Bank of America Corp	298,173	295,599	4.10	4.54	1.13%
Praxair	290,263	293,611	0.35	0.36	1.12%
Apple Inc	298,179	288,263	3.95	4.21	1.10%
Berkshire Hathaway	274,417	270,593	2.59	2.71	1.03%
Pepsico Inc	239,863	235,774	1.70	1.84	0.90%
International Finance Corp	189,441	187,746	2.45	2.58	0.72%
Dreyfus Institutional Reserves Money Market Fund	145,810	145,810	0.00	0.00	0.56%
Paccar Financial	139,812	133,510	2.98	3.12	0.51%
Wal-Mart Stores	114,969	115,856	4.49	4.99	0.44%
Nissan ABS	55,614	55,465	0.24	1.55	0.21%
	<b>26,795,196</b>	<b>26,211,063</b>	<b>3.28</b>	<b>3.62</b>	<b>100.00%</b>

**Cusip Details**

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
26200X845	Dreyfus Funds	Inst'l Reserve Treasury #6541	1.53	06/30/2018	N		145,810	0.00	0.00	Aaa	AAA	AAA
3137AH6Q6	FHLMC	K704 A2	2.41	08/25/2018	N		116,317	0.13	0.15	Aaa	NR	AAA
459058ER0	Intl. Bank Recon & Development	Note	1.00	10/05/2018	N		563,349	0.26	0.27	Aaa	AAA	AAA
74005PBH6	Praxair	Note	1.25	11/07/2018	N		293,611	0.35	0.36	A2	A	NR



Cusip Details

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
91159HHE3	US Bancorp	Callable Note Cont 10/15/2018	1.95	11/15/2018	Y	10/15/2018	309,343	0.37	0.38	A1	A+	AA-
46625HJR2	JP Morgan Chase	Note	2.35	01/28/2019	N		339,461	0.56	0.58	A3	A-	AA-
17275RAR3	Cisco Systems	Note	2.13	03/01/2019	N		334,162	0.66	0.67	A1	AA-	NR
43814TAB8	Honda Auto Receivables	2017-1 A2	1.42	07/22/2019	N		33,810	0.12	1.06	Aaa	NR	AAA
06406HCW7	Bank of New York	Callable Note Cont 8/11/2019	2.30	09/11/2019	Y	08/11/2019	338,160	1.08	1.20	A1	A	AA-
654747AB0	Nissan Auto Receivables	2017-A A2A	1.47	01/15/2020	N		55,465	0.24	1.55	Aaa	NR	AAA
94974BGF1	Wells Fargo Corp	Note	2.15	01/30/2020	N		394,388	1.53	1.59	A2	A-	A+
47788MAC4	John Deere Owner Trust	2016-A A3	1.36	04/15/2020	N		93,323	0.36	1.79	Aaa	NR	AAA
89231UAD9	Toyota Auto Receivables	2016-B	1.30	04/15/2020	N		144,107	0.42	1.79	Aaa	AAA	NR
713448CS5	PepsiCo Inc	Callable Note Cont 3/30/2020	1.85	04/30/2020	Y	03/30/2020	235,774	1.70	1.84	A1	A+	A
3137EADR7	FHLMC	Note	1.38	05/01/2020	N		475,018	1.79	1.84	Aaa	AA+	AAA
747525AD5	Qualcomm Inc	Note	2.25	05/20/2020	N		334,987	1.83	1.89	A1	A	NR
912828NT3	US Treasury	Note	2.63	08/15/2020	N		150,193	2.04	2.13	Aaa	AA+	AAA
89238BAB8	Toyota Auto Receivables Owner	2018-A A2A	2.10	10/15/2020	N		328,765	0.73	2.30	Aaa	AAA	NR
00440EAT4	Chubb INA Holdings Inc	Callable Note Cont 10/3/2020	2.30	11/03/2020	Y	10/03/2020	338,861	2.17	2.35	A3	A	A
4581X0CD8	Inter-American Dev Bank	Note	2.13	11/09/2020	N		419,284	2.27	2.36	Aaa	AAA	AAA
912828PC8	US Treasury	Note	2.63	11/15/2020	N		435,425	2.28	2.38	Aaa	AA+	AAA
3135G0F73	FNMA	Note	1.50	11/30/2020	N		462,302	2.35	2.42	Aaa	AA+	AAA
3135G0H55	FNMA	Note	1.88	12/28/2020	N		422,062	2.42	2.50	Aaa	AA+	AAA
45950KCM0	International Finance Corp	Note	2.25	01/25/2021	N		187,746	2.45	2.58	Aaa	AAA	NR
880591EL2	Tennessee Valley Authority	Note	3.88	02/15/2021	N		437,593	2.46	2.63	Aaa	AA+	AAA
3130A7CV5	FHLB	Note	1.38	02/18/2021	N		527,580	2.55	2.64	Aaa	AA+	AAA
3135G0J20	FNMA	Note	1.38	02/26/2021	N		483,825	2.57	2.66	Aaa	AA+	AAA
30231GAV4	Exxon Mobil Corp	Callable Note Cont 2/1/2021	2.22	03/01/2021	Y	02/01/2021	319,018	2.55	2.67	Aaa	AA+	NR
3133732Y7	FHLB	Note	3.63	03/12/2021	N		445,464	2.54	2.70	Aaa	AA+	AAA
084670BQ0	Berkshire Hathaway	Callable Note Cont 2/15/2021	2.20	03/15/2021	Y	02/15/2021	270,593	2.59	2.71	Aa2	AA	A+
47787XAC1	John Deere Owner Trust	2017-A A3	1.78	04/15/2021	N		108,974	0.95	2.79	Aaa	NR	AAA
3135G0K69	FNMA	Note	1.25	05/06/2021	N		456,994	2.77	2.85	Aaa	AA+	AAA
912828QN3	US Treasury	Note	3.13	05/15/2021	N		435,929	2.73	2.88	Aaa	AA+	AAA
857477AV5	State Street Bank	Note	1.95	05/19/2021	N		397,200	2.77	2.89	A1	A	AA-



Cusip Details

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
3130A8QS5	FHLB	Note	1.13	07/14/2021	N		478,459	2.94	3.04	Aaa	AA+	AAA
594918BP8	Microsoft	Callable Note Cont 7/8/21	1.55	08/08/2021	Y	07/08/2021	383,563	2.98	3.11	Aaa	AAA	AA+
69371RN44	Paccar Financial Corp	Note	1.65	08/11/2021	N		133,510	2.98	3.12	A1	A+	NR
3137EAEC9	FHLMC	Note	1.13	08/12/2021	N		477,156	3.02	3.12	Aaa	AA+	AAA
912828RC6	US Treasury	Note	2.13	08/15/2021	N		477,498	2.98	3.13	Aaa	AA+	AAA
43811BAC8	Honda Auto Receivables	2017-2 A3	1.68	08/16/2021	N		320,221	1.26	3.13	Aaa	AAA	NR
68389XBK0	Oracle Corp	Callable Note Cont 8/01/21	1.90	09/15/2021	Y	08/15/2021	380,968	3.05	3.21	A1	AA-	A+
47788BAD6	John Deere Owner Trust	2017-B A3	1.82	10/15/2021	N		300,569	1.38	3.30	Aaa	NR	AAA
912828RR3	US Treasury	Note	2.00	11/15/2021	N		342,658	3.23	3.38	Aaa	AA+	AAA
3133827M9	FHLB	Note	1.93	12/01/2021	N		433,310	3.27	3.42	Aaa	AA+	AAA
89233P5T9	Toyota Motor Credit Corp	Note	3.30	01/12/2022	N		350,967	3.26	3.54	Aa3	AA-	A
3137EADB2	FHLMC	Note	2.38	01/13/2022	N		493,437	3.33	3.54	Aaa	AA+	AAA
4581X0CW6	Inter-American Dev Bank	Note	2.13	01/18/2022	N		543,318	3.36	3.56	Aaa	NR	AAA
91159HHP8	US Bancorp	Callable Cont 12/23/2021	2.63	01/24/2022	Y	12/23/2021	166,330	3.33	3.57	A1	A+	AA-
912828SF8	US Treasury	Note	2.00	02/15/2022	N		488,457	3.44	3.63	Aaa	AA+	AAA
69353RFB9	PNC Bank	Callable Note Cont 1/18/2022	2.63	02/17/2022	Y	01/18/2022	316,883	3.39	3.64	A2	A	A+
674599CK9	Occidental Petroleum	Callable Note Cont 3/15/2022	2.60	04/15/2022	Y	03/15/2022	337,301	3.56	3.79	A3	A	A
47788CAC6	John Deere Owner Trust	2016-B A4	2.66	04/18/2022	N		84,563	1.85	3.80	Aaa	NR	AAA
912828SV3	US Treasury	Note	1.75	05/15/2022	N		419,996	3.70	3.88	Aaa	AA+	AAA
3130A5P45	FHLB	Note	2.38	06/10/2022	N		506,528	3.73	3.95	Aaa	AA+	AAA
880591EN8	Tennessee Valley Authority	Note	1.88	08/15/2022	N		454,568	3.90	4.13	Aaa	AA+	AAA
912828TJ9	US Treasury	Note	1.63	08/15/2022	N		383,188	3.93	4.13	Aaa	AA+	AAA
44932HAC7	IBM Credit Corp	Note	2.20	09/08/2022	N		301,371	3.93	4.19	A1	A+	A+
037833DC1	Apple Inc	Callable Note Cont 08/12/2022	2.10	09/12/2022	Y	08/12/2022	288,263	3.95	4.21	Aa1	AA+	NR
4581X0CZ9	Inter-American Dev Bank	Note	1.75	09/14/2022	N		287,303	3.99	4.21	NR	NR	AAA
3135G0T78	FNMA	Note	2.00	10/05/2022	N		280,644	4.03	4.27	Aaa	AA+	AAA
912828TY6	US Treasury	Note	1.63	11/15/2022	N		420,337	4.17	4.38	Aaa	AA+	AAA
06051GEU9	Bank of America Corp	Note	3.30	01/11/2023	N		295,599	4.10	4.54	A3	A-	A+
808513AT2	Charles Schwab Corp	Callable Note Cont 12/25/2022	2.65	01/25/2023	Y	12/25/2022	340,696	4.20	4.58	A2	A	A
24422ERT8	John Deere Capital Corp	Note	2.80	01/27/2023	N		342,176	4.20	4.58	A2	A	A
912828VB3	US Treasury	Note	1.75	05/15/2023	N		391,694	4.62	4.88	Aaa	AA+	AAA



**Cusip Details**

Cusip	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
931142EK5	Wal-Mart Stores	Callable Note Cont 5/26/2023	3.40	06/26/2023	Y	05/26/2023	115,856	4.49	4.99	Aa2	AA	AA
912828B66	US Treasury	Note	2.75	02/15/2024	N		504,329	5.13	5.63	Aaa	AA+	AAA
3135G0ZR7	FNMA	Note	2.63	09/06/2024	N		403,171	5.61	6.19	Aaa	AA+	AAA
912828J27	US Treasury	Note	2.00	02/15/2025	N		475,528	6.09	6.64	Aaa	AA+	AAA
3135G0K36	FNMA	Note	2.13	04/24/2026	N		528,986	7.08	7.82	Aaa	AA+	AAA
912828R36	US Treasury	Note	1.63	05/15/2026	N		457,364	7.28	7.88	Aaa	AA+	AAA
3130A2VE3	FHLB	Note	3.00	09/11/2026	N		571,224	7.15	8.21	Aaa	AA+	NR
3135G0Q22	FNMA	Note	1.88	09/24/2026	N		525,041	7.48	8.24	Aaa	AA+	AAA
3130ACKB9	FHLB	Note	2.63	09/10/2027	N		573,141	8.01	9.20	Aaa	AA+	NR
							<b>26,211,063</b>					



<b>Asset</b>	<b>Fair Value</b>	<b>Investments That Are Not Measured at Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
ABS	\$1,760,276.67	\$0.00	\$0.00	\$1,760,276.67	\$0.00
Agency	\$6,909,075.62	\$0.00	\$0.00	\$6,909,075.62	\$0.00
CMO	\$545,533.51	\$0.00	\$0.00	\$545,533.51	\$0.00
Money Market Fund FI	\$45,956.01	\$45,956.01	\$0.00	\$0.00	\$0.00
Negotiable CD	\$860,000.00	\$0.00	\$0.00	\$860,000.00	\$0.00
Supranational	\$1,692,329.54	\$0.00	\$0.00	\$1,692,329.54	\$0.00
US Corporate	\$7,258,577.50	\$0.00	\$0.00	\$7,258,577.50	\$0.00
US Treasury	\$6,328,097.65	\$0.00	\$0.00	\$6,328,097.65	\$0.00
<b>Total Portfolio</b>	<b>\$25,399,846.50</b>	<b>\$45,956.01</b>	<b>\$0.00</b>	<b>\$25,353,890.49</b>	<b>\$0.00</b>



Asset	Fair Value	Investments That Are Not Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ABS	\$1,469,797.59	\$0.00	\$0.00	\$1,469,797.59	\$0.00
Agency	\$9,436,502.55	\$0.00	\$0.00	\$9,436,502.55	\$0.00
CMO	\$116,316.85	\$0.00	\$0.00	\$116,316.85	\$0.00
Money Market Fund FI	\$145,809.52	\$145,809.52	\$0.00	\$0.00	\$0.00
Supranational	\$2,000,999.75	\$0.00	\$0.00	\$2,000,999.75	\$0.00
US Corporate	\$7,659,041.25	\$0.00	\$0.00	\$7,659,041.25	\$0.00
US Treasury	\$5,382,595.75	\$0.00	\$0.00	\$5,382,595.75	\$0.00
<b>Total Portfolio</b>	<b>\$26,211,063.26</b>	<b>\$145,809.52</b>	<b>\$0.00</b>	<b>\$26,065,253.74</b>	<b>\$0.00</b>



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name	NO CAL CITIES SELF INSUR FUND
Account Number	35-11-001

As of 07/13/2018, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2018.

Earnings Ratio		.00005216919081336
Interest Rate		1.90%
Dollar Day Total	\$	486,928,416.39
Quarter End Principal Balance	\$	3,710,839.85
Quarterly Interest Earned	\$	25,402.66

# NCCSIF

## Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.  
Corporate Insurance License No. 0C36861

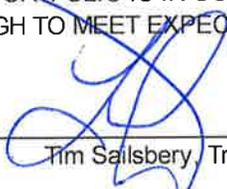
Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 \* (916) 643-2700 \* Facsimile: (916) 643-2750  
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 \* (916) 993-9494

### NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING JUNE 30, 2018

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 623,041.59
(2) Local Agency Inv Fund (LAIF)	<u>3,710,839.85</u>
Total Cash	<u>4,333,881.44</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	25,399,847.00
Account no. 171	<u>26,211,063.00</u>
Total Unrestricted Investments	<u>51,610,910.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$55,944,791.44</u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended June 30, 2018 1.90%
- (3) See attached Investment Activity Reports.

THIS PORTFOLIO IS IN COMPLIANCE WITH NCCSIF'S INVESTMENT POLICY AND IS LIQUID ENOUGH TO MEET EXPECTED CASH FLOW NEEDS OVER THE NEXT SIX MONTHS.

  
\_\_\_\_\_  
Tim Sallsbery, Treasurer

7/30/18  
\_\_\_\_\_  
Date

*A Joint Powers Authority*

Members: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Elk Grove, Folsom, Galt, Gridley, Ione, Jackson, Lincoln, Marysville, Nevada City, Oroville, Town of Paradise, Placerville, Red Bluff, Rio Vista, Rocklin, Willows and Yuba City.

**FINANCIAL REPORT**

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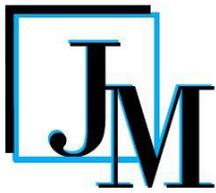
**JUNE 30, 2018  
AND FOR THE  
FISCAL YEAR THEN ENDED**

# **Northern California Cities Self Insurance Fund**

**Northern California Cities Self Insurance Fund**  
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**June 30, 2018**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Northern California Cities Self Insurance Fund  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825

Management is responsible for the accompanying statement of financial position of Northern California Cities Self Insurance Fund as of June 30, 2018, and the related statement of revenues, expenses and changes in net position and statement of cash flows for the fiscal year then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted substantially all of the disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, comprehensive income and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information on pages 5 through 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to present designations of net position on the Statement of Net Position as of June 30, 2018, contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

We are not independent with respect to Northern California Cities Self Insurance Fund.

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
July 16, 2018

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
June 30, 2018**

---

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 4,333,881
Accounts Receivable	72,513
Interest Receivable	171,460
Excess Accounts Receivable	938,429
Prepaid Expense	188,166
Total Current Assets	5,704,449
Non-Current Assets	
Investments*	51,610,909
Total Assets	\$ 57,315,358

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	\$ 66,892
Unearned Revenue	934,706
Total Current Liabilities	1,001,598
Non-Current Liabilities	
Outstanding Liabilities*	38,920,458
ULAE*	1,774,312
Total Non-Current Liabilities	40,694,770
Total Liabilities	\$ 41,696,368
Net Position	
Designated for Contingency	200,000
Designated for Risk Management	342,820
Undesignated	15,076,170
Total Net Position	15,618,990
Liability & Net Position	\$ 57,315,358

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2018**

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Operating Income		
Administration Deposit	\$	1,272,680
Banking Layer Deposit		8,158,729
Shared Risk Layer		5,187,000
Excess Deposit/Premium		2,632,368
Property/Crime Insurance Income		912,925
Banking Layer Assessment		268,520
Shared Risk Refund		(781,002)
Banking Layer Refund		(1,770,293)
Risk Management Grants		200,382
Other Income		101,606
Total Operating Income		<u>16,182,915</u>
Operating Expenses		
Claims Paid		8,310,061
O/S Liability adj.		2,597,843
ULAE		87,681
Consultants		59,186
Safety Service		463,220
Claims Administration		826,015
Program Administration		402,835
Board Expenses		10,632
Excess Insurance		2,628,365
Property/Crime Insurance Expense		912,931
Member Identity Theft Protection		11,793
Total Operating Expenses		<u>16,310,562</u>
Operating Income (Loss)		(127,647)
Non-Operating Income		
Change in Fair Market Value		(1,033,236)
Investment Income		783,789
Total Non-Operating Income		<u>(249,447)</u>
Change in Net Position		(377,094)
Beginning Net Position		<u>15,996,084</u>
Ending Net Position	\$	<u><u>15,618,990</u></u>

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018**

<b>Cash flows from operating activities:</b>	
Cash received from members	\$ 17,668,259
Cash paid for claims	(8,762,225)
Cash paid for insurance	(3,541,296)
Cash paid to vendors	(1,900,331)
Cash (paid) received for dividends	<u>(1,447,685)</u>
Net cash provided by (used in) operating activities	<u>2,016,722</u>
 <b>Cash flows from investing activities:</b>	
Investment income received	848,977
Purchases of investments	(22,264,589)
Proceeds from sale or maturity of investments	<u>21,417,740</u>
Net cash provided by (used in) investing activities	<u>2,128</u>
Net increase (decrease) in cash and cash equivalents	2,018,850
Cash and cash equivalents, beginning of year	<u>2,315,031</u>
Cash and cash equivalents, end of year	<u>\$ 4,333,881</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (127,647)
 Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Member receivable	79,150
Excess receivable	(452,164)
Prepaid expense	(136,717)
(Decrease) increase in:	
Accounts payable	10,068
Unearned revenue	(41,491)
Unpaid claims and claim adjustment expenses	<u>2,685,523</u>
Net cash provided by (used in) operating activities	<u>\$ 2,016,722</u>
 Supplemental information:	
Noncash non-operating and investing activities	
Net change in fair value of investments	<u>\$ (1,033,236)</u>

## **SUPPLEMENTARY INFORMATION**

Selected Information  
Substantially All Disclosures Required by Generally Accepted  
Accounting Principles Are Not Included

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2018**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,370,090	\$ 10,590	\$ 790,872	\$ 568,628
Interest Receivable	38,869	607	21,947	16,315
Excess Accounts Receivable	581,846	-	581,846	-
Prepaid Expense	167,176	115,727	51,449	-
<b>Total Current Assets</b>	<b>2,157,981</b>	<b>126,924</b>	<b>1,446,114</b>	<b>584,943</b>
<b>Non-Current Assets</b>				
Investments*	11,057,852	85,722	6,382,627	4,589,503
<b>Total Assets</b>	<b>\$ 13,215,833</b>	<b>\$ 212,646</b>	<b>\$ 7,828,741</b>	<b>\$ 5,174,446</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 51,818	\$ 14,997	\$ 134	\$ 36,687
Unearned Revenue	230,217	-	-	230,217
<b>Total Current Liabilities</b>	<b>282,035</b>	<b>14,997</b>	<b>134</b>	<b>266,904</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	8,748,166	-	6,318,732	2,429,434
<b>Total Non-Current Liabilities</b>	<b>8,748,166</b>	<b>-</b>	<b>6,318,732</b>	<b>2,429,434</b>
<b>Total Liabilities</b>	<b>\$ 9,030,201</b>	<b>\$ 14,997</b>	<b>\$ 6,318,866</b>	<b>\$ 2,696,338</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	4,085,632	97,649	1,509,875	2,478,108
<b>Total Net Position</b>	<b>4,185,632</b>	<b>197,649</b>	<b>1,509,875</b>	<b>2,478,108</b>
<b>Liability &amp; Net Position</b>	<b>\$ 13,215,833</b>	<b>\$ 212,646</b>	<b>\$ 7,828,741</b>	<b>\$ 5,174,446</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ 11,890	\$ 12,431	\$ 1,261	\$ 6,615	\$ 16,796	\$ 170,541	\$ 30,132	\$ 17,033	\$ 1,528
Interest Receivable	328	354	30	188	503	5,085	943	475	37
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>12,218</b>	<b>12,785</b>	<b>1,291</b>	<b>6,803</b>	<b>17,299</b>	<b>175,626</b>	<b>31,075</b>	<b>17,508</b>	<b>1,565</b>
<b>Non-Current Assets</b>									
Investments*	95,960	100,336	10,172	53,392	135,580	1,376,621	243,266	137,464	12,328
<b>Total Assets</b>	<b>\$ 108,178</b>	<b>\$ 113,121</b>	<b>\$ 11,463</b>	<b>\$ 60,195</b>	<b>\$ 152,879</b>	<b>\$ 1,552,247</b>	<b>\$ 274,341</b>	<b>\$ 154,972</b>	<b>\$ 13,893</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 60	\$ 3,140	\$ 1,282	\$ 1,783	\$ 574	\$ 11,369	\$ 827	\$ 187	\$ 197
Unearned Revenue	-	-	-	8,309	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>60</b>	<b>3,140</b>	<b>1,282</b>	<b>10,092</b>	<b>574</b>	<b>11,369</b>	<b>827</b>	<b>187</b>	<b>197</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	46,503	142,020	87,680	42,634	47,749	867,083	131,165	45,813	12,825
<b>Total Non-Current Liabilities</b>	<b>46,503</b>	<b>142,020</b>	<b>87,680</b>	<b>42,634</b>	<b>47,749</b>	<b>867,083</b>	<b>131,165</b>	<b>45,813</b>	<b>12,825</b>
<b>Total Liabilities</b>	<b>\$ 46,563</b>	<b>\$ 145,160</b>	<b>\$ 88,962</b>	<b>\$ 52,726</b>	<b>\$ 48,323</b>	<b>\$ 878,452</b>	<b>\$ 131,992</b>	<b>\$ 46,000</b>	<b>\$ 13,022</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	61,615	(32,039)	(77,499)	7,469	104,556	673,795	142,349	108,972	871
<b>Total Net Position</b>	<b>61,615</b>	<b>(32,039)</b>	<b>(77,499)</b>	<b>7,469</b>	<b>104,556</b>	<b>673,795</b>	<b>142,349</b>	<b>108,972</b>	<b>871</b>
<b>Liability &amp; Net Position</b>	<b>\$ 108,178</b>	<b>\$ 113,121</b>	<b>\$ 11,463</b>	<b>\$ 60,195</b>	<b>\$ 152,879</b>	<b>\$ 1,552,247</b>	<b>\$ 274,341</b>	<b>\$ 154,972</b>	<b>\$ 13,893</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2018**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>										
Cash and Cash Equivalents	\$ 13,866	\$ 50,734	\$ 30,460	\$ 19,985	\$ 30,883	\$ 35,395	\$ 4,419	\$ 39,860	\$ 4,795	\$ 70,004
Interest Receivable	325	1,343	930	598	864	1,000	143	1,115	117	1,937
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>14,191</b>	<b>52,077</b>	<b>31,390</b>	<b>20,583</b>	<b>31,747</b>	<b>36,395</b>	<b>4,562</b>	<b>40,975</b>	<b>4,912</b>	<b>71,941</b>
<b>Non-Current Assets</b>										
Investments*	111,854	409,391	245,896	161,326	249,243	285,665	35,678	321,691	38,686	564,954
<b>Total Assets</b>	<b>\$ 126,045</b>	<b>\$ 461,468</b>	<b>\$ 277,286</b>	<b>\$ 181,909</b>	<b>\$ 280,990</b>	<b>\$ 322,060</b>	<b>\$ 40,240</b>	<b>\$ 362,666</b>	<b>\$ 43,598</b>	<b>\$ 636,895</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 466	\$ 1,939	\$ 2,667	\$ 145	\$ 3,530	\$ 568	\$ 2,161	\$ 3,346	\$ 17	\$ 2,429
Unearned Revenue	32,953	78,006	-	-	15,885	34,463	-	-	-	60,601
<b>Total Current Liabilities</b>	<b>33,419</b>	<b>79,945</b>	<b>2,667</b>	<b>145</b>	<b>19,415</b>	<b>35,031</b>	<b>2,161</b>	<b>3,346</b>	<b>17</b>	<b>63,030</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	44,090	219,807	179,737	82,044	63,734	33,077	53,948	134,567	11,793	183,165
<b>Total Non-Current Liabilities</b>	<b>44,090</b>	<b>219,807</b>	<b>179,737</b>	<b>82,044</b>	<b>63,734</b>	<b>33,077</b>	<b>53,948</b>	<b>134,567</b>	<b>11,793</b>	<b>183,165</b>
<b>Total Liabilities</b>	<b>\$ 77,509</b>	<b>\$ 299,752</b>	<b>\$ 182,404</b>	<b>\$ 82,189</b>	<b>\$ 83,149</b>	<b>\$ 68,108</b>	<b>\$ 56,109</b>	<b>\$ 137,913</b>	<b>\$ 11,810</b>	<b>\$ 246,195</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	48,536	161,716	94,882	99,720	197,841	253,952	(15,869)	224,753	31,788	390,700
<b>Total Net Position</b>	<b>48,536</b>	<b>161,716</b>	<b>94,882</b>	<b>99,720</b>	<b>197,841</b>	<b>253,952</b>	<b>(15,869)</b>	<b>224,753</b>	<b>31,788</b>	<b>390,700</b>
<b>Liability &amp; Net Position</b>	<b>\$ 126,045</b>	<b>\$ 461,468</b>	<b>\$ 277,286</b>	<b>\$ 181,909</b>	<b>\$ 280,990</b>	<b>\$ 322,060</b>	<b>\$ 40,240</b>	<b>\$ 362,666</b>	<b>\$ 43,598</b>	<b>\$ 636,895</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Total</b>			<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Layer</b>
Operating Income				
Administration Deposit	\$ 565,098	\$ 565,098	\$ -	\$ -
Banking Layer Deposit	1,922,999	-	-	1,922,999
Shared Risk Layer	1,954,000	-	1,954,000	-
Excess Deposit/Premium	1,161,327	-	1,161,327	-
Property/Crime Insurance Income	912,925	-	912,925	-
Banking Layer Assessment	79,760	-	-	79,760
Banking Layer Refund	(478,737)	-	-	(478,737)
<b>Total Operating Income</b>	<b>6,117,372</b>	<b>565,098</b>	<b>4,028,252</b>	<b>1,524,022</b>
Operating Expenses				
Claims Paid	2,119,500	-	698,733	1,420,767
O/S Liability adj.	1,364,860	-	1,093,980	270,880
Consultants	37,742	37,742	-	-
Safety Service	228,701	228,701	-	-
Claims Administration	20,900	20,900	-	-
Program Administration	215,213	215,213	-	-
Board Expenses	5,316	5,316	-	-
Excess Insurance	1,166,890	-	1,166,890	-
Property/Crime Insurance Expense	912,931	-	912,931	-
<b>Total Operating Expense</b>	<b>6,072,053</b>	<b>507,872</b>	<b>3,872,534</b>	<b>1,691,647</b>
Operating Income (Loss)	45,319	57,226	155,718	(167,625)
Non-Operating Income				
Change in Fair Market Value	(254,676)	(6,696)	(140,675)	(107,305)
Investment Income	191,567	4,674	106,886	80,007
<b>Total Non-Operating Income</b>	<b>(63,109)</b>	<b>(2,022)</b>	<b>(33,789)</b>	<b>(27,298)</b>
Change in Net Position	(17,790)	55,204	121,929	(194,923)
Beginning Net Position	4,203,422	142,445	1,387,946	2,673,031
Ending Net Position	\$ 4,185,632	\$ 197,649	\$ 1,509,875	\$ 2,478,108

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Fiscal Year Ended June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	29,573	112,009	32,415	31,551	38,499	588,876	95,431	47,154	17,398
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	20,584	19,850	-	-	-	-	-	9,326
Banking Layer Refund	-	-	-	(8,309)	(25,674)	(147,510)	(68,519)	-	-
<b>Total Operating Income</b>	<b>29,573</b>	<b>132,593</b>	<b>52,265</b>	<b>23,242</b>	<b>12,825</b>	<b>441,366</b>	<b>26,912</b>	<b>47,154</b>	<b>26,724</b>
Operating Expenses									
Claims Paid	20,556	113,044	48,010	24,587	6,575	427,555	48,126	24,458	27,640
O/S Liability adj.	35,613	47,941	47,126	3,391	6,161	181,804	45,093	(25,704)	(16,900)
Consultants	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>56,169</b>	<b>160,985</b>	<b>95,136</b>	<b>27,978</b>	<b>12,736</b>	<b>609,359</b>	<b>93,219</b>	<b>(1,246)</b>	<b>10,740</b>
Operating Income (Loss)	(26,596)	(28,392)	(42,871)	(4,736)	89	(167,993)	(66,307)	48,400	15,984
Non-Operating Income									
Change in Fair Market Value	(2,084)	(2,459)	(391)	(1,198)	(3,243)	(33,831)	(6,380)	(3,008)	(325)
Investment Income	1,492	1,847	307	828	2,392	25,136	4,670	2,295	245
<b>Total Non-Operating Income</b>	<b>(592)</b>	<b>(612)</b>	<b>(84)</b>	<b>(370)</b>	<b>(851)</b>	<b>(8,695)</b>	<b>(1,710)</b>	<b>(713)</b>	<b>(80)</b>
Change in Net Position	(27,188)	(29,004)	(42,955)	(5,106)	(762)	(176,688)	(68,017)	47,687	15,904
Beginning Net Position	88,803	(3,035)	(34,544)	12,575	105,318	850,483	210,366	61,285	(15,033)
Ending Net Position	\$ 61,615	\$ (32,039)	\$ (77,499)	\$ 7,469	\$ 104,556	\$ 673,795	\$ 142,349	\$ 108,972	\$ 871

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability  
For the Fiscal Year Ended June 30, 2018**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	73,666	110,875	113,480	62,753	68,806	65,266	29,353	203,753	19,496	182,645
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	10,000	-	-	-	-	-	10,000	-	10,000	-
Banking Layer Refund	-	(28,776)	(42,261)	(29,988)	(15,885)	(51,214)	-	-	-	(60,601)
Total Operating Income	83,666	82,099	71,219	32,765	52,921	14,052	39,353	203,753	29,496	122,044
Operating Expenses										
Claims Paid	21,072	80,167	78,961	5,140	78,166	19,763	45,959	217,072	50,159	83,757
O/S Liability adj.	2,939	132,298	25,578	20,960	(134,152)	(31,496)	38,092	(72,866)	(5,933)	(29,065)
Consultants	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	24,011	212,465	104,539	26,100	(55,986)	(11,733)	84,051	144,206	44,226	54,692
Operating Income (Loss)	59,655	(130,366)	(33,320)	6,665	108,907	25,785	(44,698)	59,547	(14,730)	67,352
Non-Operating Income										
Change in Fair Market Value	(1,760)	(8,184)	(6,447)	(3,835)	(5,700)	(6,236)	(1,105)	(8,005)	(1,091)	(12,023)
Investment Income	1,543	6,162	4,802	2,859	4,258	4,571	794	5,968	742	9,096
Total Non-Operating Income	(217)	(2,022)	(1,645)	(976)	(1,442)	(1,665)	(311)	(2,037)	(349)	(2,927)
Change in Net Position	59,438	(132,388)	(34,965)	5,689	107,465	24,120	(45,009)	57,510	(15,079)	64,425
Beginning Net Position	(10,902)	294,104	129,847	94,031	90,376	229,832	29,140	167,243	46,867	326,275
Ending Net Position	\$ 48,536	\$ 161,716	\$ 94,882	\$ 99,720	\$ 197,841	\$ 253,952	\$ (15,869)	\$ 224,753	\$ 31,788	\$ 390,700

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows - Liability  
For the Fiscal Year Ended June 30, 2018**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Cash flows from operating activities:</b>				
Cash received from members	\$ 6,327,681	\$ 565,098	\$ 4,045,059	\$ 1,717,524
Cash paid for claims	(2,541,853)	-	(1,121,086)	(1,420,767)
Cash paid for insurance	(2,079,821)	-	(2,079,821)	-
Cash paid to vendors	(617,530)	(611,745)	(17)	(5,768)
Cash (paid) received for dividends	(215,445)	-	-	(215,445)
Net cash provided by (used in) operating activities	<u>873,032</u>	<u>(46,647)</u>	<u>844,135</u>	<u>75,544</u>
<b>Cash flows from investing activities:</b>				
Investment income received	205,365	4,890	113,324	87,151
Net investment (purchases) sales	(204,757)	46,154	(438,540)	187,629
Net cash provided by (used in) investing activities	<u>608</u>	<u>51,044</u>	<u>(325,216)</u>	<u>274,780</u>
Net increase (decrease) in cash and cash equivalents	873,640	4,397	518,919	350,324
Cash and cash equivalents, beginning of year	496,450	6,193	271,953	218,304
Cash and cash equivalents, end of year	<u>\$ 1,370,090</u>	<u>\$ 10,590</u>	<u>\$ 790,872</u>	<u>\$ 568,628</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 45,319	\$ 57,226	\$ 155,718	\$ (167,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	39,020	-	39,020	-
Excess receivable	(422,353)	-	(422,353)	-
Prepaid expense	(115,727)	(115,727)	-	-
(Decrease) increase in:				
Accounts payable	6,069	11,854	(17)	(5,768)
Unearned revenue	(44,156)	-	(22,213)	(21,943)
Unpaid claims and claim adjustment expenses	1,364,860	-	1,093,980	270,880
Net cash provided by (used in) operating activities	<u>\$ 873,032</u>	<u>\$ (46,647)</u>	<u>\$ 844,135</u>	<u>\$ 75,544</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	\$ (254,676)	\$ (6,696)	\$ (140,675)	\$ (107,305)

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows - Liability  
For the Fiscal Year Ended June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
<b>Cash flows from operating activities:</b>									
Cash received from members	\$ 29,573	\$ 132,593	\$ 52,265	\$ 31,551	\$ 38,499	\$ 588,876	\$ (88,127)	\$ 35,483	\$ 26,724
Cash paid for claims	(20,556)	(113,044)	(48,010)	(24,587)	(6,575)	(427,555)	(48,126)	(24,458)	(27,640)
Cash paid for insurance	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(178)	(1,679)	111	281	(221)	1,211	(635)	(1,234)	(56)
Cash paid for dividends	-	-	-	-	(25,674)	(147,510)	-	-	-
Net cash provided by (used in) operating activities	8,839	17,870	4,366	7,245	6,029	15,022	(136,888)	9,791	(972)
<b>Cash flows from investing activities:</b>									
Investment income received	1,696	1,946	298	959	2,602	27,270	5,390	2,445	272
Net investment (purchases) sales	(2,897)	(11,468)	(3,709)	(3,857)	1,877	62,419	144,035	(1,417)	1,591
Net cash provided by (used in) investing activities	(1,201)	(9,522)	(3,411)	(2,898)	4,479	89,689	149,425	1,028	1,863
Net increase (decrease) in cash and cash equivalents	7,638	8,348	955	4,347	10,508	104,711	12,537	10,819	891
Cash and cash equivalents, beginning of year	4,252	4,083	306	2,268	6,288	65,830	17,595	6,214	637
Cash and cash equivalents, end of year	\$ 11,890	\$ 12,431	\$ 1,261	\$ 6,615	\$ 16,796	\$ 170,541	\$ 30,132	\$ 17,033	\$ 1,528
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (26,596)	\$ (28,392)	\$ (42,871)	\$ (4,736)	\$ 89	\$ (167,993)	\$ (66,307)	\$ 48,400	\$ 15,984
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
(Increase) decrease in:									
Member receivable	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-
(Decrease) increase in:									
Accounts payable	(178)	(1,679)	111	281	(221)	1,211	(635)	(1,234)	(56)
Unearned revenue	-	-	-	8,309	-	-	(115,039)	(11,671)	-
Unpaid claims and claim adjustment expenses	35,613	47,941	47,126	3,391	6,161	181,804	45,093	(25,704)	(16,900)
Net cash provided by (used in) operating activities	\$ 8,839	\$ 17,870	\$ 4,366	\$ 7,245	\$ 6,029	\$ 15,022	\$ (136,888)	\$ 9,791	\$ (972)
Supplemental information:									
Noncash non-operating and investing activities									
Net change in fair value of investments	\$ (2,084)	\$ (2,459)	\$ (391)	\$ (1,198)	\$ (3,243)	\$ (33,831)	\$ (6,380)	\$ (3,008)	\$ (325)

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows - Liability  
For the Fiscal Year Ended June 30, 2018**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Cash flows from operating activities:</b>										
Cash received from members	\$ 116,619	\$ 115,154	\$ 83,072	\$ 32,765	\$ 68,806	\$ 48,515	\$ 33,042	\$ 202,053	\$ 25,582	\$ 144,479
Cash paid for claims	(21,072)	(80,167)	(78,961)	(5,140)	(78,166)	(19,763)	(45,959)	(217,072)	(50,159)	(83,757)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(171)	(262)	(829)	(832)	3,026	(180)	1,654	(5,203)	-	(571)
Cash paid for dividends	-	-	(42,261)	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	95,376	34,725	(38,979)	26,793	(6,334)	28,572	(11,263)	(20,222)	(24,577)	60,151
<b>Cash flows from investing activities:</b>										
Investment income received	1,331	6,744	5,233	3,037	4,670	5,049	893	6,574	935	9,807
Net investment (purchases) sales	(84,158)	(8,996)	50,663	(16,490)	20,248	(10,790)	12,583	37,114	25,519	(24,638)
Net cash provided by (used in) investing activities	(82,827)	(2,252)	55,896	(13,453)	24,918	(5,741)	13,476	43,688	26,454	(14,831)
Net increase (decrease) in cash and cash equivalents	12,549	32,473	16,917	13,340	18,584	22,831	2,213	23,466	1,877	45,320
Cash and cash equivalents, beginning of year	1,317	18,261	13,543	6,645	12,299	12,564	2,206	16,394	2,918	24,684
Cash and cash equivalents, end of year	\$ 13,866	\$ 50,734	\$ 30,460	\$ 19,985	\$ 30,883	\$ 35,395	\$ 4,419	\$ 39,860	\$ 4,795	\$ 70,004
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 59,655	\$ (130,366)	\$ (33,320)	\$ 6,665	\$ 108,907	\$ 25,785	\$ (44,698)	\$ 59,547	\$ (14,730)	\$ 67,352
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
(Increase) decrease in:										
Member receivable	-	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:										
Accounts payable	(171)	(262)	(829)	(832)	3,026	(180)	1,654	(5,203)	-	(571)
Unearned revenue	32,953	33,055	(30,408)	-	15,885	34,463	(6,311)	(1,700)	(3,914)	22,435
Unpaid claims and claim adjustment expenses	2,939	132,298	25,578	20,960	(134,152)	(31,496)	38,092	(72,866)	(5,933)	(29,065)
Net cash provided by (used in) operating activities	\$ 95,376	\$ 34,725	\$ (38,979)	\$ 26,793	\$ (6,334)	\$ 28,572	\$ (11,263)	\$ (20,222)	\$ (24,577)	\$ 60,151
Supplemental information:										
Noncash non-operating and investing activities										
Net change in fair value of investments	\$ (1,760)	\$ (8,184)	\$ (6,447)	\$ (3,835)	\$ (5,700)	\$ (6,236)	\$ (1,105)	\$ (8,005)	\$ (1,091)	\$ (12,023)

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Net Position – Workers’ Compensation**  
**June 30, 2018**

	<b>Total</b>			
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 2,963,791	\$ 39,092	\$ 1,463,192	\$ 1,461,507
Accounts Receivable	72,513	-	-	72,513
Interest Receivable	132,591	1,674	65,134	65,783
Excess Accounts Receivable	356,583	-	356,583	-
Prepaid Expense	20,990	20,990	-	-
<b>Total Current Assets</b>	<b>3,546,468</b>	<b>61,756</b>	<b>1,884,909</b>	<b>1,599,803</b>
<b>Non-Current Assets</b>				
Investments*	40,553,057	534,795	20,020,187	19,998,075
<b>Total Assets</b>	<b>\$ 44,099,525</b>	<b>\$ 596,551</b>	<b>\$ 21,905,096</b>	<b>\$ 21,597,878</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 15,074	\$ 11,761	\$ 1,669	\$ 1,644
Unearned Revenue	704,489	-	187,045	517,444
<b>Total Current Liabilities</b>	<b>719,563</b>	<b>11,761</b>	<b>188,714</b>	<b>519,088</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	30,172,292	-	17,037,424	13,134,868
ULAE*	1,774,312	-	1,001,903	772,409
<b>Total Non-Current Liabilities</b>	<b>31,946,604</b>	<b>-</b>	<b>18,039,327</b>	<b>13,907,277</b>
<b>Total Liabilities</b>	<b>\$ 32,666,167</b>	<b>\$ 11,761</b>	<b>\$ 18,228,041</b>	<b>\$ 14,426,365</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Designated for Risk	342,820	342,820	-	-
Undesignated	10,990,538	141,970	3,677,055	7,171,513
<b>Total Net Position</b>	<b>11,433,358</b>	<b>584,790</b>	<b>3,677,055</b>	<b>7,171,513</b>
<b>Liability &amp; Net Position</b>	<b>\$ 44,099,525</b>	<b>\$ 596,551</b>	<b>\$ 21,905,096</b>	<b>\$ 21,597,878</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 29,719	\$ 63,695	\$ 12,335	\$ 22,730	\$ 69,141	\$ 137,908	\$ 353,057	\$ 67,296	\$ 36,541	\$ 3,392	\$ 10,728
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	1,340	2,932	571	993	3,222	5,983	16,561	2,917	1,574	170	517
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>31,059</b>	<b>66,627</b>	<b>12,906</b>	<b>23,723</b>	<b>72,363</b>	<b>143,891</b>	<b>369,618</b>	<b>70,213</b>	<b>38,115</b>	<b>3,562</b>	<b>11,245</b>
<b>Non-Current Assets</b>											
Investments*	406,653	871,636	168,799	310,978	946,199	1,886,734	4,831,794	920,695	499,910	46,439	146,830
<b>Total Assets</b>	<b>\$ 437,712</b>	<b>\$ 938,263</b>	<b>\$ 181,705</b>	<b>\$ 334,701</b>	<b>\$ 1,018,562</b>	<b>\$ 2,030,625</b>	<b>\$ 5,201,412</b>	<b>\$ 990,908</b>	<b>\$ 538,025</b>	<b>\$ 50,001</b>	<b>\$ 158,075</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 29	\$ 56	\$ 12	\$ 22	\$ 78	\$ 39	\$ 472	\$ 91	\$ 40	\$ 8	\$ 22
Unearned Revenue	-	8,206	20,583	52,733	78,005	-	-	76,398	-	2,185	-
<b>Total Current Liabilities</b>	<b>29</b>	<b>8,262</b>	<b>20,595</b>	<b>52,755</b>	<b>78,083</b>	<b>39</b>	<b>472</b>	<b>76,489</b>	<b>40</b>	<b>2,193</b>	<b>22</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	346,554	609,905	167,427	121,227	301,534	1,155,474	2,684,987	778,286	132,479	29,308	32,642
ULAE*	20,379	35,866	9,846	7,129	17,732	67,949	157,893	45,768	7,791	1,724	1,920
<b>Total Non-Current Liabilities</b>	<b>366,933</b>	<b>645,771</b>	<b>177,273</b>	<b>128,356</b>	<b>319,266</b>	<b>1,223,423</b>	<b>2,842,880</b>	<b>824,054</b>	<b>140,270</b>	<b>31,032</b>	<b>34,562</b>
<b>Total Liabilities</b>	<b>\$ 366,962</b>	<b>\$ 654,033</b>	<b>\$ 197,868</b>	<b>\$ 181,111</b>	<b>\$ 397,349</b>	<b>\$ 1,223,462</b>	<b>\$ 2,843,352</b>	<b>\$ 900,543</b>	<b>\$ 140,310</b>	<b>\$ 33,225</b>	<b>\$ 34,584</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	70,750	284,230	(16,163)	153,590	621,213	807,163	2,358,060	90,365	397,715	16,776	123,491
<b>Total Net Position</b>	<b>70,750</b>	<b>284,230</b>	<b>(16,163)</b>	<b>153,590</b>	<b>621,213</b>	<b>807,163</b>	<b>2,358,060</b>	<b>90,365</b>	<b>397,715</b>	<b>16,776</b>	<b>123,491</b>
<b>Liability &amp; Net Position</b>	<b>\$ 437,712</b>	<b>\$ 938,263</b>	<b>\$ 181,705</b>	<b>\$ 334,701</b>	<b>\$ 1,018,562</b>	<b>\$ 2,030,625</b>	<b>\$ 5,201,412</b>	<b>\$ 990,908</b>	<b>\$ 538,025</b>	<b>\$ 50,001</b>	<b>\$ 158,075</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
June 30, 2018**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 81,322	\$ 39,147	\$ 11,618	\$ 31,022	\$ 45,060	\$ 47,137	\$ 81,525	\$ 17,367	\$ 139,840	\$ 22,061	\$ 138,866
Accounts Receivable	-	-	-	72,513	-	-	-	-	-	-	-
Interest Receivable	3,609	1,786	606	1,317	1,945	2,179	3,458	758	6,082	970	6,293
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>84,931</b>	<b>40,933</b>	<b>12,224</b>	<b>104,852</b>	<b>47,005</b>	<b>49,316</b>	<b>84,983</b>	<b>18,125</b>	<b>145,922</b>	<b>23,031</b>	<b>145,159</b>
<b>Non-Current Assets</b>											
Investments*	1,112,676	535,681	159,078	424,375	616,460	645,056	1,115,258	237,611	1,913,186	301,838	1,900,189
<b>Total Assets</b>	<b>\$ 1,197,607</b>	<b>\$ 576,614</b>	<b>\$ 171,302</b>	<b>\$ 529,227</b>	<b>\$ 663,465</b>	<b>\$ 694,372</b>	<b>\$ 1,200,241</b>	<b>\$ 255,736</b>	<b>\$ 2,059,108</b>	<b>\$ 324,869</b>	<b>\$ 2,045,348</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ (108)	\$ 73	\$ 19	\$ 53	\$ 73	\$ 41	\$ 71	\$ 17	\$ 162	\$ 29	\$ 345
Unearned Revenue	177,218	-	-	61,876	-	-	-	117	-	40,123	-
<b>Total Current Liabilities</b>	<b>177,110</b>	<b>73</b>	<b>19</b>	<b>61,929</b>	<b>73</b>	<b>41</b>	<b>71</b>	<b>134</b>	<b>162</b>	<b>40,152</b>	<b>345</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	525,645	384,975	179,291	467,252	584,748	477,640	1,119,500	142,234	1,250,792	57,665	1,585,303
ULAE*	30,911	22,639	10,543	27,477	34,387	28,088	65,833	8,364	73,554	3,391	93,225
<b>Total Non-Current Liabilities</b>	<b>556,556</b>	<b>407,614</b>	<b>189,834</b>	<b>494,729</b>	<b>619,135</b>	<b>505,728</b>	<b>1,185,333</b>	<b>150,598</b>	<b>1,324,346</b>	<b>61,056</b>	<b>1,678,528</b>
<b>Total Liabilities</b>	<b>\$ 733,666</b>	<b>\$ 407,687</b>	<b>\$ 189,853</b>	<b>\$ 556,658</b>	<b>\$ 619,208</b>	<b>\$ 505,769</b>	<b>\$ 1,185,404</b>	<b>\$ 150,732</b>	<b>\$ 1,324,508</b>	<b>\$ 101,208</b>	<b>\$ 1,678,873</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	463,941	168,927	(18,551)	(27,431)	44,257	188,603	14,837	105,004	734,600	223,661	366,475
<b>Total Net Position</b>	<b>463,941</b>	<b>168,927</b>	<b>(18,551)</b>	<b>(27,431)</b>	<b>44,257</b>	<b>188,603</b>	<b>14,837</b>	<b>105,004</b>	<b>734,600</b>	<b>223,661</b>	<b>366,475</b>
<b>Liability &amp; Net Position</b>	<b>\$ 1,197,607</b>	<b>\$ 576,614</b>	<b>\$ 171,302</b>	<b>\$ 529,227</b>	<b>\$ 663,465</b>	<b>\$ 694,372</b>	<b>\$ 1,200,241</b>	<b>\$ 255,736</b>	<b>\$ 2,059,108</b>	<b>\$ 324,869</b>	<b>\$ 2,045,348</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)**

**Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Fiscal Year Ended June 30, 2018**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Operating Income</b>				
Administration Deposit	\$ 707,582	\$ 707,582	\$ -	\$ -
Banking Layer Deposit	6,235,730	-	-	6,235,730
Shared Risk Layer	3,233,000	-	3,233,000	-
Excess Deposit/Premium	1,471,041	-	1,471,041	-
Banking Layer Assessment	188,760	-	-	188,760
Shared Risk Refund	(781,002)	-	(781,002)	-
Banking Layer Refund	(1,291,556)	-	-	(1,291,556)
Risk Management Grants	200,382	200,382	-	-
Other Income	101,606	-	-	101,606
<b>Total Operating Income</b>	<b>10,065,543</b>	<b>907,964</b>	<b>3,923,039</b>	<b>5,234,540</b>
<b>Operating Expenses</b>				
Claims Paid	6,190,561	-	1,656,437	4,534,124
O/S Liability adj.	1,232,983	-	974,097	258,886
ULAE	87,681	-	65,706	21,975
Consultants	21,444	21,444	-	-
Safety Service	234,519	234,519	-	-
Claims Administration	805,115	237,771	-	567,344
Program Administration	187,622	187,622	-	-
Board Expenses	5,316	5,316	-	-
Excess Insurance	1,461,475	-	1,461,475	-
Contingency Reserves	11,793	11,793	-	-
<b>Total Operating Expenses</b>	<b>10,238,509</b>	<b>698,465</b>	<b>4,157,715</b>	<b>5,382,329</b>
<b>Operating Income (Loss)</b>	<b>(172,966)</b>	<b>209,499</b>	<b>(234,676)</b>	<b>(147,789)</b>
<b>Non-Operating Income</b>				
Change in Fair Market Value	(778,560)	(9,556)	(377,456)	(391,548)
Investment Income	592,222	7,744	288,431	296,047
<b>Total Non-Operating Income</b>	<b>(186,338)</b>	<b>(1,812)</b>	<b>(89,025)</b>	<b>(95,501)</b>
<b>Change in Net Position</b>	<b>(359,304)</b>	<b>207,687</b>	<b>(323,701)</b>	<b>(243,290)</b>
<b>Beginning Net Position</b>	<b>11,792,662</b>	<b>377,103</b>	<b>4,000,756</b>	<b>7,414,803</b>
<b>Ending Net Position</b>	<b>\$ 11,433,358</b>	<b>\$ 584,790</b>	<b>\$ 3,677,055</b>	<b>\$ 7,171,513</b>

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation**  
**For the Fiscal Year Ended June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	182,838	221,035	65,090	51,672	312,987	671,632	1,041,036	297,383	69,235	9,536	71,944
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	(8,206)	(20,583)	(52,733)	(178,005)	-	(662,804)	(7,879)	-	(11,511)	(32,621)
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	18,282	-	-
Total Operating Income	182,838	212,829	44,507	(1,061)	134,982	671,632	378,232	289,504	87,517	(1,975)	39,323
Operating Expenses											
Claims Paid	177,557	86,461	33,430	1,087	99,950	367,481	705,485	277,636	51,397	14,513	100,018
O/S Liability adj.	(66,936)	197,337	85,463	23,384	(34,404)	(91,907)	(116,673)	100,630	52,651	8,512	(66,166)
ULAE	(3,719)	11,821	5,069	1,426	(1,847)	(4,751)	(5,392)	6,273	3,138	511	(3,839)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	18,406	19,768	6,982	6,713	19,228	43,316	116,358	28,829	5,798	1,267	6,240
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	125,308	315,387	130,944	32,610	82,927	314,139	699,778	413,368	112,984	24,803	36,253
Operating Income (Loss)	57,530	(102,558)	(86,437)	(33,671)	52,055	357,493	(321,546)	(123,864)	(25,467)	(26,778)	3,070
Non-Operating Income											
Change in Fair Market Value	(7,943)	(16,522)	(3,640)	(5,669)	(19,060)	(33,877)	(102,424)	(16,719)	(9,222)	(1,240)	(3,351)
Investment Income	6,134	13,008	2,742	4,314	14,670	25,571	75,507	12,702	7,043	835	2,404
Total Non-Operating Income	(1,809)	(3,514)	(898)	(1,355)	(4,390)	(8,306)	(26,917)	(4,017)	(2,179)	(405)	(947)
Change in Net Position	55,721	(106,072)	(87,335)	(35,026)	47,665	349,187	(348,463)	(127,881)	(27,646)	(27,183)	2,123
Beginning Net Position	15,029	390,302	71,172	188,616	573,548	457,976	2,706,523	218,246	425,361	43,959	121,368
Ending Net Position	\$ 70,750	\$ 284,230	\$ (16,163)	\$ 153,590	\$ 621,213	\$ 807,163	\$ 2,358,060	\$ 90,365	\$ 397,715	\$ 16,776	\$ 123,491

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation**  
**For the Fiscal Year Ended June 30, 2018**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Operating Income</b>											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	310,853	150,639	85,236	189,468	241,951	138,663	478,530	80,452	529,246	118,587	917,717
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	72,513	37,141	-	51,214	-	-	-	27,892
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	(177,218)	(26,958)	(6,946)	-	-	(65,852)	-	(117)	-	(40,123)	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	83,324	-	-
<b>Total Operating Income</b>	<b>133,635</b>	<b>123,681</b>	<b>78,290</b>	<b>261,981</b>	<b>279,092</b>	<b>72,811</b>	<b>529,744</b>	<b>80,335</b>	<b>612,570</b>	<b>78,464</b>	<b>945,609</b>
<b>Operating Expenses</b>											
Claims Paid	140,692	228,991	158,696	287,111	183,928	84,245	302,421	48,880	392,061	49,591	742,493
O/S Liability adj.	130,867	(83,141)	(56,085)	(435,285)	(32,533)	111,160	179,823	63,808	116,180	(27,908)	200,109
ULAE	7,903	(4,644)	(3,175)	(25,124)	(1,589)	6,729	11,067	3,793	7,427	(1,596)	12,494
Consultants	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	23,030	26,082	7,973	24,542	25,906	20,496	39,531	10,506	48,030	5,261	63,082
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>302,492</b>	<b>167,288</b>	<b>107,409</b>	<b>(148,756)</b>	<b>175,712</b>	<b>222,630</b>	<b>532,842</b>	<b>126,987</b>	<b>563,698</b>	<b>25,348</b>	<b>1,018,178</b>
<b>Operating Income (Loss)</b>	<b>(168,857)</b>	<b>(43,607)</b>	<b>(29,119)</b>	<b>410,737</b>	<b>103,380</b>	<b>(149,819)</b>	<b>(3,098)</b>	<b>(46,652)</b>	<b>48,872</b>	<b>53,116</b>	<b>(72,569)</b>
<b>Non-Operating Income</b>											
Change in Fair Market Value	(21,869)	(11,076)	(4,179)	(7,428)	(11,079)	(13,410)	(19,898)	(4,501)	(34,584)	(5,665)	(38,192)
Investment Income	16,601	8,133	2,941	5,583	8,549	9,938	15,629	3,414	26,604	4,317	29,408
<b>Total Non-Operating Income</b>	<b>(5,268)</b>	<b>(2,943)</b>	<b>(1,238)</b>	<b>(1,845)</b>	<b>(2,530)</b>	<b>(3,472)</b>	<b>(4,269)</b>	<b>(1,087)</b>	<b>(7,980)</b>	<b>(1,348)</b>	<b>(8,784)</b>
<b>Change in Net Position</b>	<b>(174,125)</b>	<b>(46,550)</b>	<b>(30,357)</b>	<b>408,892</b>	<b>100,850</b>	<b>(153,291)</b>	<b>(7,367)</b>	<b>(47,739)</b>	<b>40,892</b>	<b>51,768</b>	<b>(81,353)</b>
<b>Beginning Net Position</b>	<b>638,066</b>	<b>215,477</b>	<b>11,806</b>	<b>(436,323)</b>	<b>(56,593)</b>	<b>341,894</b>	<b>22,204</b>	<b>152,743</b>	<b>693,708</b>	<b>171,893</b>	<b>447,828</b>
<b>Ending Net Position</b>	<b>\$ 463,941</b>	<b>\$ 168,927</b>	<b>\$ (18,551)</b>	<b>\$ (27,431)</b>	<b>\$ 44,257</b>	<b>\$ 188,603</b>	<b>\$ 14,837</b>	<b>\$ 105,004</b>	<b>\$ 734,600</b>	<b>\$ 223,661</b>	<b>\$ 366,475</b>

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Cash Flows – Workers’ Compensation**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Cash flows from operating activities:</b>				
Cash received from members	\$ 11,340,578	\$ 907,964	\$ 4,151,240	\$ 6,281,374
Cash paid for claims	(6,220,372)	-	(1,686,248)	(4,534,124)
Cash paid for insurance	(1,461,475)	-	(1,461,475)	-
Cash paid to vendors	(1,282,801)	(715,361)	(43)	(567,397)
Cash (paid) received for dividends	(1,232,240)	-	(369,680)	(862,560)
Net cash provided by (used in) operating activities	<u>1,143,690</u>	<u>192,603</u>	<u>633,794</u>	<u>317,293</u>
<b>Cash flows from investing activities:</b>				
Investment income received	643,612	7,712	312,244	323,656
Net investment (purchases) sales	(642,092)	(177,614)	(377,623)	(86,855)
Net cash provided by (used in) investing activities	<u>1,520</u>	<u>(169,902)</u>	<u>(65,379)</u>	<u>236,801</u>
Net increase (decrease) in cash and cash equivalents	1,145,210	22,701	568,415	554,094
Cash and cash equivalents, beginning of year	1,818,581	16,391	894,777	907,413
Cash and cash equivalents, end of year	<u>\$ 2,963,791</u>	<u>\$ 39,092</u>	<u>\$ 1,463,192</u>	<u>\$ 1,461,507</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (172,966)	\$ 209,499	\$ (234,676)	\$ (147,789)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	40,130	-	-	40,130
Excess receivable	(29,811)	-	(29,811)	-
Prepaid expense	(20,990)	(20,990)	-	-
(Decrease) increase in:				
Accounts payable	3,999	4,094	(42)	(53)
Unearned revenue	2,665	-	(141,479)	144,144
Unpaid claims and claim adjustment expenses	1,320,663	-	1,039,802	280,861
Net cash provided by (used in) operating activities	<u>\$ 1,143,690</u>	<u>\$ 192,603</u>	<u>\$ 633,794</u>	<u>\$ 317,293</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ (778,560)</u>	<u>\$ (9,556)</u>	<u>\$ (377,456)</u>	<u>\$ (391,548)</u>

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Cash Flows – Workers’ Compensation  
For the Fiscal Year Ended June 30, 2018**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
<b>Cash flows from operating activities:</b>											
Cash received from members	\$ 182,838	\$ 206,545	\$ 62,803	\$ 51,672	\$ 312,987	\$ 671,632	\$ 1,041,036	\$ 365,902	\$ 87,517	\$ (17,601)	\$ 32,192
Cash paid for claims	(177,557)	(86,461)	(33,430)	(1,087)	(99,950)	(367,481)	(705,485)	(277,636)	(51,397)	(14,513)	(100,018)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(18,407)	(19,770)	(6,983)	(6,714)	(19,230)	(43,321)	(116,372)	(28,831)	(5,799)	(1,267)	(6,241)
Cash paid for dividends	-	-	-	-	(100,000)	-	(662,804)	-	-	-	-
Net cash provided by (used in) operating activities	(13,126)	100,314	22,390	43,871	93,807	260,830	(443,625)	59,435	30,321	(33,381)	(74,067)
<b>Cash flows from investing activities:</b>											
Investment income received	6,584	13,477	2,930	4,643	15,382	27,821	84,664	13,900	7,650	1,062	2,939
Net investment (purchases) sales	16,972	(85,950)	(19,807)	(38,228)	(79,630)	(226,461)	470,461	(45,885)	(23,150)	32,143	71,929
Net cash provided by (used in) investing activities	23,556	(72,473)	(16,877)	(33,585)	(64,248)	(198,640)	555,125	(31,985)	(15,500)	33,205	74,868
Net increase (decrease) in cash and cash equivalents	10,430	27,841	5,513	10,286	29,559	62,190	111,500	27,450	14,821	(176)	801
Cash and cash equivalents, beginning of year	19,289	35,854	6,822	12,444	39,582	75,718	241,557	39,846	21,720	3,568	9,927
Cash and cash equivalents, end of year	\$ 29,719	\$ 63,695	\$ 12,335	\$ 22,730	\$ 69,141	\$ 137,908	\$ 353,057	\$ 67,296	\$ 36,541	\$ 3,392	\$ 10,728
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 57,530	\$ (102,558)	\$ (86,437)	\$ (33,671)	\$ 52,055	\$ 357,493	\$ (321,546)	\$ (123,864)	\$ (25,467)	\$ (26,778)	\$ 3,070
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	(1)	(2)	-	(1)	(2)	(5)	(14)	(2)	(1)	-	(1)
Unearned revenue	-	(6,284)	18,296	52,733	78,005	-	-	76,398	-	(15,626)	(7,131)
Unpaid claims and claim adjustment expenses	(70,655)	209,158	90,531	24,810	(36,251)	(96,658)	(122,065)	106,903	55,789	9,023	(70,005)
Net cash provided by (used in) operating activities	\$ (13,126)	\$ 100,314	\$ 22,390	\$ 43,871	\$ 93,807	\$ 260,830	\$ (443,625)	\$ 59,435	\$ 30,321	\$ (33,381)	\$ (74,067)
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (7,943)	\$ (16,522)	\$ (3,640)	\$ (5,669)	\$ (19,060)	\$ (33,877)	\$ (102,424)	\$ (16,719)	\$ (9,222)	\$ (1,240)	\$ (3,351)

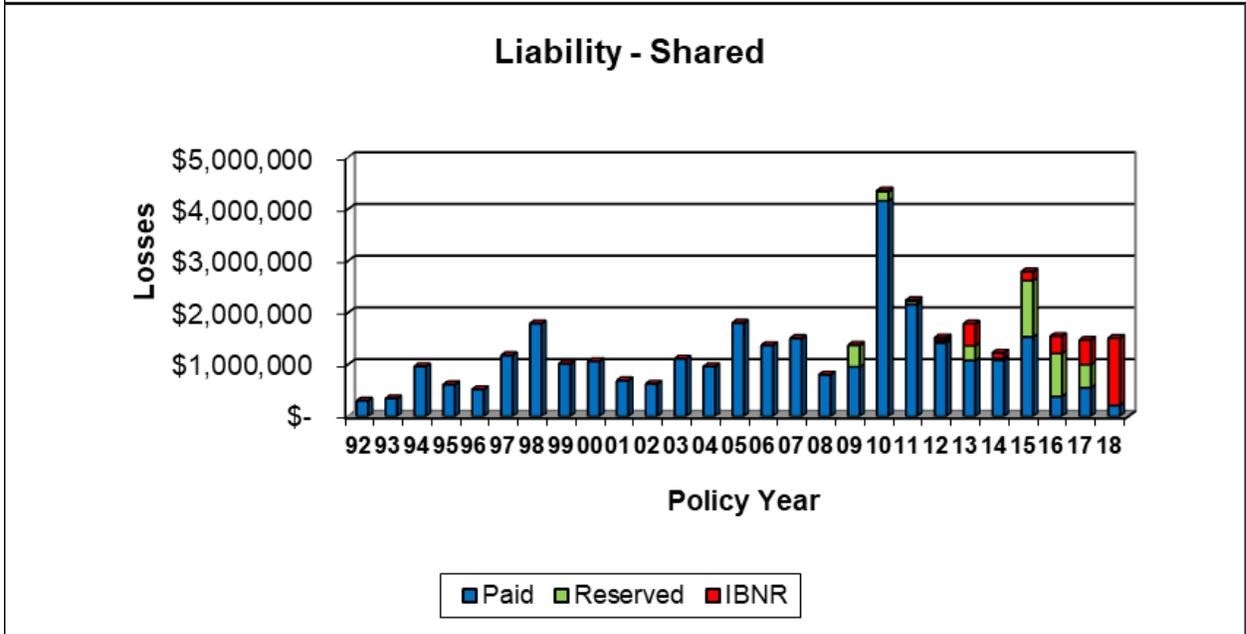
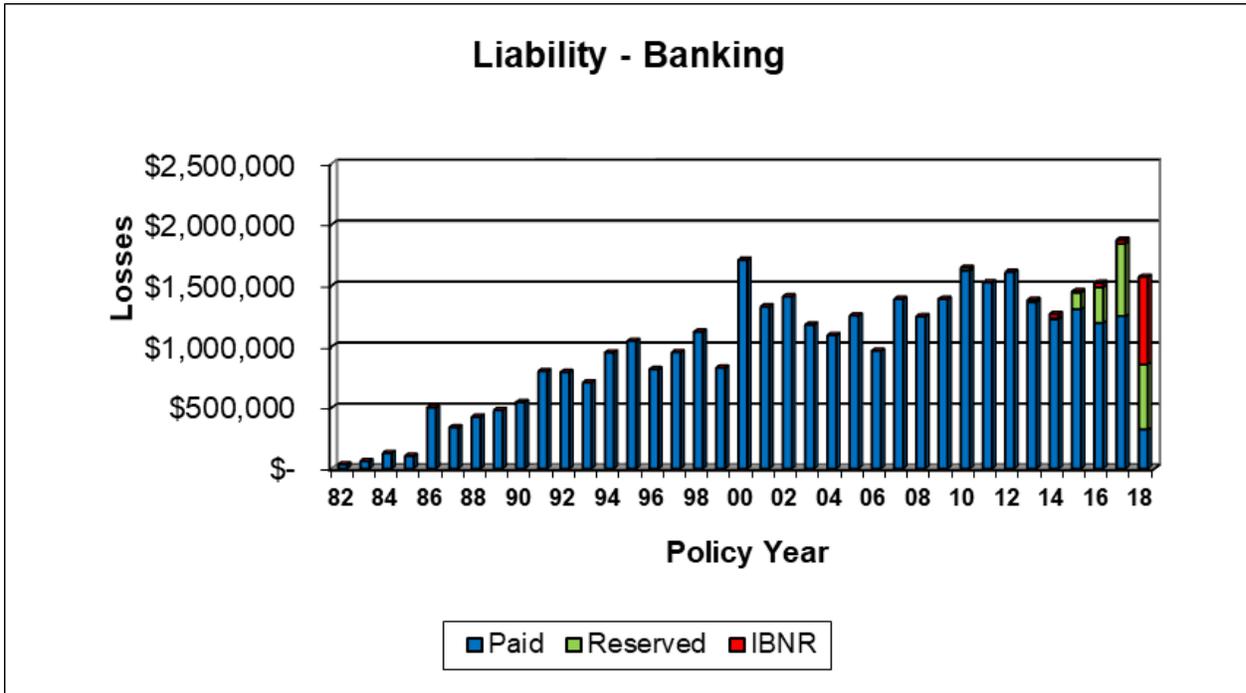
**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Cash Flows – Workers’ Compensation**  
**For the Fiscal Year Ended June 30, 2018**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Cash flows from operating activities:</b>											
Cash received from members	\$ 148,869	\$ 150,639	\$ 85,236	\$ 315,868	\$ 284,902	\$ 138,663	\$ 529,744	\$ 56,515	\$ 611,970	\$ 57,141	\$ 904,304
Cash paid for claims	(140,692)	(228,991)	(158,696)	(287,111)	(183,928)	(84,245)	(302,421)	(48,880)	(392,061)	(49,591)	(742,493)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(23,033)	(26,083)	(7,973)	(24,543)	(25,908)	(20,498)	(39,534)	(10,507)	(48,035)	(5,261)	(63,087)
Cash paid for dividends	-	(26,958)	(6,946)	-	-	(65,852)	-	-	-	-	-
Net cash provided by (used in) operating activities	(14,856)	(131,393)	(88,379)	4,214	75,066	(31,932)	187,789	(2,872)	171,874	2,289	98,724
<b>Cash flows from investing activities:</b>											
Investment income received	18,086	9,528	3,538	6,339	9,165	11,044	16,270	3,778	28,643	4,738	31,475
Net investment (purchases) sales	26,212	130,733	85,348	1,120	(64,343)	36,945	(165,856)	5,399	(141,410)	1,235	(74,632)
Net cash provided by (used in) investing activities	44,298	140,261	88,886	7,459	(55,178)	47,989	(149,586)	9,177	(112,767)	5,973	(43,157)
Net increase (decrease) in cash and cash equivalents	29,442	8,868	507	11,673	19,888	16,057	38,203	6,305	59,107	8,262	55,567
Cash and cash equivalents, beginning of year	51,880	30,279	11,111	19,349	25,172	31,080	43,322	11,062	80,733	13,799	83,299
Cash and cash equivalents, end of year	\$ 81,322	\$ 39,147	\$ 11,618	\$ 31,022	\$ 45,060	\$ 47,137	\$ 81,525	\$ 17,367	\$ 139,840	\$ 22,061	\$ 138,866
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ (168,857)	\$ (43,607)	\$ (29,119)	\$ 410,737	\$ 103,380	\$ (149,819)	\$ (3,098)	\$ (46,652)	\$ 48,872	\$ 53,116	\$ (72,569)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	-	14,223	25,907	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	(3)	(1)	(1)	(1)	(1)	(2)	(4)	(1)	(5)	-	(5)
Unearned revenue	15,234	-	-	39,664	(20,097)	-	-	(23,820)	(600)	(21,323)	(41,305)
Unpaid claims and claim adjustment expenses	138,770	(87,785)	(59,259)	(460,409)	(34,123)	117,889	190,891	67,601	123,607	(29,504)	212,603
Net cash provided by (used in) operating activities	\$ (14,856)	\$ (131,393)	\$ (88,379)	\$ 4,214	\$ 75,066	\$ (31,932)	\$ 187,789	\$ (2,872)	\$ 171,874	\$ 2,289	\$ 98,724
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (21,869)	\$ (11,076)	\$ (4,179)	\$ (7,428)	\$ (11,079)	\$ (13,410)	\$ (19,898)	\$ (4,501)	\$ (34,584)	\$ (5,665)	\$ (38,192)

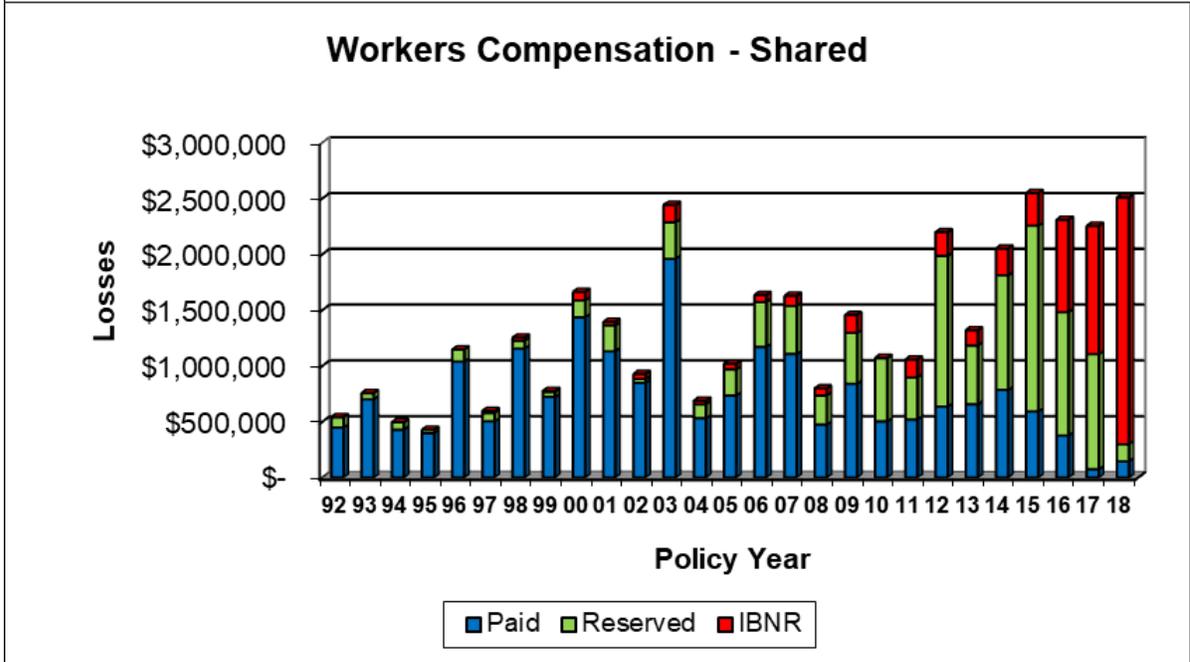
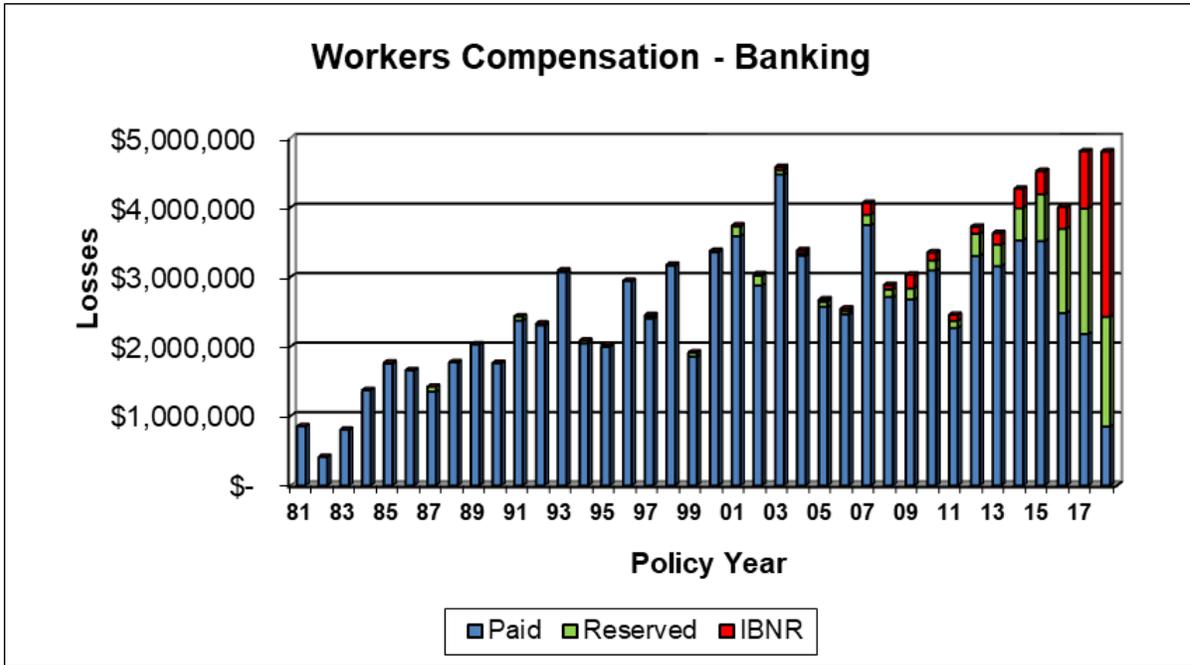
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of June 30, 2018 and June 30, 2017**

	Liability Banking 2018	Liability Shared Risk 2018	Total Liability Program		WC Banking 2018	WC Shared Risk 2018	Total WC Program		Totals	
			2018	2017			2018	2017	2018	2017
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,158,551	\$ 5,224,752	\$ 7,383,303	\$ 9,946,575	\$ 13,626,420	\$ 16,999,526	\$ 30,625,946	\$ 29,798,449	\$ 38,009,249	\$ 39,745,024
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,571,037	1,508,393	3,079,430	3,062,804	4,804,680	2,468,948	7,273,628	7,275,432	10,353,058	10,338,236
Increases (Decreases) in provision for insured events of prior fiscal years	120,610	284,320	404,930	(1,236,867)	(11,670)	161,587	149,917	(927,061)	554,847	(2,163,928)
Change in provision for ULAE in current year	-	-	-	-	21,975	65,705	87,680	79,550	87,680	79,550
Total incurred claims and claim adjustment expenses	<u>1,691,647</u>	<u>1,792,713</u>	<u>3,484,360</u>	<u>1,825,937</u>	<u>4,814,985</u>	<u>2,696,240</u>	<u>7,511,225</u>	<u>6,427,921</u>	<u>10,995,585</u>	<u>8,253,858</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	321,874	207,838	529,712	587,291	851,331	145,009	996,340	1,012,697	1,526,052	1,599,988
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	1,098,890	490,895	1,589,785	3,801,918	3,682,793	1,511,430	5,194,223	4,587,727	6,784,008	8,389,645
Total Payments	<u>1,420,764</u>	<u>698,733</u>	<u>2,119,497</u>	<u>4,389,209</u>	<u>4,534,128</u>	<u>1,656,439</u>	<u>6,190,567</u>	<u>5,600,424</u>	<u>8,310,064</u>	<u>9,989,633</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,429,434</u>	<u>\$ 6,318,732</u>	<u>\$ 8,748,166</u>	<u>\$ 7,383,303</u>	<u>\$ 13,907,277</u>	<u>\$ 18,039,327</u>	<u>\$ 31,946,604</u>	<u>\$ 30,625,946</u>	<u>\$ 40,694,770</u>	<u>\$ 38,009,249</u>
Claims Liability	\$ 2,429,434	\$ 6,318,732	\$ 8,748,166	\$ 7,383,303	\$ 13,134,868	\$ 17,037,424	\$ 30,172,292	\$ 28,939,316	\$ 38,920,458	\$ 36,322,619
Claims ULAE	-	-	-	-	772,409	1,001,903	1,774,312	1,686,630	1,774,312	1,686,630
Total Claim Liabilities	<u>\$ 2,429,434</u>	<u>\$ 6,318,732</u>	<u>\$ 8,748,166</u>	<u>\$ 7,383,303</u>	<u>\$ 13,907,277</u>	<u>\$ 18,039,327</u>	<u>\$ 31,946,604</u>	<u>\$ 30,625,946</u>	<u>\$ 40,694,770</u>	<u>\$ 38,009,249</u>

**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of June 30, 2018**



**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of June 30, 2018**



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2018**

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 1,272,680	\$ 707,582	\$ 565,098	\$ 1,272,680	\$ 707,582	\$ 565,098	\$ -	0%	\$ -	\$ -
44030 Change in Fair Value - See Note 2	-	-	-	(16,252)	(9,556)	(6,696)	16,252		9,556	6,696
44040 Interest Income - See Note 2	-	-	-	12,419	7,743	4,676	(12,419)		(7,743)	(4,676)
44080 Risk Management Grants - See Note 6	-	-	-	200,382	200,382	-	(200,382)		(200,382)	-
Total Admin Revenue	\$ 1,272,680	\$ 707,582	\$ 565,098	\$ 1,469,229	\$ 906,151	\$ 563,078	\$ (196,549)	-15%	\$ (198,569)	\$ 2,020
<b>Administrative Expenses</b>										
52101 Claims Audit	\$ 7,500	\$ -	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	0%	\$ -	\$ -
52102 Financial Audit	26,622	13,311	13,311	26,622	13,311	13,311	-	0%	-	-
52103 Legal Services	17,000	2,000	15,000	9,433	1,109	8,324	7,567	45%	891	6,676
52104 Actuarial Services	12,340	5,170	7,170	9,780	4,098	5,682	2,560	21%	1,072	1,488
52106 CAJPA Accreditation	4,500	2,250	2,250	5,850	2,925	2,925	(1,350)	-30%	(675)	(675)
52109 Misc Consulting / Contingency	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 72,962	\$ 25,231	\$ 47,731	\$ 59,185	\$ 21,443	\$ 37,742	\$ 13,777	19%	\$ 3,788	\$ 9,989
<b>Safety Services</b>										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 9,128	\$ 4,564	\$ 4,564	\$ 20,872	70%	\$ 10,436	\$ 10,436
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	1,611	806	805	(111)	-7%	(56)	(55)
52203 Police Risk Mgmt Comm Training	7,900	3,950	3,950	1,471	736	735	6,429	81%	3,214	3,215
52204 Bickmore Risk Management Services	168,820	94,910	73,910	176,720	99,351	77,369	(7,900)	-5%	(4,441)	(3,459)
52207 Member Training and Risk Management	88,000	50,000	38,000	32,643	18,619	14,024	55,357	63%	31,381	23,976
52208 Lexipol Police Manual Updates & DTBs	132,546	15,903	116,643	123,563	14,473	109,090	8,983	7%	1,430	7,553
52209 Police Risk Management Funds	50,000	25,000	25,000	44,228	22,114	22,114	5,772	12%	2,886	2,886
54200 Safety Grant Fund - See Note 3	-	-	-	73,857	73,857	-	(73,857)		(73,857)	-
Total Safety Services Expenses	\$ 478,766	\$ 205,513	\$ 273,253	\$ 463,221	\$ 234,520	\$ 228,701	\$ 15,545	3%	\$ (29,007)	\$ 44,552

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2018**

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>ADMIN BUDGET CONTINUED</b>										
<b>Claims Administration</b>										
52302 Claims Administration Fee	\$ 50,600	\$ 29,700	\$ 20,900	\$ 50,600	\$ 29,700	\$ 20,900	\$ -	0%	\$ -	\$ -
52304 State Funding/Fraud Assessment	225,667	225,667	-	208,071	208,071	-	17,596	8%	17,596	-
Total Claims Admin Expenses	\$ 276,267	\$ 255,367	\$ 20,900	\$ 258,671	\$ 237,771	\$ 20,900	\$ 17,596	6%	\$ 17,596	\$ -
<b>Program Administration</b>										
52401 Program Administration and Brokerage Fee	\$ 303,505	\$ 137,957	\$ 165,548	\$ 303,505	\$ 137,957	\$ 165,548	\$ -	0%	\$ -	\$ -
52403 Accounting Services	99,330	49,665	49,665	99,330	49,665	49,665	-	0%	-	-
Total Program Admin Expenses	\$ 402,835	\$ 187,622	\$ 215,213	\$ 402,835	\$ 187,622	\$ 215,213	\$ -	0%	\$ -	\$ -
<b>Board Expenses</b>										
52500 Board of Directors Long Range Planning Session	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,515	\$ 758	\$ 757	\$ 485	24%	\$ 242	\$ 243
52501 Executive Committee	2,500	1,250	1,250	546	273	273	1,954	78%	977	977
52502 Executive Committee Member Travel	4,000	2,000	2,000	1,548	774	774	2,452	61%	1,226	1,226
52503 Board of Directors Meetings (includes Travel)	8,000	4,000	4,000	4,998	2,499	2,499	3,002	38%	1,501	1,501
52504 Association Memberships	4,000	2,000	2,000	2,026	1,013	1,013	1,974	49%	987	987
Total Board Expenses	\$ 20,500	\$ 10,250	\$ 10,250	\$ 10,633	\$ 5,317	\$ 5,316	\$ 9,867	48%	\$ 4,933	\$ 4,934
<b>Other Administration Expenses - Not identified with above budget line items</b>										
52001 Administration Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		\$ -	\$ -
52900 Member Identity Theft Protection	11,800	11,800	-	11,793	11,793	-	7	0%	7	-
Total Other Admin	\$ 11,800	\$ 11,800	\$ -	\$ 11,793	\$ 11,793	\$ -	\$ 7	0%	\$ 7	\$ -
<b>Total Admin Expenses</b>	<b>\$ 1,263,130</b>	<b>\$ 695,783</b>	<b>\$ 567,347</b>	<b>\$ 1,206,338</b>	<b>\$ 698,466</b>	<b>\$ 507,872</b>	<b>\$ 56,792</b>	<b>4%</b>	<b>\$ (2,683)</b>	<b>\$ 59,475</b>
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	<b>\$ 9,550</b>	<b>\$ 11,799</b>	<b>\$ (2,249)</b>	<b>\$ 262,891</b>	<b>\$ 207,685</b>	<b>\$ 55,206</b>	<b>\$ (253,341)</b>		<b>\$ (195,886)</b>	<b>\$ (57,455)</b>

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2018**

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>BANKING LAYER BUDGET</b>										
<b>Banking Layer Revenue</b>										
41020 Banking Layer Deposit - See Note 1	\$ 8,158,729	\$ 6,235,730	\$ 1,922,999	\$ 8,158,729	\$ 6,235,730	\$ 1,922,999	\$ -	0%	\$ -	\$ -
44030 Change in Fair Value - See Note 2	-	-	-	(498,853)	(391,548)	(107,305)	498,853		391,548	107,305
44040 Interest Income - See Note 2	-	-	-	376,061	296,048	80,013	(376,061)		(296,048)	(80,013)
Total Banking Layer Revenue	\$ 8,158,729	\$ 6,235,730	\$ 1,922,999	\$ 6,635,770	\$ 5,139,040	\$ 1,496,730	\$ 1,522,959	19%	\$ 1,096,690	\$ 426,269
<b>Banking Layer Expenses</b>										
51100 Claims Expense - See Note 4	\$ 5,830,000	\$ 4,001,000	\$ 1,829,000	\$ 5,525,171	\$ 4,534,125	\$ 991,046	\$ 304,829	5%	\$ (533,125)	\$ 837,954
51135 Claims Admin - Liability - See Note 4	-	-	-	429,722	-	429,722	(429,722)		-	(429,722)
51400 OS Liability Adjustment - See Note 4	-	-	-	529,766	258,885	270,881	(529,766)		(258,885)	(270,881)
51800 ULAE Adjustment - See Note 4	-	-	-	21,975	21,975	-	(21,975)		(21,975)	-
52300 Claims Admin - Monthly WC Only - See Note 4	706,000	706,000	-	567,345	567,345	-	138,655	20%	138,655	-
Total Banking Layer Expenses	\$ 6,536,000	\$ 4,707,000	\$ 1,829,000	\$ 7,073,979	\$ 5,382,330	\$ 1,691,649	\$ (537,979)	-8%	\$ (675,330)	\$ 137,351
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	\$ 1,622,729	\$ 1,528,730	\$ 93,999	\$ (438,209)	\$ (243,290)	\$ (194,919)	\$ 2,060,938		\$ 1,772,020	\$ 288,918

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2018**

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>SHARED RISK LAYER BUDGET</b>										
<b>Shared Layer Revenue</b>										
41030 Shared Risk Layer Deposit - See Note 1	\$ 5,187,000	\$ 3,233,000	\$ 1,954,000	\$ 5,187,000	\$ 3,233,000	\$ 1,954,000	\$ -	0%	\$ -	\$ -
41040 Excess Deposit/Premium - See Note 1	2,632,368	1,471,041	1,161,327	2,632,368	1,471,041	1,161,327	-	0%	-	-
44020 Excess Insurance Refund - See Note 3	-	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(518,131)	(377,456)	(140,675)	518,131		377,456	140,675
44040 Interest Income	-	-	-	395,316	288,430	106,886	(395,316)		(288,430)	(106,886)
44060 Property Premium - See Note 1	861,478	-	861,478	861,478	-	861,478	-	0%	-	-
44070 Crime Premium - See Note 1	51,447	-	51,447	51,447	-	51,447	-	0%	-	-
Total Shared Layer Revenue	<u>\$ 8,732,293</u>	<u>\$ 4,704,041</u>	<u>\$ 4,028,252</u>	<u>\$ 7,828,476</u>	<u>\$ 3,834,013</u>	<u>\$ 3,994,463</u>	<u>\$ 903,817</u>	<u>10%</u>	<u>\$ 870,028</u>	<u>\$ 33,789</u>
<b>Shared Layer Expenses</b>										
51100 Claims Expense	\$ 5,206,000	\$ 3,829,000	\$ 1,377,000	\$ 4,488,953	\$ 2,696,240	\$ 1,792,713	\$ 717,047	14%	\$ 1,132,760	\$ (415,713)
54100 Excess Deposit/Premium Exp - See Note 5	2,632,368	1,471,041	1,161,327	2,628,365	1,461,475	1,166,890	4,003	0%	9,566	(5,563)
54150 Member Property Coverage - See Note 5	861,478	-	861,478	861,484	-	861,484	(6)	0%	-	(6)
54150 Member Crime Coverage - See Note 5	51,447	-	51,447	51,447	-	51,447	-	0%	-	-
Total Shared Layer Expenses	<u>\$ 8,751,293</u>	<u>\$ 5,300,041</u>	<u>\$ 3,451,252</u>	<u>\$ 8,030,249</u>	<u>\$ 4,157,715</u>	<u>\$ 3,872,534</u>	<u>\$ 721,044</u>	<u>8%</u>	<u>\$ 1,142,326</u>	<u>\$ (421,282)</u>
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	<b>\$ (19,000)</b>	<b>\$ (596,000)</b>	<b>\$ 577,000</b>	<b>\$ (201,773)</b>	<b>\$ (323,702)</b>	<b>\$ 121,929</b>	<b>\$ 182,773</b>		<b>\$ (272,298)</b>	<b>\$ 455,071</b>
<b>OTHER INCOME/(EXPENSE)</b>										
Rounding	-	-	-	(3)	3	(6)	3		(3)	6
Total Other Income/(Expense)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ 3</u>	<u>\$ (6)</u>	<u>\$ 3</u>		<u>\$ (3)</u>	<u>\$ 6</u>
<b>TOTAL INCOME/(EXPENSE)</b>	<b>\$ 1,613,279</b>	<b>\$ 944,529</b>	<b>\$ 668,750</b>	<b>\$ (377,094)</b>	<b>\$ (359,304)</b>	<b>\$ (17,790)</b>	<b>\$ 1,990,373</b>		<b>\$ 1,303,833</b>	<b>\$ 686,540</b>

**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of June 30, 2018**

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**1. Revenue Recognition**

The budget presents revenue to be earned during the entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the amount earned by the organization, year-to-date.

**2. Investment Income**

No budget is developed for the Change in Fair Value and Interest Income amounts, as it is difficult to predict the yield on the organization's portfolio.

**3. CJPRMA Refund**

For budgeting purposes, the CJPRMA refund is recorded in the year following its approval. In accordance with the accrual basis of accounting, the refund to the organization is recorded on the books in the period it was declared.

**4. Claims Expenses**

Claims related expenses are budgeted based on the estimated claims expense for the year. Claims related expenses are recorded on the books in several additional categories. Review of the budget to actual performance of claims related items should take this into consideration.

**5. Insurance Expense Recognition**

The budget presents excess and other insurance expense based on the policy fee paid for entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the portion of the policy used by the organization, year-to-date. The remainder of the policy fee paid, but not used to date is recorded in Prepaid Expenses on the Statement of Net Position, as applicable.

**Northern California Cities Self Insurance Fund  
Risk Management Reserves Historic Usage Report  
As of June 30, 2018**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	Risk Management Reserve Fund elected to be retained in WC admin by members from their WC shared refund							Total funds available FY 2009 - FY 2017 for Risk Management	Total Disbursements Paid through Last Update	Risk Management Reserve Funds Available
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2017				
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ -	\$ -	\$ 41,036.00	\$ 31,355.00	\$ 9,681.00
Auburn	6,397.00	-	-	8,098.00	-	-	-	16,672.00	31,167.00	6,397.00	24,770.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	-	-	-	17,737.00	17,737.00	-
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	-	-	-	23,772.00	23,772.00	-
Dixon	6,592.00	-	-	-	10,379.00	-	10,602.00	-	27,573.00	11,762.47	15,810.53
Elk Grove	-	-	-	-	-	-	-	-	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	57,693.00	117,055.00	410,088.00	361,297.37	48,790.63
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	16,586.00	-	92,343.00	84,412.00	7,931.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	6,614.00	-	37,284.00	6,144.00	31,140.00
Ione	-	-	-	-	-	514.00	-	-	514.00	-	514.00
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	4,285.00	-	16,909.00	5,500.00	11,409.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	10,078.00	-	45,901.00	24,969.00	20,932.00
Marysville	6,758.00	-	-	-	-	-	-	13,095.00	19,853.00	731.00	19,122.00
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	4,275.00	-	15,454.00	13,001.00	2,453.00
Oroville	7,633.00	-	-	-	-	-	12,309.00	-	19,942.00	17,412.50	2,529.50
Placerville	6,883.00	-	-	-	-	9,048.00	-	-	15,931.00	6,883.00	9,048.00
Paradise	7,182.00	-	-	-	-	-	-	-	7,182.00	7,182.00	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	-	-	44,982.00	44,982.00	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	-	-	19,113.00	15,602.50	3,510.50
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	22,851.00	51,560.00	204,017.00	118,471.80	85,545.20
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	7,156.00	2,000.00	27,447.00	25,448.00	1,999.00
Yuba City	8,607.00	-	-	22,184.00	-	-	-	-	30,791.00	30,791.00	-
	\$ 145,238.00	\$ 151,576.00	\$ 88,017.00	\$ 174,207.00	\$ 145,635.00	\$ 91,532.00	\$ 152,449.00	\$ 200,382.00	\$ 1,149,036.00	\$ 853,850.64	\$ 295,185.36

Schedule includes payments made through June 30, 2018.

**Northern California Cities Self Insurance Fund  
Police Risk Management Grants Historic Usage Report  
As of June 30, 2018**

Member	Police Risk Management Grant Funds			Total funds granted FY 2015 - FY 2017 for Police Risk Management	Total Disbursements Paid through Last Update	Police Risk Management Grant Funds Available
	FY 2015	FY 2016	FY 2017			
Anderson	\$1,515.00	\$1,515.00	\$ 1,515.00	\$ 4,545.00	\$ -	\$ 4,545.00
Auburn	3,030.00	3,030.00	3,030.00	9,090.00	9,309.74	(219.74)
Colusa	1,515.00	1,515.00	1,515.00	4,545.00	3,030.00	1,515.00
Corning	1,515.00	1,515.00	1,515.00	4,545.00	3,291.26	1,253.74
Dixon	3,030.00	3,030.00	3,030.00	9,090.00	8,994.38	95.62
Elk Grove	3,030.00	3,030.00	3,030.00	9,090.00	9,090.00	-
Folsom	3,787.50	3,787.50	3,788.00	11,363.00	7,576.00	3,787.00
Galt	3,030.00	3,030.00	3,030.00	9,090.00	-	9,090.00
Gridley	1,515.00	1,515.00	1,515.00	4,545.00	4,543.26	1.74
Ione	1,515.00	1,515.00	1,515.00	4,545.00	3,391.87	1,153.13
Jackson	1,515.00	1,515.00	1,515.00	4,545.00	-	4,545.00
Lincoln	3,030.00	3,030.00	3,030.00	9,090.00	6,548.50	2,541.50
Marysville	2,272.50	2,272.50	2,273.00	6,818.00	4,919.87	1,898.13
Nevada City	1,515.00	1,515.00	1,515.00	4,545.00	4,545.00	-
Oroville	3,030.00	3,030.00	3,030.00	9,090.00	7,234.00	1,856.00
Placerville	2,272.50	2,272.50	2,273.00	6,818.00	3,970.32	2,847.68
Paradise	1,515.00	1,515.00	1,515.00	4,545.00	4,545.00	-
Red Bluff	2,272.50	2,272.50	2,273.00	6,818.00	4,545.00	2,273.00
Rio Vista	1,515.00	1,515.00	1,515.00	4,545.00	4,241.15	303.85
Rocklin	3,030.00	3,030.00	3,030.00	9,090.00	6,516.24	2,573.76
Willows	1,515.00	1,515.00	1,515.00	4,545.00	-	4,545.00
Yuba City	3,030.00	3,030.00	3,030.00	9,090.00	6,060.00	3,030.00
	<u>\$ 49,995.00</u>	<u>\$ 49,995.00</u>	<u>\$ 49,997.00</u>	<u>\$ 149,987.00</u>	<u>\$ 102,351.59</u>	<u>\$ 47,635.41</u>

Schedule includes payments made through June 30, 2018.

<b>Designated for Risk Management</b>	
Risk Management Reserves	\$ 295,185
Police Risk Management Grants	<u>47,635</u>
Total	<u>\$ 342,820</u>

**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Angelo, Kilday & Kilduff 601 University Avenue, Suite 150 Sacramento, CA 95825 (916) 564-6100	Bruce A. Kilday Carolee Kilduff Serena Sanders Carrie McFadden Kevin Dehoff Amie McTavish	Police Liability, General Liability, Auto, Personnel, Heavy Trial Experience
Ayres & Associates 930 Executive Way, Suite 200 Redding, CA 96002 (530) 229-1340	William Ayres	Dangerous Condition, Auto, General Liability, Environmental Liability
Bertrand, Fox, Elliott et al 2749 Hyde Street San Francisco, CA 94109 (415) 353-0999	Eugene Elliott	
Caulfield Law Firm 1101 Investment Blvd., Suite 120 El Dorado Hills, CA 95762 (916) 933-3200	Rich Caulfield Andrew Caulfield	Same as above, with Construction Defect, Heavy to Medium Trial Experience
Donahue Davies LLP 1 Natoma Street Folsom, CA 95630 (916) 817-2900	Robert E Davies Brian Haydon	
Gregory P. Einhorn 48 Hanover Lane, Suite 2 Chico, CA 95973 (530) 898-0228	Gregory P. Einhorn  <i>Use for Willows as needed</i>	Employment Law, General Liability, Municipal
Kronick, Moskovitz Tiedemann & Girard 400 Capitol Mall, 27 <sup>th</sup> Floor Sacramento, CA 95814	Christopher Onstott Bruce A. Scheidt * Maggie Stern  David W. Tyra	Civil Rights, California Fair Employment and Housing, Tort Claims, California Public Records  Employment Practices

**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Peters, Habib, McKenna Juhl-Rhodes & Cardoza, LLP P.O. Box 3509 Chico, CA 95927 (530) 342-3593	Dave Rush Mark Habib Jim McKenna Lia Juhl	Dangerous Condition, Police Liability, General Liability, Auto, Good Trial Experience
Porter Scott P.O. Box 255428 Sacramento, CA 95865 (916) 929-1481 Fax: (916) 927-3706	Nancy Sheehan John Whitefleet Kevin Kreutz Terry Cassidy Carl L. Fessenden Steve Horan Russell Porter	Police, Civil Rights, Dangerous Condition, Inverse Condemnation, Auto, General Liability, Heavy to Light Trial Experience
Matheny Sears Linkert & Jaime, LLP 3638 American River Drive Sacramento, CA 95864 (916) 978-3434 Fax: (916) 978-3430	Matthew Jaime Douglas Sears Richard Linkert Michael Bishop	
The Law Office of Justin N. Tierney 2000 U Street Sacramento, CA 95814 (916) 451-3426	Justin N. Tierney	Dangerous Condition, Auto, Medium Trial Experience
The Law Office of James A. Wyatt 2130 Eureka Way Redding, CA 96001 (530) 244-6060 P.O. Box 992338 Redding, CA 96099-2338	James A. Wyatt	Dangerous Condition, Civil Rights, Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience
Murphy, Campbell, Alliston & Quinn, PLC. 8801 Folsom Boulevard, Suite 230 Sacramento, CA 95826 (916) 400-2300	Stephanie L. Quinn	Auto, Wrongful Deaths, Slip and falls, Fire and Trespassing Experience

**NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A - LIABILITY  
Approved List of Counsel**

<b>Name of Law Firm</b>	<b>Attorneys</b>	<b>Areas of Expertise</b>
Cota Cole LLP 2261 Lava Ridge Court Roseville, CA 95661 (916) 780-9009	Dennis Cota Derek Cole Daniel King	Land Use, civil rights, environmental issues.
Allen, Glaessner, Hazelwood, Werth 180 Montgomery Street, Ste. 1200 San Francisco, CA 94104 (415) 697-2000	Dale Allen Mark Hazelwood Steve Werth	Police liability, ADA, sidewalk, employment practices, general municipal liability
Arthofer and Tonkin, Attorneys At Law 1267 Willis Street Redding, CA 96001 (530) 722-9002	Kenneth Arthofer Griffith Tonkin	Public entity, injury, real estate
Randall Harr 44282 Highway 299 East McArthur, CA 96056 (530) 336-5656 rlh@randallharrlaw.com	Randall Harr	
Lenahan, Lee, Slater, Pearse & Majernik LLP 2542 River Plaza Drive Sacramento, CA 95833 (916) 443-1030	Charleton S. Pearse Benjamin D. Oram, Esq. Adam Ambrozy	Dangerous Condition and Vicarious Liability cases

\* *Bruce A. Scheidt will be used only as respects the Eaton vs. Rocklin litigation.*

**Revision Date: September 27, 2018**



NCCSIF.org

Northern California Cities Self Insurance Fund - A Joint Powers Authority



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# NCCSIF

2018 Liability Claims Audit Summary

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## EXECUTIVE SUMMARY

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NCCSIF is a governmental risk sharing pool, created in 1979 and comprised of 22 Members. NCCSIF is governed by a Board appointed by its Member entities. In addition to the Board of Directors, the pool has a Claims Committee, Risk Management Committee and a Police Risk Management Committee.

Overall, the 2018 liability claims audit reveals that most claim files (66%) meet standard liability claim practices in all categories. Some of those files exceed standard practices, meeting “exceeds” or “best practices” standards. The audit showed consistent proper written and oral communication on claims between the Members, York Risk Services Group staff and NCCSIF staff, including reporting and communication on “Critical Incident” cases that pose significant exposure to the pool, before a claim or lawsuit is presented to the Member (which meets industry “Best Practices”). In some areas, communication channels could be improved, and there are areas for improvement in other areas, as discussed below.

Files exhibit strong litigation management protocols, consistently making good settlement decisions. I found only one file that did not have a litigation budget from defense counsel, which is an exceptional result.

One issue, for NCCSIF to consider, that carries across all types of claims and departments, involves automatic rejection of every claim after 45 days. I find no exceptions to this policy. Most public agencies have abandoned this practice for a variety of reasons:

- *There is no need to send formal notice of rejection after 45 days, except to start the tolling period for filing suit.*
- *Treating claims that pose no liability exposure the same as those that are pose clear liability, makes no sense.*
- *Unrepresented claimants talk to people about their claims, and they will undoubtedly get feedback from relatives, friends, neighbors and coworkers that they need an attorney to protect against the rejection notice.*
- *It can needlessly force cases into litigation.*
- *Plaintiff attorneys read into the automatic rejection that they can't deal with claim adjusters and need to file suit to get any traction on the claim.*

It is usually better that each case be evaluated on its merits after a proper evaluation. If a claimant is dragging out a case unnecessarily, then the formal rejection after 45 days can be sent with an explanation that you are willing to discuss settlement, but need to put a time limit on the case to protect your entity. Verbal and written communication with a claimant is also recommended in advance of the rejection letter, explaining the reason behind sending the notice.

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## STATISTICAL DATA

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### Member Data (from Audited Files only)

A total of 75 files were examined on-line through the York CMIS system. Of these, 15 files were closed within the previous six months of the audit; sixty (60) were open files (of which 10 were in the process of closing).

MEMBER	NUMBER OF CLAIMS
Anderson	3
Auburn	7
Colusa	2
Corning	2
Dixon	0
Elk Grove	0
Folsom	22
Galt	4
Gridley	1
Ione	1
Jackson	0
Lincoln	4
Marysville	5
Nevada City	0
Oroville	2
Paradise	1
Placerville	0
Red Bluff	3
Rio Vista	3
Rocklin	8
Willows	1
Yuba City	6
<b>TOTAL</b>	<b>75</b>

**DEPARTMENTAL ANALYSIS** *(Including ADA & EPL Claims)*

<b>DEPARTMENT</b>	<b>ACTIVITY</b>	<b>NUMBER</b>
<b>POLICE</b>	Shooting	4
	Taser/Hands On	5
	Other Civil Rights	6
	Auto/Pursuit	3
	Employment Practices	2
	Miscellaneous	1
<b>Sub-Total</b>		<b>21</b>
<b>PUBLIC WORKS</b>	Roads	12
	Sidewalks	9
	Miscellaneous	16
	Employment Practices	1
	ADA Discrimination	1
	<b>Sub-Total</b>	
<b>ADMINISTRATION</b>	Miscellaneous	3
	Employment Practices	1
	ADA Discrimination	1
	<b>Sub-Total</b>	
<b>PARKS &amp; RECREATION</b>	Miscellaneous	6
	Employment Practices	1
	<b>Sub-Total</b>	
<b>FIRE</b>	Miscellaneous	1
	<b>Sub- Total</b>	
<b>TRANSIT</b>	Passenger	2
	<b>Sub-Total</b>	
<b>GRAND TOTAL</b>		<b>75</b>

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## LOSSES BY KEY DEPARTMENTS

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### **PUBLIC WORKS/ENGINEERING:**

Thirty-nine (39) of the seventy-five (75) audited claims fall within this department. Public Works and Engineering claims typically account for the most frequent claims with cities, and they often carry high exposure, especially due to Proposition 51 and Inverse Condemnation exposures on certain types of claims.

- Frequency of claims is on the rise in recent years due, in part, to driver and pedestrian distraction over cell phones and other technology issues.

Fourteen (14) of thirty-nine (39) audited files failed to meet one or more significant indicators of standard claim handling requirements (which represents 36% of the public works audited files), the most prevalent area involving sidewalk trip and fall claims (typically the most common lawsuits filed against cities).

- In my experience, most cities have added a “Sidewalk Liability Ordinance” in their ordinances, following the San Jose model.
- This ordinance typically reduces sidewalk trip and fall claim exposures by 50%. NCCSIF may want to lobby Members to consider passing such an ordinance.

The audit results indicate that fronting property owners on sidewalk claims are often not identified and/or claims tendered to them to reduce the member exposure. Examples include:

- Lujan vs Galt; Curtis vs Lincoln; Ortega vs Yuba City; Hutton vs Yuba City (bicycle accident on the sidewalk); Marquez vs Colusa; Solomon vs Red Bluff; Harrison v Rio Vista (Rio Vista has an ordinance but did not follow the San Jose model, so it is ineffective); Palmer vs Folsom; and Brown vs Folsom.

In another case, Gregory vs Folsom, (a flooding claim that involves multiple residential claims), each claimant is handled as a separate claim though they involve the same flooding incident on the same date, in the same neighborhood.

- NCCSIF may want to consider handling these multiple claims as a single occurrence, subject to a single SIR/deductible (research with other JPA’s may be helpful on this issue).
- The file notes that additional investigation is needed on this claim, but that investigation does not appear to be underway. The case may go into litigation without proper investigation and risk transfer being performed. Konrad v Auburn similarly lacks a completed investigation and risk transfer attempts.

Schut vs Folsom shows excellent initial work on a fatal road accident, including hiring defense counsel early to assist with case analysis and provide attorney/client privilege. However, slow incident reporting from Folsom to York resulted in failure to inspect the vehicles as part of the defense investigation, and I see no information on insurance on the responsible driver for this accident.

- Design immunity documents must be procured early to confirm we can pursue this possible defense, as well as, obtaining accident history at the accident location.

## **POLICE:**

Twenty-one (21) of the seventy-five (75) audited claims fall within this department. Police claims are typically the second leading cause of claims in frequency and severity, to Public Works. They also carry high severity exposures due to plaintiff attorney fees awards.

- Both frequency and severity are on the rise in recent years on police claims, making proper management more critical than in recent memory.
- Six (6) of the twenty-one (21) police claims audited failed to meet one or more significant indicators of standard claim handling requirements (which represents 29% of the audited police files), with the most frequent being low indemnity reserves.

Alexander vs Marysville is a very recent fatal shooting case and it appears there is little liability exposure, but that is based solely on preliminary and unconfirmed reports. There is an unrealistic \$2 indemnity reserve and follow-up is needed with the police department and the district attorney to confirm there is no liability exposure; additionally, a defense attorney might be necessary to provide attorney/client privilege on the investigation.

Hutchison vs Red Bluff involves the fatal shooting of two dogs, which can present a civil rights action. Excellent work is shown by getting involved before a claim is filed. I see no police report in the file, but this is a new case and it is not available yet. There may be some negative witnesses, and a \$1 indemnity reserve is not reflective of the potential exposure; which needs to be re-evaluated once the investigation and report are concluded.

Cruz vs Rocklin is a well-handled fatal shooting case, but a \$2 indemnity reserve is naïve due to: pressure from courts to settle, the current public perception we are finding with juries, and the potential for plaintiff attorney fees in the hundreds of thousands of dollars for even a minimum, nuisance value finding by a jury.

Johnson vs Yuba City will likely result in a plaintiff verdict. An early settlement should be pursued, if possible. An evaluation from defense counsel may be helpful to the City in deciding how best to proceed.

Ybarra vs Yuba City involves a social media case from an edited video on Facebook of an officer striking a suspect in the face, multiple times. There are several unidentified potential witnesses that could be very helpful. This information may be in the police report, but it is not in the file. A more proactive approach might be helpful in evaluating this case and the \$2 indemnity pending reserve.

Bruce Kilday of Angelo, Kilday & Kilduf, defends many of the high exposure police cases due to his extensive experience in this field, and that experience is proving helpful in the early management and eventual resolution or trial of police cases.

There are on-going, national concerns that are adding exposure on police claims and require our attention:

- The rules and regulations for use of Body Cams by police departments is unclear until the Federal Courts and Department of Justice set those rules. We had the same experience with tasers over the last decade, with disastrous costs, until those rules and regulations were developed.
- An increasingly high percentage of police claims involve suspects with drugs, alcohol or mental illness, or a combination of the three. Jury verdicts seem to tell us police departments should succeed in dealing with these individuals where society has failed. Specific training of officers on these issues can help reduce these liability exposures, which seem to be growing in frequency and severity.

## **ADMINISTRATION** *(Including Employment Practices Liability):*

Six (6) of the seventy-five (75) audited claims fall in this category. EPL claims are of special concern because:

- They have a very high plaintiff verdict success ratio,
- Attorney fees are awarded to successful plaintiffs, and
- They are very expensive cases to defend due to exhaustive investigations, required experts, and the number of depositions involved.

One (1) of the six (6) cases, Corbett vs Galt (a Parks & Recreation claim), needs review for potential settlement.

- This case might be settled for a nominal amount, but it does not appear to be thoroughly investigated despite the moderate demand from plaintiff attorney and his cooperative attitude.
- The file documentation does not leave me confident of victory in trial.
- There should always be a cost evaluation of a possible settlement amount versus verdict potential analyzed by defense counsel, to help balance the risk on this case This is helpful in the City's evaluation and setting an action plan for this case.

## **OTHER DEPARTMENTS:**

Three (3) of the seven (7) audited Parks & Recreation files are missing basic claim documentation, including scene photos, witness contacts, and investigation of tender of defense potential.

- On example, Carraway vs Galt, involves a claim for alleged spinal injury to a middle school girl injured in cheerleading practice. Liability appears doubtful, but I see no investigation to confirm that the City is not involved in this matter, despite the claimant's representation and a possibly severe injury.
  - A CCP 1038 letter can be sent to plaintiff attorney, if unable to get the necessary information on this case.
  - Early tendering of the defense to the school district, and other potential codefendants is appropriate.

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## **OTHER KEY INDICATORS**

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### **Staffing Management:**

Cameron Dewey is the supervisor on the NCCSIF account. He has extensive public entity experience and is well qualified for the position. His presence is seen on all files. A number of adjusters are used on the account, with the more serious cases going to the senior adjusters. All adjusters appear to be knowledgeable with public entity claims and how best to investigation and defend the claims.

Caseloads for adjusters are in the 110 to 125 files per adjuster, which is a manageable level for field adjusters, though 120 is a better goal at high end, in my experience. There is an indication that caseloads may increase to 135 to 150 per adjuster.

- This could reduce the ability of adjusters to spend the time necessary in the field to complete through investigations, and with it, the adequate defense of claims would suffer. That is the common result of turning "field" adjusters into "desk" adjusters, which is what such heavy case load implies.
- For this reason, any increase in caseloads should be thoroughly addressed between NCCSIF and York before implementation of new cases loads is considered.

## **Reserving:**

Seventeen (17) of the seventy-five (75) files showed improper indemnity reserves; this is the most common criticism noted in the audit, and that is generally true in most claim audits. For example, a number of cases showed settlement evaluations calculated by defense counsel at numbers that were far higher than the indemnity case reserve on a file; or a CCP 998 or Rule 68 offer is being considered or has been filed with the court at a higher number than the indemnity reserve shows.

- Files should to be continuously reviewed for reserve adequacy any time action is taken on a case, or additional information is obtained.
- Many of the noted seventeen cases showed an indemnity reserve of \$1. This is especially inappropriate on police, EPL, inverse condemnation and Proposition 51 related claims because of their special, inherent exposures.
- Defense attorneys rarely advise that any of our cases have more than an 80% - 90% chance of bringing a defense verdict for the City.
- For this reason, indemnity reserves should be set at a number that reflects our chance of winning the case, after a full evaluation, compared to the potential settlement/verdict value.
- Expense reserves were consistently on the mark and need no further comment.

## **Litigation Management:**

A total of thirty-eight (38) of seventy-five (75) files are litigated cases (51%). None of the litigated files are handled by the City Attorney's office, and all are appropriately assigned to outside counsel. Litigation budgets were secured on all but one of the files, which is hitting a very high mark; additionally, most files show good monitoring to assure the initial budget was accurate and it is revised if the budget has been exceeded or appears it will be exceeded.

- The defense firms are doing a solid job defending Member lawsuits, providing timely reports, and communicate well with Member and York staff.
- I see a lot of different defense firms used on the audited files. I mention this only because consolidating the number of firms could assist in streamlining defense of cases with firms that become more familiar with the JPA's members, provide potential defense cost savings, and NCCSIF becoming a more important client with those firms, as part of the process.
- On a whole, the defense of litigated claims is well handled.
- The only possible concern is that on a few audited files, adjusters might be relying upon defense to make decisions on tactics on cases without any comments or communication from the Member or York. This includes a few files that appear to be idle, awaiting filing of suit, as noted above on a few cases.
- Evidence of communication with all key stakeholders and defense attorneys on the strategy of cases should be evident in all files.
- Additionally, for reserve purposes, it would be helpful to see defense evaluations as to a likely defense verdict, as well as, settlement evaluations becoming standard in the reports from defense counsel, so all stakeholders have a realistic view of the exposures on the litigated cases.
- It may also be helpful for department heads to attend mediations/settlement conferences, so they better understand the exposures that causes losses in their departments.

## **File Management:**

Files are generally well organized, and successfully meet the following standards:

- Timely Reporting.
- Diary Maintenance.
- Proper Notices.
- Reporting Requirements.
- Proper Disposition and Authority.

Results indicate the potential for improvement in the following areas:

- Adequate Claim Investigation (22% of audited files did not meet this requirement).  
This was found as an issue mostly on cases with limited loss severity and doubtful liability. However, it is always fortuitous as to which claims eventually prove to have higher than expected severity and liability.
- Defenses and Immunities Pursued (13% of audited files did not meet this requirement).  
This was especially noted as an issue on sidewalk trip and fall claims, as noted above.

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## **MEMBER REPORTING TO NCCSIF / YORK**

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Proper and timely reporting of claims to York was found in almost every case, and York's activity on claims started immediately upon receipt from the Member. Any variance was quite rare and not in need of comment.

- There is clear communication in both directions between the Members and York.
- There is also effective communication seen on appropriate files coming from the city departments to their risk management staff. This is especially important on "*Critical Incident*" cases and is practiced routinely in the audited files, which meets "*best practices*" industry standards.
- On police cases, there should also be effective communication between the Members and the County D.A.'s office. The D.A. can be of great assistance in pushing conviction on excess force arrests, which if successful, provides an excellent defense to the officers and department (per *Heck vs Humphrey*).
  - Providing defense counsel with authority to assist in communication and suggestions with the D.A. in obtaining that conviction, or a successful plea bargain on other issues based upon pleading to the excess force charges is well worth the cost. I believe this is being performed on police cases, but better documentation of that process should be apparent in the claim files.

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## **CASE MANAGEMENT AT THE EXCESS LEVEL**

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Cases that meet the reporting requirements are reported to NCCSIF, as seen in all audited files. They are sometimes reported even when they do not meet reporting requirements and a claim has not yet been filed, such as when special circumstances warrant a precautionary reporting.

- This approach meets "*best practices*" for proactive claims management, utilizing all resources to assist with strategy on high exposure cases.

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## CONCLUSION

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Unfortunately, we are in a cycle where the frequency and severity of claims against public entities are on the rise. The attitude of jurors has shifted over the last five or six years, especially as to police liability claims.

- Juries are giving higher awards to plaintiffs in all tort cases, not just police cases.
- For this reason, the climate for taking claims through trial is currently poor, with some types of cases being worse than others.
- Careful evaluation of cases is critical throughout the life of a claim, and we cannot necessarily expect the same results we seen in the past, at trial.

A proactive approach to managing claims is critical, as a reactionary approach leads to cases getting out of control and proceeding into litigation without proper investigation and preservation of defenses or evidence. Files generally show such a proactive approach, but a few additional suggestions appear appropriate:

- Tenders of defense need to be pushed harder than ever as codefendants (included carriers for our partners who add us as “additional insureds”) are resistive to any obligations to public entities these days, including public entity-to-public entity cases.
- Relying upon another defendant to set up and take responsibility is unlikely in this climate and must be taken into consideration in the evaluation of your claims. Settling around codefendants early in such cases can sometimes be an effective strategy.

Overall, this audit finds that claims are adjusted in a manner than generally meets standard requirements and in many cases, exceeds standard requirements.

An industry-wide challenge to find and train adjusters to replace retiring “baby-boomers” will continue as a challenge for both the private and public sectors. However, addressing the areas noted above will strengthen any claim program, so the program can work towards meeting overall “*best practices*” standards.

Sincerely,

**RICK BUYS, ARM**

*RICKBUYS.ARM@GMAIL.COM*

925-383-3100



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*Professional Risk Management Services”*



York Risk Services Group  
**P.O. Box 619058**  
**Roseville, CA 95661-9058**

September 19, 2018

Northern California Cities Self Insurance Fund  
Marcus Beverly, Alliant

Re: Response to Audit Results for NCCSIF – Risky Business Pros

Dear NCCSIF Board and Mr. Beverly,

This letter is in response to the Risky Business Pros audit report conducted in August 2018 for NCCSIF. We are pleased with the conclusion that we generally meet standard requirements and in many cases, exceed standard requirements. We have reviewed the audit findings and offer the following comments.

The auditor recommendations in blue are excerpts from the Audit Report that outline the auditor's comments. Each section in blue is followed by our comments, in black, in response to same:

There is no need to send formal notice of rejection after 45 days, except to start the tolling period for filing suit.

The current policy with NCCSIF is to issue formal notice of rejection after 45 days. We have found no empirical data to suggest that rejecting claims at 45 days brings increased litigation. In fact, our experience indicates that issuing the rejection keeps claims moving forward to resolution and allows the files to close quicker, thus reducing the overall expense of a claim. Our adjusters contact all claimants to discuss their claim. If there is exposure on behalf of the City, we advise the claimant that they will be receiving the rejection which sets the statute of limitations to either settle the claim or file a lawsuit within six months. While we support the policy to issue the notice of rejection because it caps the timeframe for claim resolution and moves files to closure expeditiously, we recommend NCCSIF review the policy and advise accordingly.

**Sidewalk Liability Ordinance:**

The auditor indicates that most cities have added a "Sidewalk Liability Ordinance" following the San Jose model. However, in the NCCSIF pool, only one city has this ordinance. Therefore, we are unable to

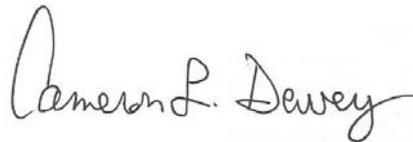
include the property owners in the claim. Our adjusters are trained to look at what caused the deviation fundamentally and then develop a proper course of action. If, for example, the tree roots from a City owned or maintained tree lifted the sidewalk, we are unable to bring in the adjacent property owner on a “premise liability” type claim. We believe that NCCSIF’s current policy prevents increased litigation by needlessly adding the property owner unless there is evidence of liability. We recommend NCCSIF review the current policy and advise whether additional cities will adopt the Sidewalk Liability Ordinance.

Reserving at \$1.00 and \$2.00 values.

The current policy with NCCSIF is to reserve files at \$1.00 and \$2.00 based on the investigation and exposure. We are more than happy to adjust the \$1.00 and \$2.00 reserving practice as directed by NCCSIF. We would like point out that the files referenced in the audit findings were investigation only and claims have not even been filed. We take a proactive approach with police involved shootings and reserve the file accordingly once an actual claim has been filed.

We appreciate our partnership with NCCSIF in administering the liability claims. We are dedicated to handling claims in accordance with NCCSIF’s policies and look forward to fulfilling our commitment in providing excellent service to the pool. Please let us know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Cameron P. Dewey". The signature is written in a cursive style with a large initial 'C'.

Cameron Dewey  
Senior Property Casualty Unit Manager

cc: Bettina Hooper  
Dori Zumwalt

The background of the top half of the page is a photograph of a modern glass building facade. The glass reflects the sky and other parts of the building. A person is visible walking on a balcony or walkway on the right side of the image. The text "Northern California Cities Self Insurance Fund" is overlaid in white on the right side of the image.

# Northern California Cities Self Insurance Fund

**2018 – 2019**

## **Alliant Deadly Weapon Response Program (ADWRP) Proposal**

Presented on June 28, 2018

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

<b>INSURED</b>	Northern California Cities Self Insurance Fund
<b>INSURANCE COMPANY:</b>	Beazley Syndicate 2623 And Certain Underwriters at Lloyd's of London
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2018 – July 1, 2019
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	Third Party Liability, Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
<b>LIMITS:</b>	
Per Claim	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
<b>DEDUCTIBLE:</b>	\$10,000
<b>RETROACTIVE DATE:</b>	Policy Inception
<b>SUB-LIMITS:</b>	<b>(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)</b>
	\$ 250,000 Crisis Management Services
	\$ 250,000 Counseling Services
	\$ 250,000 Funeral Expenses
	\$ 250,000 1 <sup>st</sup> Party Property Damage
	\$ 250,000 Business Interruption
	\$ 250,000 Demo/Clearance/ Memorialization
	\$ 10,000 Each Event including Claims Expenses

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

**ENDORSEMENTS:**

(Including But Not Limited To)

- Active Shooter & Security Vulnerability
- Active Shooter Safety Action Plan Seminar
- Crisis Management Services
- Property Damage Extension
- Counselling Services Sub-Limit
- Funeral Expenses Sub-Limit
- Reinsurers Liability Clause
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption

**EXCLUSIONS:**

(Including But Not Limited To)

- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Criminal, dishonest, fraudulent or malicious conduct by Named Insured
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Euthanasia
- Any explosive devices that may have been set-up prior to or after an Active Shooter Event
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Injury or death to any employees of any third party whom the Named insured has contracted for services.

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

**EXCLUSIONS - CONTINUED:**  
(Including But Not Limited To)

- Workers Compensation
- Employment Practices
- Attacks by electronic means
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter
- Chemical, biological, bio-chemical or electromagnetic weapon
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Mercy Killing(s)
- Cross Suits
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- Property Damage in care, custody or control of Named Insured or person under contract
- Punitive or exemplary damages, sanctions or additional damages
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

**ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:**

(Including But Not Limited To)

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

**ANNUAL PREMIUM:**

\$ 8,467.00	Premium
\$ 254.01	Surplus Lines Taxes
\$ <u>16.93</u>	Surplus Lines Fees
<b>\$ 8,737.94</b>	<b>Total Cost</b>

**DEFENSE INSIDE/OUTSIDE THE LIMITS:**

Inside

**MINIMUM EARNED PREMIUM:**

100% Minimum Earned Premium

**PROPOSAL VALID UNTIL:**

7/1/2018

**BINDING CONDITIONS:**

- Completed and Signed Request to Bind Coverage Form (See last page)
- Completed and Signed Surplus Lines Document(s) (Attached, if applicable)

**See Disclaimer Page for Important Notices and Acknowledgement**

## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## Other Disclosures / Disclaimers - Continued

### NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

## Other Disclosures / Disclaimers - Continued

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

### Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

## Other Disclosures / Disclaimers - Continued

### Commercial Property Coverage

**\*Property Co-insurance:** Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

## Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information. Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

## Request to Bind Coverage

### Northern California Cities Self Insurance Fund

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
<b>DEADLY WEAPON RESPONSE PROGRAM</b>	<input checked="" type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*



**Signature of Authorized Insurance Representative**



**Date**



**Title**



**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

**NOTICE:**

**1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**

**2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**

**3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**

**4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**

**5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**Date:** 06/29/18

**Insured:** 

**D-1 (Effective January 1, 2017)**



# Deadly Weapons in the Workplace



In addition to the tragic human costs associated with a deadly weapons attack, many organizations are also concerned about the financial impact associated with such events. While general liability, property and workers' compensation policies can respond meaningfully to such events, not all anticipated costs will be covered in every situation. These costs can be significant, and for this reason, the **Alliant Deadly Weapons Response Program** is designed to address uncovered expenses

### How and when does my General Liability policy respond?

General liability insurance is designed to cover financial loss when the insured is deemed negligent in causing or contributing to the injuries of a third party. It is not always immediately clear in a deadly weapons event if an employer or property owner was negligent in such situations. Further, general liability insurance is not designed to cover first-party expenses such as funeral costs, crisis management consultants, public relations expenses or immediate counseling of victims and their families, which can all arise from such an event.

### What about my property policy?

If your operations need to cease temporarily, or even permanently because of an event, your building must sustain direct physical damage in order for your commercial property policy to compensate you for lost revenue. Without physical damage, there still can be stigma associated with an event site which not only is hard to quantify, but also creates difficulty in continuing on as before, which a property policy is not designed to address.

In the modern world, threats come from many sources. One of the most difficult to defend against is the incursion of an armed individual intent on inflicting harm. Your organization may have a "duty of care" to maintain a secure environment for your staff, students, patients, visitors and the general public. In the event of a deadly attack, you could be liable for regulatory or civil actions.

There are significant challenges to securing places of business, particularly ones where visitors come and go frequently.

## INDUSTRIES EXPOSED

**Municipalities:** Counties, Cities, Townships

**Education:** Elementary Schools, High Schools, Universities

**Healthcare:** Hospitals, Nursing Homes, Clinics

**Hospitality:** Hotels, Resorts, Nightclubs

**Special events including:** Sports, Parades, Graduations, Rodeos, Concerts

**Retail:** Malls, Shopping Centers

**Religious:** Churches, Synagogues

**Amusement Parks and Attractions**

**Condominium Associations, Public Works**



# Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

## How would Workers' Compensation apply?

While workplace injuries sustained in the course and scope of employment are covered, there can be delays in assisting employees with trauma when no obvious physical injury has been sustained. Employers will want crisis counseling services provided immediately.

## Won't Terrorism cover us?

Insureds may also believe that deadly weapon incidents are covered by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) or a stand-alone terrorism insurance policy. However, not all violent actions fall neatly into the definition of Terrorism which normally requires some ideological motivation on the part of the perpetrator. TRIPRA requires significant financial thresholds to be breached before this coverage can be made available and events must be declared a “Certified Terrorist Attack” by the heads of three federal agencies to qualify. Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

## How can Alliant help me?

As the nation's premier specialty retail insurance brokerage company, Alliant Insurance Services has developed the **Alliant Deadly Weapon Response Program**. Deadly weapons protection insurance aims to address an entity's needs after a violent incident.

## Why purchase Deadly Weapons Protection?

The coverage offered is a three-fold product providing Third Party Liability (inclusive of Defense and Settlements), Physical Damage to your assets (including Business Interruption whether or not there is physical damage sustained) and Crisis Management Services component before and after an incident.

## ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is one of the nation's leading and fastest growing distributors of diversified insurance products and services. In the face of increasing complexity, our approach is simple: bring on the best people and invest more deeply in the industries and clients we serve. We operate through a network of specialized national platforms and regional offices to offer a comprehensive portfolio of services to our clients. Our goal is to ensure that they get the most innovative products—and the most innovative thinking—in the industry. [www.alliant.com](http://www.alliant.com)

## COVERAGE

### Standard Offering

Policy Limit of \$500,000 per claim/aggregate (Pool aggregate \$2,500,000)

Sublimits for:

- \$250,000 1st Party Property Damage;
- \$250,000 Business Interruption;
- \$250,000 Crisis Management;
- \$250,000 Counseling Services;
- \$250,000 Funeral Expenses;
- \$250,000 Demo/Clearance and Memorialization.

Policy Deductible is \$10,000.

## CONTACT

### Courtney Ramirez

Vice President  
[cramirez@alliant.com](mailto:cramirez@alliant.com)  
 949-660-8133

### Anne Shackelford

Vice President  
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 206-454-8021

PROPERTY APPRAISAL SERVICES AGREEMENT

Asset**WORKS**

and

Northern California Cities Self Insurance Fund

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# PROFESSIONAL SERVICES AGREEMENT

## PROPERTY APPRAISAL SERVICES

### 1. SERVICES.

This Agreement shall apply each time Northern California Cities Self Insurance Fund ("Customer") engages AssetWorks LLC to provide services. All services provided will be described in an AssetWorks' quotation or a mutually agreed upon "Statement of Work" ("SOW") as applicable (hereinafter referred to as "Services"). The initial SOW is attached hereto. This Agreement is effective as of the date first fully executed.

### 2. TERMS

**2.1 Requests for Service; Quotes and Orders.** Customer shall sign and return this agreement for the initial order for Services. All subsequent orders for Services must specify AssetWorks' quotation (if any), and reference the Service(s) requested and invoice address as well as this Agreement. All orders are subject to acceptance by AssetWorks.

**2.2 Prices.** The prices charged for Services purchased under this Agreement will be as quoted by AssetWorks. If the Services are being performed on a time and materials basis, any estimates provided by AssetWorks are for planning purposes only.

**2.3 Additional Fees; Taxes.** Prices are exclusive of all country, provincial, state and local sales, use, value added, excise, privilege, franchise and similar taxes. Taxes imposed on AssetWorks (other than taxes related to AssetWorks' income) in connection with the Services purchased under this Agreement will be paid by Customer and will appear as separate items on AssetWorks' invoices.

**2.4 Invoicing and Payment.** Customer's payment terms will be net thirty (30) days from the date of invoice.

**2.5 Term.** This Agreement will begin on the effective date stated above and will continue until terminated in accordance with its terms. Each SOW will continue for the term stated therein, unless otherwise terminated pursuant to this Agreement.

**2.6 Termination.** Either party may terminate this Agreement by providing at least thirty (30) days prior written notice to the other. Termination of the Agreement will not terminate any outstanding SOWs and the terms of this Agreement will survive such termination to the extent that such terms are incorporated into any outstanding SOWs. Either party may terminate an individual SOW if the other party commits a material breach of such an agreement and the breach is not cured within thirty (30) days of receipt of written notice from the injured party.

Termination of one or more SOW will not terminate this Agreement. Upon termination, all rights and obligations of the parties under this Agreement will automatically terminate except for rights of action accruing prior to termination, payment obligations and any obligations that expressly or by implication are intended to survive termination.

### 3. PROPRIETARY RIGHTS AND CONFIDENTIALITY

**3.1 PROPRIETARY RIGHTS.** AssetWorks will retain exclusive ownership in all deliverables created by AssetWorks hereunder and will own all intellectual property rights, title and interest in any ideas, concepts, know how, documentation or techniques developed by AssetWorks under this Agreement. AssetWorks will also retain all intellectual property rights with respect to the tools and/or software that AssetWorks uses to deliver the Services. Subject to payment in full for the applicable Services, AssetWorks grants Customer a perpetual, non-exclusive, non-transferable, royalty-free right to use the deliverables solely for Customer's internal use.

**3.2 Confidentiality.** Each party shall, during the term of this Agreement and thereafter, keep confidential all, and shall not use for its own purposes (other than as required to perform Services) nor without the prior written consent of the other disclose to any third party (except its professional advisors or as may be required by any law or any legal or regulatory authority) any, information of a confidential nature (including trade secrets and information of commercial value) which may become known to such party from the other party and which relates to the other party or any of its Affiliates, unless that information is public knowledge or already known to such party at the time of disclosure, or subsequently becomes public knowledge other than by breach of this Agreement, or subsequently comes lawfully into the possession of such party from a third party. Each party shall use its reasonable endeavors to prevent the unauthorized disclosure of any such information.

### 4. CUSTOMER RESPONSIBILITIES

It is the Customer's responsibility to backup data on Customer's system. AssetWorks WILL NOT BE RESPONSIBLE FOR LOSS OF OR DAMAGE TO DATA OR LOSS OF USE OF ANY COMPUTER OR NETWORK SYSTEMS. Customer acknowledges that AssetWorks' performance and delivery of the Services are contingent upon: (i) Customer providing safe and hazard-free access to its personnel, facilities, equipment, hardware, software, network and information

and (ii) Customer's timely decision-making, notification of relevant issues or information and granting of approvals and/or permission. CUSTOMER will obtain the appropriate license, intellectual property rights, or any other permissions, regulatory certifications or approvals required to support any SOW or AssetWorks' performance of the Services in the CUSTOMER environment. CUSTOMER will also obtain any necessary export license.

## **5. LIMITED WARRANTY & LIMITATION OF LIABILITY**

**5.1 Limited Warranty.** ASSETWORKS WARRANTS THAT SERVICES WILL BE PERFORMED IN A GOOD AND WORKMANLIKE MANNER. EXCEPT AS EXPRESSLY STATED IN THE PRECEDING SENTENCE, ASSETWORKS MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE SERVICES, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY RELATING TO THIRD PARTY PRODUCTS OR THIRD PARTY SERVICES; ANY WARRANTY WITH RESPECT TO THE PERFORMANCE OF ANY HARDWARE OR SOFTWARE USED IN CONDUCTING SERVICES; ANY WARRANTY CONCERNING THE RESULTS TO BE OBTAINED FROM THE SERVICES OR THE RESULTS OF ANY RECOMMENDATION ASSETWORKS MAY MAKE; AND, ANY IMPLIED WARRANTIES CONCERNING THE PERFORMANCE, MERCHANTABILITY, SUITABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE DELIVERABLES OR OF ANY SYSTEM THAT MAY RESULT FROM THE IMPLEMENTATION OF ANY RECOMMENDATION ASSETWORKS MAY PROVIDE.

**5.2 Limitation of Liability.** NEITHER CUSTOMER, ASSETWORKS NOR ASSETWORKS'S SUBCONTRACTORS WILL BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE SERVICES PROVIDED BY ASSETWORKS EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ASSETWORKS SHALL NOT HAVE LIABILITY FOR (I) LOSS OF INCOME, PROFIT, OR SAVINGS, WHETHER DIRECT OR INDIRECT, (II) LOST OR CORRUPTED DATA OR SOFTWARE, OR (III) PRODUCTS NOT BEING AVAILABLE FOR USE. EXCEPT FOR CLAIMS THAT THE SERVICES (EXCLUDING THIRD PARTY PRODUCTS) CAUSED BODILY INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR PERSONAL INJURY DUE TO ASSETWORKS'S NEGLIGENCE OR WILLFUL MISCONDUCT, ASSETWORKS'S TOTAL LIABILITY ARISING OUT OF, OR IN CONNECTION WITH, ANY SERVICES PURCHASED PURSUANT TO THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID BY CUSTOMER FOR THE SPECIFIC SERVICE(S) GIVING RISE TO SUCH CLAIM DURING THE PRIOR TWELVE MONTH PERIOD.

## **6. MISCELLANEOUS ITEMS**

**6.1 Assignment; Subcontracting.** Unless otherwise provided in the SOW, CUSTOMER may not assign this Agreement without the prior written consent of AssetWorks. AssetWorks has the right to hire subcontractors to perform the Services provided that AssetWorks shall remain responsible for the performance of Services under this Agreement, or to assign Services to its affiliates.

**6.2 Entire Agreement; Severability.** This Agreement (with attachments) is the entire agreement between AssetWorks and CUSTOMER with respect to its subject matter and supersedes all prior oral and written understandings, communications or agreements between AssetWorks and CUSTOMER. No amendment to or modification of this Agreement, in whole or in part, will be valid or binding unless it is in writing and executed by authorized representatives of both parties. If any provision of this Agreement is void or unenforceable, the remainder of this Agreement will remain in full force and will not be terminated.

**6.3 Independent Contractor.** The parties are independent contractors. Neither party will have any rights, power or authority to act or create an obligation, express or implied, on behalf of another party except as specified in this Agreement.

**6.4 Force Majeure.** Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, earthquakes, acts of God, war, governmental action, labor conditions, material shortages or any other cause which is beyond the reasonable control of such party.

**6.5 Dispute Resolution.** The parties will seek a fair and prompt negotiated resolution within ten (10) days of the initial notice of the dispute. If the dispute has not been resolved after such time, the parties will escalate the issue to more senior levels. Nothing herein shall prevent either party from seeking a preliminary or permanent injunction to preserve the status quo or prevent irreparable harm during the negotiation process or diminish the respective rights of the parties to pursue any and all remedies available in law and/or equity at any time.

**6.6 Notices.** To give notice under this Agreement, the notice must be in writing and sent by postage prepaid first-class mail, receipted courier service, facsimile telecommunication or electronic mail to the address which appears below each party's signature below or to such

other address as any party shall specify by notice in writing to the other party and will be effective upon receipt.

**6.7 Section Headings.** The section headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

**6.8 Governing Law, Jurisdiction and Language.** The laws of the state or province where the Services are performed will govern this Agreement.

**6.10 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Accepted by: Northern California Cities Self Insurance Fund:

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

Accepted by: AssetWorks LLC

\_\_\_\_\_  
Signature  
Shaun Callahan  
\_\_\_\_\_  
Name  
Vice President  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

Notice Address:

Company Name: \_\_\_\_\_

AssetWorks LLC

Attn: \_\_\_\_\_

Attn: Contract Manager

Address: \_\_\_\_\_

168 Industry Drive

\_\_\_\_\_

Pittsburgh, PA 15275

Phone: \_\_\_\_\_

Phone: (412) 809-0389

Fax: (412) 809-0777

**CONFIDENTIAL AND PROPRIETARY**

other address as any party shall specify by notice in writing to the other party and will be effective upon receipt.

**6.7 Section Headings.** The section headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

**6.8 Governing Law, Jurisdiction and Language.** The laws of the state or province where the Services are performed will govern this Agreement.

**6.10 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Accepted by: Northern California Cities Self Insurance Fund:

Signature Marcus Beverly  
Name Program Manager  
Title 8/30/18  
Date

Accepted by: AssetWorks LLC  
Signature Shaun Callahan  
Name Shaun Callahan  
Title Vice President  
Date 9/5/18

Notice Address:

Company Name: \_\_\_\_\_  
Attn: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_

AssetWorks LLC  
Attn: Contract Manager  
168 Industry Drive  
Pittsburgh, PA 15275  
Phone: (412) 809-0389  
Fax: (412) 809-0777

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## Statement of Work

### 1. Appraisal Scope

The scope of this project is to physically inspect and appraise the insured property of the Northern California Cities Self Insurance Fund and obtain uniform and reliable insurable values for buildings, structures, and contents so accurate values can be used for insurance placement and allocation of premiums amongst members. The resulting data will provide current insurable values, enhanced COPE data, proof-of-loss documentation, as well as the basis for underwriting and insurance premiums. The proposed services will be performed in accordance with industry-wide appraisal standards (USPAP – Uniform Standards of Professional Appraisal Practice).

AssetWorks proposed solution will include:

- Onsite property insurance appraisals resulting in accurate insurable values and proof-of-loss documentation for buildings and structures
- Contents within the buildings will be reported based on a modeling technique
- Proper identification of primary Construction, Occupancy, Protection and Exposure (COPE) data for each structure.
- Identification of flood zones for each structure
- Certified reports and data file for OAYSIS system

## 2. Appraisal Services & Procedures

### General Buildings & Structures

The basis for valuations of each building lie in the data recorded while onsite. Each building will be physically inspected and a description for each building will be developed and recorded, depicting primary Construction, Occupancy, Protection and Exposure (**COPE**) data to be included on the insured property as it is related to property loss prevention and valuation. **Construction** details will include: building wall, floor and roof material, dates of construction, building dimensions, total square footage. **Occupancy** details will include general building use. **Protection** details include sprinkler systems, fire detection and alarm systems. **Exposure** details include our observation of interior and exterior hazard exposures.

Primary COPE data collected on each building will include:

- |  |  |
|--|--|
| 1. Company name                            | 12. Construction type  |
| 2. Name of appraiser                       | 13. Exterior wall type   |
| 3. Date of valuation                       | 14. Roof type  |
| 4. Property name                           | 15. HVAC systems   |
| 5. Property description                    | 16. Fire protection  |
| 6. Building name                           | 17. Sprinkler system   |
| 7. Property address                        | 18. Security alarms  |
| 8. GPS coordinates                         | 19. Flood zone   |
| 9. Occupancy or use                        | 20. Earthquake zone (California Earthquake Underwriting Zones) |
| 10. Year constructed (actual or estimated) |  |
| 11. Square footage                         |  |

### ISO/Construction Classifications

One of the primary goals of underwriting for property insurance is determining the risk of fire. Properly identifying the construction class can help underwriter understand the construction type and rate the risk more accurately. AssetWorks reports will include ISO classes 1-6, as defined by the Commercial Fire Rating Schedule (CFRS) defined in terms of the Marshall and Swift construction classes:

ISO Class	M&S Class	Description
1	D	Frame/Combustible (wood walls & roof)
2	C	Joisted Masonry (free standing masonry shell flammable roof)
3	S	Noncombustible (light steel construction)
4	C	Masonry Noncombustible (free standing masonry walls with noncombustible floors and roof)
5	A	Modified Fire Resistive (noncombustible, 1 hour fire rating)
6	B	Fire Resistive (noncombustible, 2 hour fire rating)

## Specialty Structures – Historical Properties



Buildings registered as historical with the National Trust of Historic Preservation will be valued based on reproduction cost which will include identifying and appraising components of the subject building, utilizing a segregated cost approach to determine valuations on material that is like-kind as well as function. Specialty attributes will be taken into consideration and valued in terms of reproduction as it relates to the subject building. It is understood that the customer will provide information on which buildings require **reproduction cost** valuations.

## Specialty Structures – Water & Sewer Treatment

AssetWorks' approach to valuing wastewater facilities are performed on an itemized building and/or by process basis. The fieldwork will begin with a meeting between the project team and the plant manager or other delegate. The following is verified:

- Available blueprints/site map/process summary
- Plant design capacity – measured in “million gallon capacity per day treated” MGD
- Plant original construction date
- Plant addition dates
- Drawings for original and additional (architectural drawings)
- Plant flow diagram (used to establish numbering scheme)
- Any “contractors cost breakdowns” for construction – (original or additions)

## Common Processes and Structures

- Headworks ( Inflow Pump Station)
- Clarifiers (Primary, Intermediate, Secondary)
- Gravity Thickeners/Dewatering Buildings
- Digesters
- Filters (Trickling, Biological, UV... etc.)
- Laboratories
- Chlorine Contact Structures
- Blower Buildings
- Pump Stations / Equipment Galleries



## Reservoirs, Pump Houses, Wells, etc.

- Type(concrete/steel/above-ground/in-ground)
- Capacity
- Equipment

## Flood Zone Designation

Flood Zone designations are based on GPS coordinates and mapped via satellite by a provider including E&O coverage. Identifying flood zones based on address can lead to an incorrect designation as many sites include multiple acres and multiple flood zones. In some cases, the flood zone actually intersects the structure and this has to be represented or an incorrect designation may be applied, particularly when only using a physical address as the determining factor. FEMA is currently undertaking the task of updating flood zones across the country as many zones have adjusted over time with the increase of construction, paving, terraforming and resulting changes from weather patterns and events. AssetWorks subscribes to FEMA updates as it relates to flood zone updates and maintains a strong relationship with a geo-mapping group to support zone designations and provide our clients with the accuracy required in this category.

## Content Values

Content values will be included based on a “modeling” approach that was developed to meet the valuation needs of public entities without the extensive time required for a detailed inventory. AssetWorks utilizes computer models of more than 100 building types and their contents. A field inspection of each building is conducted and the building’s contents will be identified. We then estimate the value of contents in a particular building by taking a square foot equipment index of a like facility and applying it to the calculated area of the building. Equipment values may adjust to account for variations in density and quality of equipment present. Special consideration are given to buildings with specialty equipment (wells, pump houses, labs, EDP, warehouse...etc.), where content value can vary greatly.

## Valuation Methodology

Our investigation of each property will follow generally accepted appraisal techniques and valuations in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) incorporating various research sources to develop cost conclusions for each building. Sources include price lists, trade journals, industry publications, pricing subscription services, engineering manuals and inquiries with local contractors as well as direct cost research. It is an ongoing task to identify and continuously substantiate values. Multiple sources of value exist, but to rely on only one can be limiting as they all have positive points to be reflected. Example sources of construction cost information include:

- Direct cost information from recent projects
- Inquiries with local contractors and architects
- US Department of Labor – Bureau of Labor Statistics
- Marshall and Swift / Boeckh
- RS Means Construction Cost Index
- Reed Construction Data
- Consumer & Producer Price Index
- Internal Developed Systems

### 3. Appraisal Services & Procedures

**Cost of Replacement New** is the amount required to reproduce a property entirely at one time, as of a specific date, in like size, kind and quality and in accordance with current market prices for labor, materials, manufactured equipment, contractors overhead, profit and fees, but with no provisions for overtime or bonuses, or for premiums for materials and equipment. This methodology takes local wages and material costs into account, as well as specific structural attributes and current construction code that will cause an increase or decrease in base value such as sprinkler systems, elevators, exterior wall adjustments, actual building occupancy, and quality of construction as related to industry standards. In determining replacement cost new, AssetWorks will not consider costs associated with demolition of property, debris removal, or partial loss into our analysis.

**Insurance Exclusion** is a provision in an insurance contract describing property, or types of property, that are not covered by an insurance policy. The insurance exclusion amount is deducted from replacement cost to arrive at an insurable value, specific to each structure.

**Cost of Reproduction New** (Historical Properties), is the amount required to reproduce a duplicate or replica of the entire property at one time in like kind and materials, in accordance with current market prices for materials, labor and manufactured equipment, contractor's overhead, profit, and fees, but with no provisions for overtime, bonuses for labor, or premiums for material.

### 4. Project Plan

The core of success in a property appraisal project begins on the front-end, and by way of dialogue, a truly customized project plan is developed to meet the specifications and needs of both NCCSIF and its Members. This includes communication and high levels of active listening, meshing the interests and requests of all parties involved from the Pool to its Members, Brokers, Insurers and potentially Reinsurers. Our approach is not a template and is catered towards not only client requests but by way of our experience and expertise can bring new solutions to the table and aid in determining suitability.

#### NCCSIF / Member Staff Expectations

AssetWorks believes that clients retain our services with the expectation that AssetWorks staff, as paid professionals and consultants, will perform the necessary tasks with the highest level of industry professionals to successfully complete the project on time. We do view our clients as active participants and anticipate their assistance with the following:

- **Pre-Project Planning and Scheduling** – AssetWorks will identify key items to have prepared for the project kickoff meeting. We ask that you prepare and distribute a memo to all members receiving an appraisal announcing the project and give the general purpose and time frame. AssetWorks will perform the appraisals by geographic region. We ask that you assist with scheduling the appraisals by geographic region as best as possible.
- **Availability of Existing Building Records** – AssetWorks will utilize existing records, as provided by the members. Blueprints, for example, can aid in the accuracy of calculating square foot area. Direct construction costs from Members are another source of valuable information we collect.
- **Access to All Sites** – AssetWorks appraisers will be granted access to all sites and buildings based on a mutually agreed upon appraisal schedule.

## Project 'Kickoff' Meeting

Our project team will hold a comprehensive project-planning meeting with NCCSIF representatives in advance of the onsite fieldwork. We advise that members of the administrative, risk management and facilities staff or other directly involved personnel attend this meeting. Topics of discussion include confirmation of project scope and time frames, the physical appraisal schedule, accessibility to buildings, and contacts for each Member. This meeting lays the foundation for the methods and procedures used during the onsite fieldwork.

## Project plan and timing

AssetWorks' automated approach and depth of experienced staff qualify us to complete all phases of this project in a timely fashion. Upon receipt of your authorization, AssetWorks will arrange a mutually agreeable schedule for the project planning meeting and our on-site inspection. We are prepared to have all appraisals completed by December 21, 2018 assuming an agreement is in place by September 27, 2018.

<b>A. Project Planning Meeting</b>	<b>Who</b>	<b>Results</b>	<b>Timing</b>
Review project scope	AssetWorks/NCCSIF	Confirm project understanding	10/1/18-10/5/18
Receive most recent schedule of values	AssetWorks/NCCSIF	Scheduling/data verification	10/1/18-10/5/18
Obtain member contact list	NCCSIF	Contact intro	10/1/18-10/5/18
Confirm schedule	AssetWorks	Timing/member notification	10/1/18-10/5/18
Review underwriting requirements	AssetWorks/NCCSIF	Deliverable formatting	10/1/18-10/5/18
Review Deliverables	AssetWorks/NCCSIF	Confirm reporting	10/1/18-10/5/18
Project team introduction	AssetWorks/NCCSIF	AssetWorks staff intro	10/1/18-10/5/18
<b>B. Site Inspection</b>	<b>Who</b>	<b>Results</b>	<b>Timing</b>
Physically inspect each site (inside/outside)	AssetWorks	Accurate property data	10/8/18-11/9/18
Generate square footage (plans/measure/direct)	AssetWorks	Square footage drives value	10/8/18-11/9/18
Collect COPE data	AssetWorks	Favorable insurance rates	10/8/18-11/9/18
Building digital photos/GPS coordinates	AssetWorks	ID building, proof-of-loss	10/8/18-11/9/18
<b>C. Office Valuation</b>	<b>Who</b>	<b>Task Description</b>	<b>Timing</b>
Develop insurable value	AssetWorks	Underwriting/Allocation	11/12/18-12/7/18
Risk+	AssetWorks	25+ years of values calculations	11/12/18-12/7/18
MS Boeckh	AssetWorks	Nationally recognized	11/12/18-12/7/18
RS Means	AssetWorks	Supplemental value source	11/12/18-12/7/18
Direct costing (actual construction cost)	AssetWorks	Reconcile new construction	11/12/18-12/7/18
AssetWorks developed costing models	AssetWorks	Actual cost of public entity buildings	11/12/18-12/7/18
<b>D. Report Preparation</b>	<b>Who</b>	<b>Task Description</b>	<b>Timing</b>
Management review (values, data, USPAP)	AssetWorks	Quality/consistent reporting	12/10/18-12/12/18
Draft report to NCCSIF	AssetWorks	Member review prior to finals	12/12/18
Final reports-detail/summary/data file	AssetWorks	Detail underwriting data	12/18

Our proposed schedule is flexible and can be adjusted based on NCCSIF and member needs. Progress reports can be delivered as each member is completed or we can break the service down into a multi-year approach.

## 5. Project Management/Customer Communication Tool

For all large scale property appraisal projects, AssetWorks implements a project management tool that is accessible by both AssetWorks and our customers. This provides a level of transparency that we feel is critical to successfully implement and conduct a comprehensive property valuation solution. This tool will give NCCSIF real time access to:

- Individual project stages
- Names of appraisal staff completing the appraisals
- Tasks being completed by the appraisal staff
- Projected start and finish dates
- Actual start and finish dates
- Time spent
- Percent complete

Project Number/Member	Stage	Team	Task	Predecessors	Project Manager/Assigned To	Allocation %	Duration	Projected Start	Projected Finish	% Complete	Complete Date
UTICA-AP-P004	In Progress						20.125d	03/05/18	04/02/18	3%	
UTICA-AP-P004 GREATER ATLANTA CHRISTIAN SO	Scheduling						5.125d	03/26/18	04/02/18	79%	
	Complete	Appraisal Services	Kickoff Meeting		Rob McMullen	100%	1h	03/26/18	03/26/18	100%	03/26/18
	Complete	Appraisal Services	On-Site Inspection		Rob McMullen	100%	3d	03/26/18	03/28/18	100%	03/28/18
	Complete	Appraisal Services	Upload/Valuation	4	Rob McMullen	100%	1d	03/29/18	03/29/18	100%	04/16/18
	Not Started	Appraisal Services	PM Review	5	Jay Shalakho	100%	1h	03/30/18	03/30/18	0%	
	Not Started	Product	Prelim Reports	6	Brett Johnson	100%	4h	03/30/18	03/30/18	0%	
	Not Started	Product	Final Reports	7	Brett Johnson	100%	4h	03/30/18	04/02/18	0%	
UTICA-AP-P004 AUBURN ENLARGED	Not Started						5.125d	03/05/18	03/12/18	0%	
	Not Started	Appraisal Services	Kickoff Meeting		Rob McMullen	100%	1h	03/05/18	03/05/18	0%	
	Not Started	Appraisal Services	On-Site Inspection		Rob McMullen	100%	3d	03/05/18	03/07/18	0%	
	Not Started	Appraisal Services	Upload/Valuation	11	Rob McMullen	100%	1d	03/08/18	03/08/18	0%	
	Not Started	Appraisal Services	PM Review	12	Jay Shalakho	100%	1h	03/09/18	03/09/18	0%	
	Not Started	Product	Prelim Reports	13	Brett Johnson	100%	4h	03/09/18	03/09/18	0%	
	Not Started	Product	Final Reports	14	Brett Johnson	100%	4h	03/09/18	03/12/18	0%	
UTICA-AP-P004 BELLEVILLE HENDERSON	Not Started						5.125d	03/05/18	03/12/18	0%	
	Not Started	Appraisal Services	Kickoff Meeting		Rob McMullen	100%	1h	03/05/18	03/05/18	0%	
	Not Started	Appraisal Services	On-Site Inspection		Rob McMullen	100%	3d	03/05/18	03/07/18	0%	
	Not Started	Appraisal Services	Upload/Valuation	18	Rob McMullen	100%	1d	03/08/18	03/08/18	0%	
	Not Started	Appraisal Services	PM Review	19	Jay Shalakho	100%	1h	03/09/18	03/09/18	0%	

In addition, the tool also provides real time access to the project costs. The tool tracks the estimated number of buildings at each location and compares it to the actual number of buildings appraised. It also includes the updated cost associated with the number of buildings appraised. This transparent project management approach ensures that there will be no surprises to NCCSIF and NCCSIF will know the cost of each appraisal in advance to receiving invoices.

## 6. Reports and Deliverables

### Certification Letter

Certified appraisal reports are bound in an easy-to-read format. AssetWorks will provide a set of insurance summary and insurance detail reports. The certified appraisal report will include the Letter of Certification, which will:

- Identify the property appraised
- State the purpose of the appraisal
- Specify the appraisal date
- Define the level of value sought and the premise of value employed
- Describe the nature of the property included and excluded
- Discuss the appraisal investigation
- Indicate the factual data considered
- Present the conclusions of value
- Outline the qualifying and limiting conditions
- Include the signature of an authorized officer of the company

### Preliminary Reports

Draft Summary and detail reports will be sent via email in .pdf format for review. We provide two weeks (or more as requested) to determine acceptability of the final data. Upon approval, AssetWorks will then prepare and deliver final reports in electronic and hard-copy format. Preliminary reports will also include a "Variance Report", comparing old values to new, providing an added tool for analysis.

### Final Reports & Data

#### Hard Copy Reports

- Certification Letter
- Insurance Summary Report
- Building Detail Report
- Variance Report (Value Comparison Report)

#### Electronic Reports & Data

- Excel File of Reports Data
- .PDF Files of all Hard Copy Reports

## Sample Reports

### Sample Variance Report

Code	Building Description Address		Replacement Cost Less Exclusions	Replacement Cost - SOV	Replacement Cost Difference	% Change
<b>Entity: 001 SAMPLE ENTITY USA</b>						
<b>Site: 005 SAMPLE SITE #1</b>						
001	MAIN BUILDING #1 200 ANY STREET ANY TOWN, US 12345	Building	4,625,370	3,800,000	825,370	17.84 %
		Contents	917,200	800,000	117,200	12.77 %
002	OUT BUILDING #1 200 ANY STREET ANY TOWN, US 12345	Building	20,820	17,300	3,520	16.90 %
		Contents	4,900	2,000	2,900	59.18 %
<b>Site total for 005:</b>			<b>4,646,190</b>	<b>3,817,300</b>	<b>828,890</b>	<b>17.84 %</b>
		Contents	922,100	802,000	120,100	13.02 %
<b>Site: 006 SAMPLE SITE #2</b>						
001	MAIN BUILDING #2 300 ANY STREET ANY TOWN, US 12345	Building	12,514,830	11,022,521	1,492,309	11.92 %
		Contents	1,688,900	1,330,627	358,273	21.21 %
002	OUT BUILDING #2 300 ANY STREET ANY TOWN, US 12345	Building	103,300	85,000	18,300	17.71 %
		Contents	31,300	18,000	13,300	42.49 %
003	OUT BUILDING #3 300 ANY STREET ANY TOWN, US 12345	Building	103,300	85,000	18,300	17.71 %
		Contents	31,300	18,000	13,300	42.49 %

### Sample Building Detail Report

**Entity:** 001 SAMPLE ENTITY USA  
**Site:** 003 COLLEGE/UNIVERSITY  
**Building:** 001 UNIVERSITY BUILDING  
 200 ANY STREET  
 ANY TOWN, US 12345  
**Department:** 2009 2009 APPRAISAL  
**Year Built:** 2001 **Year Acquired:** 2001  
**Nbr. of Stories:** 4 **Square Footage:** 105,545  
**Basement:** NO **Adds/Renovations:** NO  
**Occupancy:** COG COLLEGE - CLASSROOM  
**Frame Type:** ST STEEL  
**ISO Class:** 4 MASONRY NON COMBUSTIBLE  
**GPS Latitude:** 28°26.125N  
**GPS Longitude:** 081°11.935W  
**Flood Zone:** X  
**Fire Protection:** SPRINKLER SYSTEM  
 INTRUSION SYSTEM  
 FIRE ALARM - MANUAL  
 FIRE ALARM - AUTOMATIC



#### GENERAL BUILDING CHARACTERISTICS

**Exterior Walls:** DECORATIVE CONCRETE BLOCK, GLASS METAL CURTAIN  
**Roofing:** METAL (2%), SINGLE MEMBRANE (98%)  
**Foundation:** CONCRETE SLAB ON GROUND, CONCRETE FOOTING FOUNDATION  
**Floor Finish:** CARPETING, CERAMIC TILE  
**Ceiling Finish:** ACOUSTICAL, DRYWALL  
**Partitions:** CONCRETE BLOCK, DRYWALL/STUDS

**Services:**  
 ELECTRICAL  
 PLUMBING  
 HEATING - CENTRAL (HOT WATER)  
 AIR CONDITIONING - CENTRAL

**Features:**  
 BUILT-INS (CABINETS, LOCKERS, BOOKCASES)  
 COVERED ENTRANCE WAY  
 COVERED WALKWAY  
 PASSENGER ELEVATOR  
 BUILT-IN SEATING  
 MEZZANINE

**Notes:**  
 ROOF - 2% HIGH PITCH & 98% FLAT  
 AVERAGE WALL HEIGHT - 16'

#### VALUATION CONCLUSIONS

Replacement Cost New:	17,995,400
Exclusion Amount:	1,079,770
Replacement Cost Less Exclusions:	16,915,630
Actual Cash Value:	16,555,800
Exclusion Amount:	993,400
Actual Cash Value Less Exclusions:	15,562,400
Contents Value:	11,470,600

Produced by AssetWorks

## Compliance with “Scope of Work”

AssetWorks, LLC can comply with all aspects of the “Scope of Work” identified in “Section B” of the Request for Proposal. All aspects of this project will be completed by full-time AssetWorks personnel.

## Fees

AssetWorks fees include expenses and are based on the appraisal of 1,333 buildings/structures for 15 member cities. If the building count exceeds 1,333 an additional fee of \$75 per building will apply. Please see attachment A for a listing of members and building count.

**Property Appraisal Services (1,333 buildings/structures)                      \$128,000**

### **Appraisal of All Buildings/Structures and PITO to Include:**

- ⚙ Buildings/Structures
- ⚙ Primary COPE Data (Includes GPS Coordinates & Flood Zone Classification)
- ⚙ Contents (Modeling Approach)
- ⚙ Value Comparison Reports
- ⚙ Certified Reports

## Expiration

This proposal submitted by AssetWorks, LLC, including all pricing proposals, will remain in effect until at least September 30, 2018.

## ATTACHMENT A – Property List

<b>Member</b>	<b># of Line items</b>
1. City of Anderson	74
2. City of Auburn	45
3. City of Colusa	59
4. City of Dixon	82
5. City of Folsom	173
6. City of Galt	131
7. City of Gridley	59
8. City of Ione	32
9. City of Lincoln	106
10. City of Marysville	78
11. City of Oroville	88
12. Town of Paradise	25
13. City of Red Bluff	126
14. City of Rocklin	158
15. City of Yuba City	<u>97</u>
<b>Total:</b>	<b>1,333</b>

# **Proposal for Workers' Compensation Claims Audit Services - 2018**

for

## **Northern California Cities Self Insurance Fund (NCCSIF)**



**September 12, 2018**



**F A R L E Y**

**CONSULTING SERVICES, LLC**

P.O. Box 5928 ~ Oceanside, CA 92052

Cell: 760.533-3439 ~ Fax: 760.722.1760

farleyconsulting@cox.net

**An Independent Claims Management  
Consulting Firm**



September 12, 2018

Northern California Cities Self Insurance Fund  
c/o Alliant Insurance Services  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Attn: Ms. Raychelle Maranan  
Program Administrator

by email: raychelle.maranan@alliant.com  
marcus.beverly@alliant.com

### Proposal for Workers' Compensation Claims Audit Services - 2018

Farley Consulting Services (FCS) is pleased to present this proposal to conduct an audit of workers' compensation claims handling for the Northern California Cities Self Insurance Fund (NCCSIF).

FCS has completed more than 900 similar audits and can provide a comparison of claims handling performance of York Insurance Services Group (York) with other claims administration arrangements. That comparison will identify areas of claims handling where York may not be complying with accepted industry standards or its own internal standards.

FCS will provide its insurance information to NCCSIF if it is selected to conduct the audit.

***If acceptable to NCCSIF, the audit will be completed in March 2019 with a report presented by mid-April 2019.***

Respectfully submitted,

Agreed and Accepted:

FARLEY CONSULTING SERVICES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

by Timothy P. Farley  
Timothy P. Farley, CPCU  
President

by Marcus Beverly  
Marcus Beverly, CPCU, ARM-P, AIC  
First Vice President, Public Entity Group

date 9/28/18

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**Appendix**

Resume

## I. Consultant Corporate Data

### A. FCS Qualifications

All activity for this project will be performed by Timothy P. Farley, CPCU.

Mr. Farley began his claims management consulting career in 1991 and formed Farley Consulting Services in 2000. FCS is a national, *independent* claims management consulting firm headquartered in Oceanside, California.

FCS has completed more than 900 similar audits.

Mr. Farley's resume is appended to this report.

### B. Project Team

Mr. Farley is the sole consultant of FCS. His responsibilities for this project will be:

- Managing the project
- Performing the audit
- Completing the report
- Presenting the report to NCCSIF via teleconference at a subsequent board meeting, if requested.

Mr. Farley has an extensive claims administration background. He has been a multi-line claims adjuster and a claims supervisor. The claims unit he supervised handled high exposure workers' compensation claims.

Mr. Farley has conducted more than 900 similar audits for entities such as NCCSIF. His claims, legal, and risk management background enables him to take the fiscal and legislative concerns of these entities into consideration when evaluating claims administration effectiveness.

Mr. Farley's resume is in the Appendix to this proposal.

**C. References**

FCS has provided similar audit services to more than 200 public entities, primarily in California. FCS encourages NCCSIF to contact these individuals.

<b>Bay Cities Joint Powers Insurance Authority</b>	
Client address	Oakland, California
Client contact	Ms. Jackie Miller
Telephone/email	(800) 541-4591 / <a href="mailto:jmiller@bickmore.net">jmiller@bickmore.net</a>
Type of business	California Cities Insurance Pool
Services provided	Claims audit
Date services provided	Bi-annually since 1994
Individuals involved in providing services for this client	Timothy P. Farley, CPCU President

<b>Small Cities Organized Risk Effort (SCORE)</b>	
Client address	San Francisco, California
Client contact	Mr. Laurence Voiculescu
Telephone/email	(916) 643-2702 / <a href="mailto:lvoiculescu@alliant.com">lvoiculescu@alliant.com</a>
Type of business	California Cities Insurance Pool
Services provided	Claims audit
Date services provided	Bi-annually since 1998
Individuals involved in providing services for this client	Timothy P. Farley, CPCU President

<b>Central San Joaquin Valley Risk Management Authority (CSJVRMA)</b>	
Client address	Fresno, California
Client contact	Ms. Jeanette Workman
Telephone/email	(800) 541-4591 / <a href="mailto:jworkman@bickmore.net">jworkman@bickmore.net</a>
Type of business	California Cities Insurance Pool
Services provided	Workers' Compensation claims audit
Date services provided	Bi-annually since 1994
Individuals involved in providing services for this client	Timothy P. Farley, CPCU President

FCS will provide additional references, if requested.

## II. Recommendations/Scope and Approach

### A. Project Objective

NCCSIF seeks assurance that its workers' compensation TPA (York) is providing effective claims administration and is adhering to California workers' compensation statutory guidelines. FCS will incorporate the review of key areas of claims administration identified by NCCSIF and used for past NCCSIF audits. They are standard points of observation in all audits FCS conducts.

### B. Plan of Action

#### Audit Sample Selection

NCCSIF has indicated that this project must involve the following audit samples:

- **90 open active indemnity claims.** At least 50% of these will have incurred costs of \$25,000 or more.
- **10 closed** indemnity claims. FCS recommends that these claims will have been closed in the past 18 months. Again, at least half of these should be claims that have generated incurred costs of \$25,000 or more. The 18-month cut off point is recommended to ensure that the most *current* claims handling activity is evaluated.
- **25 open** medical only claims

#### Other Audit Steps

To complete this project, FCS will:

1. Conduct an initial telephone discussion with York to review data requirements and timing of the work. During this interview, FCS will also attempt to identify specific areas of concern (not expressed in the RFP) that NCCSIF would like to have evaluated.
2. Receive a current loss run of open claims in Excel spreadsheet format from York from which the audit sample will be selected.
3. Develop the list of claims to be reviewed and provide that list to York approximately three weeks before the start of the audit. FCS welcomes NCCSIF's input on the sample selection.
4. Conduct necessary telephone interviews to confirm audit timing.
5. Complete the audit. The review will be done remotely via access to York's claims information system.

6. Conduct follow-up telephone interviews with York personnel to refine the understanding of such issues as:
  - Settlement authority of York
  - York's or NCCSIF's standards for contesting questionable claims
7. Organize, tabulate, and analyze all information received, and develop conclusions.
8. Submit a draft report of findings to NCCSIF. The report will be a practical, working tool that is clear and concise in setting forth study results. The assessment of York claims administration performance will be clear. Recommended action to be taken will be supported with discussion and exhibits. The draft report will be provided electronically in a PDF file.
9. Discuss the draft report with NCCSIF.
10. Issue the final report electronically in PDF.
11. Present the report via teleconference at a subsequent NCCSIF Board meeting if requested.

**This proposal assumes the audit of NCCSIF will be performed remotely via access to the York Claims Connect information system.**

### **C. Timing**

The review of 125 claims will require up to 10 working days to complete. FCS proposes to conduct the audit during the weeks of 3/18/19 and 3/25/19.

A draft report of audit findings will be provided by late April 2019.

### **III. Cost of Service**

FCS will complete this project for a flat fee of \$11,200. This fee includes all related expenses. There will be no additional charges. This is the guaranteed not-to-exceed fee.

An invoice will be submitted following completion of the draft report.

## **IV. Insurance Requirements**

FCS maintains the required insurance coverage and will provide specific insurance coverage verification if awarded the project.

## **Resume**

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## Timothy P. Farley, CPCU President

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### EXPERIENCE

**FARLEY CONSULTING SERVICES – 2000 to present**

President and primary consultant of national, independent claims management consulting firm.

**ADVANCED RISK MANAGEMENT TECHNIQUES, INC. – 1991 to 2000**

Senior Claims Consultant. Consultant to various corporations and public agencies on risk management subjects, with an emphasis on claims audits, claims administrator selection and evaluation, and other claims management issues.

**ALEXANDER & ALEXANDER – 1989 to 1991**

Marketing Manager. Responsible for market placement of all new and renewal retail business.

**TRANSCO INSURANCE SERVICES – 1988 to 1989**

Home Office Claims Supervisor. Supervision of independent claims adjusting firms handling litigated liability claims, including products liability and construction defect claims. Duties also included reports to various members of reinsurance treaties.

**INSURANCE CO. OF THE WEST – 1986 to 1988**

Claims Supervisor. Supervision of claims unit handling liability, automobile and workers' compensation claims.

**USF&G INSURANCE CO. – 1983 to 1986**

Claims Adjustor. Responsible for full handling of property, liability and workers' compensation claims from first report to final resolution.

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### ACADEMIC BACKGROUND

University of Wisconsin – Madison, Wisconsin

Graduate level courses on risk management

Western State University College of Law

Graduate level courses in contracts, torts, civil procedures, property and criminal law

University of Wisconsin – La Crosse, Wisconsin

Bachelor of Science degree in Business Administration

Academic All-American

American Institute for Property and Liability Underwriters, Inc.

Chartered Property Casualty Underwriter (CPCU) designation

Instructor CPCU 1 and 6

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### PROFESSIONAL SOCIETIES

Society of Chartered Property Casualty Underwriters

06/29/2018

Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

2180 Harvard St., Ste. 460  
Sacramento CA 95815

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions and a policy of disclosure as to the insurance carriers with which Alliant does business.

The commission Alliant will receive from the carrier as a result of this placement will be no greater than 11% of the premium.

Alliant Underwriting Services will also receive additional compensation from the carrier for providing Underwriting Services up to 16.9%. A fee of \$22,290.00 has been included on your invoice for Loss Control, Engineering and Appraisal services provided by Alliant Business Services.

Alliant Underwriting Services and Alliant Business Services are internal operating groups of Alliant Insurance Services, Inc.

Alliant has no ownership interest in any of the carriers or any other intermediaries (if any) that were a part of this placement.

Upon written request, Alliant will further disclose all quotes and indications sought and received by Alliant in connection with your insurance placement, and the terms, including any Alliant interest in or contractual agreement with any of the prospective insurers, of all compensation to be received by Alliant. Request should be mailed to:

Alliant Insurance Services, Inc.  
701 B. Street, 6th Floor  
San Diego, California 92101-8156  
Attention: General Counsel

# Alliant FACT SHEET

## RETAIL BROKERAGE vs. WHOLESALE & SERVICE OPERATIONS

Many insurance brokerage firms, including Alliant Insurance Services, Inc., have affiliate and/or subsidiary companies that perform services associated with the risk management and insurance procurement process. Alliant has numerous and varied client relationships that may involve any combination of Retail Brokerage, Wholesale Brokerage and other Loss Control or Risk Management Consulting work. In addition, Alliant's affiliates, such as Alliant Business Services (ABS), can provide clients with other services not necessarily directly related to the risk management or insurance procurement process such as Human Resources Consulting and/or Appraisal Services.

Normally when acting as clients' "Retail Broker" Alliant will collect a commission as compensation, or may have a *Fee for Service* compensation plan. Typically Alliant will then have a written Agreement with clients, and that document includes full disclosure concerning compensation including wording similar to the following:

In addition to the commissions that Broker receives, Alliant Underwriting Services (AUS), a division of a related entity, may receive compensation from Broker and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services (ABS) may receive compensation from Broker and/or the carrier for providing designated, value-added services. Services contracted for by the Client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Broker and/or the carrier.

This contract language is in addition to the standard disclosure wording contained in Alliant proposals. At the bottom of this *Fact Sheet* we have attached what we include on our Standard Proposals. (Additional disclosure wording is also included on Alliant invoices.) Full disclosure is a key component of client communication concerning compensation.

The **Retail Broker** activities, and Alliant's other services involved in Wholesale Brokering are distinctly separate. Our Retail Brokers and staff act as *advocates for the client* and are involved in the day-to-day delivery of services spelled out in our "Scope of Services." Such services include negotiating terms and conditions of coverage, issuance of certificates, tailoring coverages to meet specific needs, and assuring that all lines of coverages are properly provided to protect clients' assets.

**Wholesale Broker** activities are provided through Alliant Underwriting Services (AUS). These include administration of programs that Alliant companies manage and/or underwrite, and involve separate functions from Retail Brokerage service. Alliant Insurance Services, Inc. has other operations including, AUS and ABS, which provide non-retail brokerage services. The inclusion of these Wholesale Broker activities into a program has additional advantages that accrue to clients, primarily in the realm of cost savings, as needed services can generally be provided less expensively by a wholesale outfit than by a traditional insurer. This is especially the case when a program is large or complex.

As in any business, the cost of services will vary year by year based on program size, underwriting authority, and other factors. AUS receives compensation from carriers for which it provides underwriting and program administration services. There are numerous services involved in this Wholesale Broker function, including:

# Alliant FACT SHEET

- Underwriting new and renewal business for the primary/excess markets
- PML Analysis
- Claims Analysis
- Program Management
- Program Administration/Information Technology associated with program management.

**AS JUST ONE EXAMPLE**, the Public Entity Property Insurance Program (PEPIP) - formed in 1993 to meet the unique property insurance needs of public entities – has grown from 65 members in one State to over 6,000 members in 45 States. This growth has fueled insurance cost savings for all members.

To achieve Program results, AUS annually:

- **Underwrites** over 6,000 renewal applications,
- **Reviews** Statement of Values and associated COPE (Construction, Occupancy, Protection & Exposure) information for over 185,000 PEPIP property locations,
- **Allocates** premium between 25 separate insurance markets,
- **Establishes** renewal pricing parameters in accordance with the underwriting/rating standards provided by the program markets, and
- Performs *Program Accounting* including individual member pricing billing, collections, and remittance to program markets.

Additional ABS services available to Program members include:

- **Loss Control Services** (no specific budget and can be tailored to individual clients).
- **Appraisals** (Buildings over \$5M appraised every 3-5 years. We currently do every 3 years, but we are evaluating doing every 5 years at renewal).
- **Infrared Testing** (again tailored to the client but not an unlimited number of days).
- **Business Interruption Consulting** (assistance by Forensic Accountant in determining Business Interruption values).
- **PEPIP Solution Center** (24 hr. hotline to address Property Loss Control questions).
- **Webinars** (8-10 web based training sessions per year on Property related topics).

Alliant Insurance Services, Inc., our Retail Brokers and colleagues all strive to provide the high level of service expected from our clients at a competitive level of compensation that should be clearly understood and documented.

*Commissions are customarily paid by the insurance carriers to their agents and to brokers as a percentage of premiums. In addition to the commissions that Alliant receives, Alliant Underwriting Services ("AUS"), a division of a related entity may receive compensation from Alliant and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, Alliant Business Services ("ABS") and/or Strategic HR may receive compensation from Alliant and/or the carrier for providing designated, value-added services. Services contracted for by the client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Alliant and/or the carrier. Further information is available upon written request directed to: Alliant Insurance Services, Attention: General Counsel, 701 B Street, San Diego, CA 92101.*



**SUMMARY OF THE SEPTEMBER 27, 2018  
EXECUTIVE COMMITTEE MEETING**

**INFORMATION ITEM**

**ACTION TAKEN**

- **Quarterly Financial Report for Period Ending June 30, 2018**  
The Committee reviewed the report and took action to accept and file.
- **Defense Attorney List for Liability**  
The Committee approved addition of three attorneys from Lenahan law firm to Policy and Procedure A-9: Attachment A - Defense Attorney List.
- **FY 18/19 Workers' Compensation Claims Auditor - Farley Consulting Services**  
The Committee approved the proposal from Farley Consulting Services to conduct the FY 18/19 Workers' Compensation Claims Audit.
- **Workers' Compensation Claims Administration Performance Plan Follow-up Survey Result**  
Based on the survey results, the Committee recommended taking the York Workers' Compensation team off the Performance Improvement Plan due to completing the required goals.
- **Preliminary 2019 Meeting Calendar**  
The Committee approved recommending the preliminary 2019 Meeting Calendar.
- **Nomination of Officers - 2019**  
The Committee nominated Liz Ehrenstrom, City of Oroville, to serve as President; Kris Haile, City of Folsom, to serve as Vice President; and Gina Will, Town of Paradise to serve as Secretary and CJPRMA Board Representative.
- **Service Providers Contract Renewal Strategy**  
The Committee scheduled a special meeting on November 19, 2018 to review the renewal terms of Bickmore and Alliant contracts.



**Agenda Item H.**

**2019 OFFICERS AND EXECUTIVE COMMITTEE**

**ACTION ITEM**

**ISSUE:** Membership on the NCCSIF Executive Committee (EC) rotates annually, and each Member serves for a two-year term. NCCSIF Officers are selected from the EC as needed. The January 1, 2019 to December 31, 2019 term for the Executive Committee will include the following Members:

**2019 NCCSIF Executive Committee**

<u>Member</u>	<u>Representative</u>	<u>Term of Office</u>	
		<u>New Term</u>	<u>Second Year Term</u>
City of Folsom	Kris Haile (Alternate)	January 1, 2019 to December 31, 2020	
City of Galt	Cora Hall	January 1, 2019 to December 31, 2020	
City of Gridley	Juan Solis		<i>January 1, 2018 to December 31, 2019</i>
City of Oroville	Liz Ehrenstrom		<i>January 1, 2018 to December 31, 2019</i>
City of Lincoln	<i>Veronica Rodriguez</i>	January 1, 2019 to December 31, 2020	
City of Nevada City	Loree McCay	January 1, 2019 to December 31, 2020	
Town of Paradise	Gina Will		<i>January 1, 2018 to December 31, 2019</i>
City of Rio Vista	<i>Robert Hickey</i>	January 1, 2019 to December 31, 2020	

The **current** Officers are as follows:

<b>President</b>	Dave Warren	<i>January 1, 2017 to December 31, 2018</i>
<b>Vice President</b>	Liz Ehrenstrom	January 1, 2018 to December 31, 2019
<b>Secretary</b>	Gina Will	January 1, 2018 to December 31, 2019
<b>Treasurer (non-voting)</b>	Tim Sailsbery	Appointed annually
<b>CJPRMA Rep (non-voting)</b>	Gina Will	Appointed as-needed

The President and Secretary positions are up for nomination. At the last Executive Committee meeting the members appointed Gina Will to serve as Secretary and CJPRMA Rep, filling the positions vacated when the prior Board member left her position. In addition, the Committee nominated Liz Ehrenstrom for the position of President, Kris Haile as Vice President, and Gina Will as Secretary and CJPRMA Representative. The Committee also accepted Tim Sailsbery’s nomination to remain as Treasurer.



Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
October 25, 2018

**Agenda Item H. (continued)**

**RECOMMENDATION:** Solicit additional nominations for the open positions and elect members to fill the vacancies.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Executive Committee is a standing committee of the Board of Directors and is comprised of seven to eleven voting members, and two non-voting members. The President of the Board of Directors serves as the Chair of the Executive Committee. The President, Vice-President, Secretary, and seven to eight other Directors act as the voting members, so at times their number has varied from seven to nine. The two non-voting members are the Treasurer and the Representative to the CJPRMA Board of Directors.

Historically, the newly-elected officers (President, Vice President, Secretary and Treasurer) are nominated by the Executive Committee (acting as the Nominating Committee). The officers are chosen from the Executive Committee and are elected by the Board for a two-year term. The President is usually selected from the second-year Members (often the current Vice President) and the Vice President is generally selected from the first year members.

The Secretary is elected by the Board and serves a two-year term. The Treasurer is appointed annually by the Board and the CJPRMA Representative is appointed on an as-needed basis.

Rotating **Off** EC 12/31/2018

Liz Cottrell - Anderson  
Kristina Miller - Corning  
Sandy Ryan - Red Bluff  
Tim Sailsbery - Willows

Rotating **On** EC 1/1/2019

Kris Haile - Folsom  
Cora Hall - Galt  
*Veronica Rodriguez* - Lincoln  
Loree McCay - Nevada City  
*Robert Hickey* - Rio Vista

**Remaining** EC for another year

Juan Solis - Gridley  
Liz Ehrenstrom - Oroville  
Gina Will - Paradise

*Section 5 of the NCCSIF Bylaws describes the duties and responsibilities of the Officers of the Authority.*

**ATTACHMENT(S):**

1. Section 4 and Section 5 of the NCCSIF Bylaws
2. Executive Committee Rotation Schedule

E. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of Ralph M. Brown Act (Government Code Section 54950 et seq.).

#### **SECTION 4** **Executive Committee**

A. - Membership. The Executive Committee shall be composed of seven to eleven (7 to 11) *voting* and two (2) *non-voting* members of the Board of Directors or their alternates. The President, Vice President and Secretary shall serve as *voting* members on the Executive Committee. The remaining *voting* members shall be elected by the Board of Directors on a member rotation basis, as established by the Board of Directors. The two (2) non-voting members shall be comprised of the Treasurer and the CJPRMA Board Representative. The President shall act as Chairman.

B. - Term. The terms of all members of the Executive Board shall be two (2) years, except for those of the President, Vice President, and Secretary, who shall all serve for two (2) years irrespective of the member rotation. A member may be reappointed to serve on the Executive Committee, except for the immediate Past President.

C. - Powers, Duties and Responsibilities.

1. The Executive Committee shall conduct, direct and supervise the day-to-day business of the Authority and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.

2. The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

- a. Provide general supervision and direction to the Program Director;
- b. Authorize payment of claims against the Authority; provided, however, that with respect to claims arising under coverage programs operated by the Authority, claim settlement authority shall be in accordance with the policies and procedures governing the particular program;
- c. Enter into contracts, within budget limits;
- d. Make payments pursuant to previously authorized contracts, within budget limits; this Authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits;
- e. Review and recommend a budget to the Board no later than seventy-two (72) hours prior to the spring meeting of the Board;
- f. Act as Program Director in the absence of the Program Director;

g. Recommend policies and procedures to the Board for implementation of the Agreement, the Bylaws and the operation of specific coverage programs; and

h. Appoint a nominating committee for each election of officers and members of the Executive Committee.

i. Amend annual budget in an amount not to exceed the contingency account.

3. Subject only to such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Authority.

#### D. - Meetings

1. Regular Meetings. Regular meetings shall be held at times, as the Executive Committee deems appropriate.

2. Special Meetings. Special meetings of the Executive Committee may be called by the Chairman or a majority of Executive Committee members, in accordance with the provisions of California Government Code Section 54956.

3. Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law.

4. Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Except as otherwise provided, no action may be taken by the Executive Committee except by affirmative vote of not less than a majority of those Executive Committee members present. A smaller number may adjourn a meeting.

5. Removal From Executive Committee. A member may be removed from the Executive Committee in the following ways:

a. Death of a Committee member;

b. Voluntary resignation;

c. Absence from three (3) consecutive meetings without a valid reason, in which case the Chair may recommend to the Executive Committee that member be terminated from Executive Committee membership. If the Executive Committee recommends to the Board of Directors that an Executive Committee member be terminated, the Board of Directors shall vote on the matter at its next regularly scheduled meeting.

d. When a vacancy occurs under the above provisions, a replacement shall be made from among the Board of Directors.

**SECTION 5**  
**Officers of the Authority**

A. The officers of the Authority shall be a President, Vice President, Secretary, and Treasurer. Officers so appointed shall serve at the pleasure of the Board of Directors. The president shall chair meetings to the Board of Directors and Executive Committee; the vice president shall act in the place of the president in the president's absence. The secretary shall keep and maintain minutes of the Board meetings and Executive Committee meetings, or to direct the keeping and maintaining of such minutes, and to promptly report minutes of meetings to all members as soon as practicable after the meeting has concluded. The treasurer's duties are as described in Sections 11 and 12 of the Bylaws. Other responsibilities may be set forth by the Board of Directors.

B. The President, Vice President and Secretary shall be elected by the Board of Directors and shall serve two (2) year terms. No officer shall serve for more than two (2) complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on January 1st of each calendar year, except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on December 31st of the calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

C. The Treasurer shall be appointed annually by the Board of Directors and, unless the Board of Directors determines otherwise, the Treasurer shall serve at the Board of Directors' pleasure. The Treasurer shall be an officer or employee of a Member Entity or a Certified Public Accountant.

D. The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable.

**SECTION 6**  
**Committees**

Committees may be formed as necessary by either the Board of Directors or the Executive Committee for the purposes of overseeing any functions that the Board or Executive Committee has authority to control, such as, but not limited to, administration and policy direction, claims administration, investments, safety/loss control, etc.

**SECTION 7**  
**Program Director and Other Staff**

A. The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Executive Committee.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
2019 - 2025 Executive Committee Rotation Schedule by Size**

BOD Approved: 12/14/2017

<b>Member</b>	<b>Size</b>	<b>Geography</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Elk Grove, City of	Large	South			x	x			
Folsom, City of	Large	East	x	x			x	x	
Lincoln, City of	Large	East	x	x					x
Rocklin, City of	Large	East				x	x		
Yuba City, City of	Large	North			x	x			
Anderson, City of	Medium	West				x	x		
Auburn, City of	Medium	East				x	x		
Corning, City of	Medium	West			x	x			
Dixon, City of	Medium	South				x	x		
Galt, City of	Medium	South	x	x					x
Gridley, City of	Medium	North	x					x	x
Marysville, City of	Medium	North		x	x				
Oroville, City of	Medium	North	x					x	x
Paradise, Town of	Medium	North	x					x	x
Placerville, City of	Medium	East		x	x				
Red Bluff, City of	Medium	West			x	x			x
Rio Vista, City of	Medium	South	x	x			x	x	
Colusa, City of	Small	West						x	x
Ione, City of	Small	South			x	x			
Jackson, City of	Small	South		x	x			x	x
Nevada City, City of	Small	North	x	x			x	x	
Willows, City of	Small	West					x	x	
			<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>8</b>



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
October 25, 2018**

**Agenda Item I.1.**

**FINANCIAL STATUS AT JUNE 30, 2018**

**INFORMATION ITEM**

**ISSUE:** James Marta & Company will provide a year-end review of NCCSIF Financial Status at June 30, 2018.

**RECOMMENDATION:** None. Information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** James Marta and Company has provided accounting and financial consulting services to NCCSIF since 2002.

**ATTACHMENT(S):** FY 17/18 Year End Review Presentation by James Marta and Company

# Northern California Cities Self-Insurance Fund



## Financial Status at June 30, 2018

Presented by  
James Marta CPA, CGMA, ARPM  
James Marta & Company LLP



*A California Joint Powers Authority*

[www.nccsif.org](http://www.nccsif.org)

## Financial Highlights

- Decrease in net position for the fiscal year ended June 30, 2018 was \$377,089 for the pool as a whole.
- Increase in prior years claims liabilities totaled \$642,527: \$404,930 for the liability program and \$237,597 for workers' compensation.
- Expenses during the year included dividends to members totaling \$2,551,295.
- Assessments to members totaled \$268,520 all in the banking layer. No liability shared layer assessment for FY 17-18.
- Liability shared layer ended the year with positive net position of \$1,509,875 – up \$121,929 from last year's ending balance of \$1,387,946.

## Statements of Net Position

	<b>June 30, 2018</b>	<b>Percent</b>	<b>June 30, 2017</b>	<b>Percent</b>	<b>June 30, 2016</b>	<b>Percent</b>
Current assets	\$ 10,927,262	19%	\$ 7,768,359	14%	\$ 7,684,507	14%
Noncurrent assets	46,388,096	81%	47,269,986	86%	46,395,121	86%
<b>Total Assets</b>	<b>\$ 57,315,358</b>	<b>100%</b>	<b>\$ 55,038,345</b>	<b>100%</b>	<b>\$ 54,079,628</b>	<b>100%</b>
Current liabilities	\$ 1,001,598	2%	\$ 1,033,017	2%	\$ 335,047	1%
Claim liabilities	40,694,770	71%	38,009,249	69%	39,745,024	73%
<b>Total liabilities</b>	<b>41,696,368</b>	<b>73%</b>	<b>39,042,266</b>	<b>71%</b>	<b>40,080,071</b>	<b>74%</b>
Net position	15,618,990	27%	15,996,079	29%	13,999,557	26%
<b>Total Liabilities and Net Position</b>	<b>\$ 57,315,358</b>	<b>100%</b>	<b>\$ 55,038,345</b>	<b>100%</b>	<b>\$ 54,079,628</b>	<b>100%</b>

## Statements of Revenues, Expenses, and Changes in Net Position

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>	<b>2017</b>	<b>2016</b>	<b>Percent Change</b>
Operating Revenues	\$ 18,734,210	\$ 17,808,078	5%	\$ 17,808,078	\$ 16,962,772	5%
Provision for Claims	10,565,863	7,831,311	35%	7,831,311	7,750,453	1%
Dividends	2,551,295	2,534,805	1%	2,534,805	1,121,444	126%
Insurance Premiums	3,541,296	3,082,686	15%	3,082,686	3,004,729	3%
Administration	2,203,398	2,217,546	-1%	2,217,546	2,032,859	9%
<b>Total Expenses</b>	<b>18,861,852</b>	<b>15,666,348</b>	<b>20%</b>	<b>15,666,348</b>	<b>13,909,485</b>	<b>13%</b>
Non-operating:						
Investment Income	(249,447)	(145,208)	72%	(145,208)	1,566,145	-109%
<b>Net Income (Loss)</b>	<b>(377,089)</b>	<b>1,996,522</b>	<b>-119%</b>	<b>1,996,522</b>	<b>4,619,432</b>	<b>-57%</b>
Beginning Net Position	15,996,079	13,999,557	14%	13,999,557	9,380,125	49%
<b>Ending Net Position</b>	<b>\$ 15,618,990</b>	<b>\$ 15,996,079</b>	<b>-2%</b>	<b>\$ 15,996,079</b>	<b>\$ 13,999,557</b>	<b>14%</b>

## Statement of Net Position June 30, 2018 – WC Only

	<b>Total WC</b>	<b>WC Admin Layer</b>	<b>WC Shared Layer</b>	<b>WC Banking Layer</b>
Current assets	\$ 7,499,593	\$ 113,887	\$ 3,836,483	\$ 3,549,223
Noncurrent assets	36,599,932	482,664	18,068,613	18,048,655
<b>Total Assets</b>	<b>\$ 44,099,525</b>	<b>\$ 596,551</b>	<b>\$ 21,905,096</b>	<b>\$ 21,597,878</b>
Current liabilities	\$ 719,563	\$ 11,761	\$ 188,714	\$ 519,088
Claim liabilities	31,946,604	-	18,039,327	13,907,277
<b>Total liabilities</b>	<b>32,666,167</b>	<b>11,761</b>	<b>18,228,041</b>	<b>14,426,365</b>
<b>Net position</b>	<b>11,433,358</b>	<b>584,790</b>	<b>3,677,055</b>	<b>7,171,513</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 44,099,525</b>	<b>\$ 596,551</b>	<b>\$ 21,905,096</b>	<b>\$ 21,597,878</b>

## Statement of Net Position June 30, 2018 – Liability Only

	<b>Total Liability Program</b>	<b>Liability Admin Layer</b>	<b>Liability Shared Layer</b>	<b>Liability Banking Layer</b>
Current assets	\$ 3,235,904	\$ 135,281	\$ 2,068,293	\$ 1,032,330
Noncurrent assets	9,979,929	77,365	5,760,448	4,142,116
<b>Total Assets</b>	<b>\$ 13,215,833</b>	<b>\$ 212,646</b>	<b>\$ 7,828,741</b>	<b>\$ 5,174,446</b>
Current liabilities	\$ 282,035	\$ 14,997	\$ 134	\$ 266,904
Claim liabilities	8,748,166	-	6,318,732	2,429,434
<b>Total liabilities</b>	<b>9,030,201</b>	<b>14,997</b>	<b>6,318,866</b>	<b>2,696,338</b>
<b>Net position</b>	<b>4,185,632</b>	<b>197,649</b>	<b>1,509,875</b>	<b>2,478,108</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 13,215,833</b>	<b>\$ 212,646</b>	<b>\$ 7,828,741</b>	<b>\$ 5,174,446</b>

# Fiscal Year 2018 Refunds & Assessments

## REFUNDS

WC Shared	WC Banking	Liab Shared	Liab Banking	Total
\$781,000	\$1,562,520	\$0	\$506,483	\$2,850,003

## ASSESSMENTS

WC Shared	WC Banking	Liab Shared	Liab Banking	Total
\$0	\$188,760	\$0	\$79,760	\$268,520

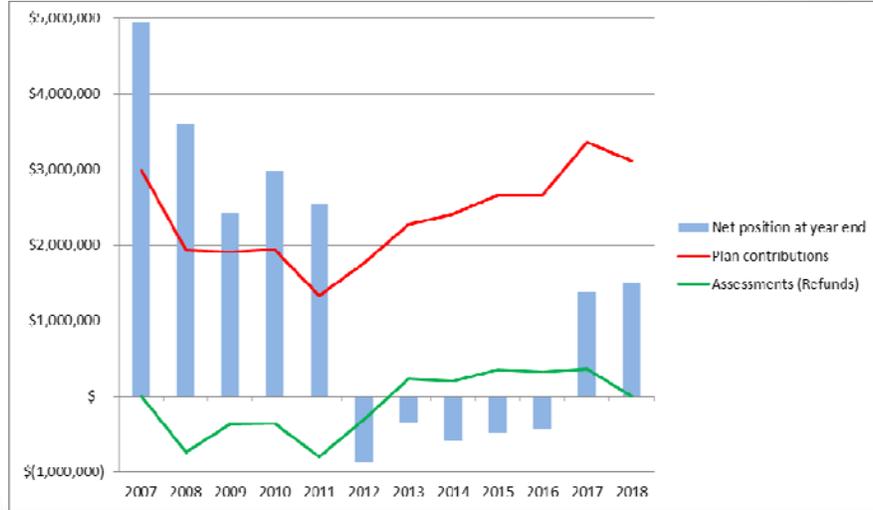
## NET RETURNED TO MEMBERS

WC Shared	WC Banking	Liab Shared	Liab Banking	Total
\$781,000	\$1,373,760	\$0	\$426,723	\$2,581,483

Net refunds  
and  
assessments  
– Last 23  
years

Policy Year	WC Shared	Liab Shared	All Banking	Net Refund (Assessment)
1996	\$ -	\$ -	\$ 624,314	\$ 624,314
1997	-	-	980,903	980,903
1998	-	-	2,280,782	2,280,782
1999	-	-	(1,261,098)	(1,261,098)
2000	(274,923)	-	(302,147)	(577,070)
2001	(11,859)	(732,921)	(503,727)	(1,248,507)
2002	383,332	(279,207)	2,839,151	2,943,276
2003	-	-	567,979	567,979
2004	-	-	204,292	204,292
2005	-	-	2,249,101	2,249,101
2006	-	960,976	733,058	1,694,034
2007	-	-	1,907,050	1,907,050
2008	-	735,799	5,086,480	5,822,279
2009	1,317,146	361,300	4,331,924	6,010,370
2010	1,637,000	357,947	4,142,781	6,137,728
2011	2,290,878	792,065	3,248,826	6,331,769
2012	1,697,090	304,007	2,187,129	4,188,226
2013	1,370,228	(232,798)	2,335,508	3,472,938
2014	931,757	(199,815)	(425,022)	306,920
2015	566,413	(348,814)	359,091	576,690
2016	280,809	(325,661)	386,017	341,165
2017	498,000	(368,049)	1,787,161	1,917,112
2018	781,000	-	1,800,483	2,581,483
<b>Totals</b>	<b>\$11,466,871</b>	<b>\$1,024,829</b>	<b>\$35,560,036</b>	<b>\$ 48,051,736</b>

## Liability Shared Program History

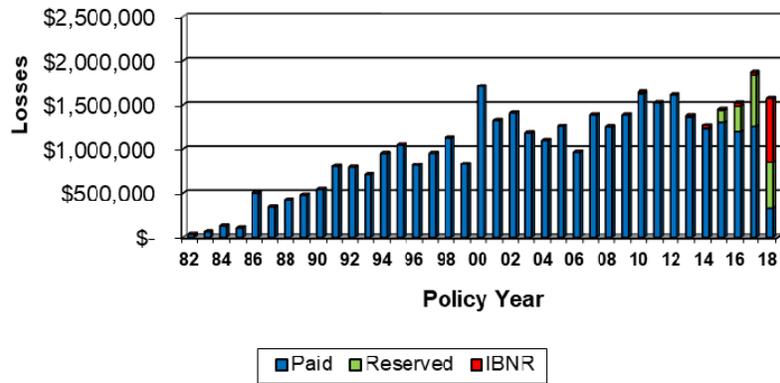


## Reconciliation of Claims Liabilities

	Total Liability Program		Total WC Program		Totals	
	2018	2017	2018	2017	2018	2017
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 7,383,303	\$ 9,946,575	\$ 30,625,946	\$ 29,798,449	\$ 38,009,249	\$ 39,745,024
Incurred claims and claim adjustment expenses:						
Provision for insured events of the current fiscal year	3,079,430	3,062,804	7,273,628	7,275,432	10,353,058	10,338,236
Increases (Decreases) in provision for insured events of prior fiscal years	404,930	(1,236,867)	149,917	(927,061)	554,847	(2,163,928)
Change in provision for ULAE in current year	-	-	87,680	79,550	87,680	79,550
<b>Total incurred claims and claim adjustment expenses</b>	<b>3,484,360</b>	<b>1,825,937</b>	<b>7,511,225</b>	<b>6,427,921</b>	<b>10,995,585</b>	<b>8,253,858</b>
Payments:						
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	529,712	587,291	996,340	1,012,697	1,526,052	1,599,988
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	1,589,785	3,801,918	5,194,223	4,587,727	6,784,008	8,389,645
<b>Total Payments</b>	<b>2,119,497</b>	<b>4,389,209</b>	<b>6,190,567</b>	<b>5,600,424</b>	<b>8,310,064</b>	<b>9,989,633</b>
<b>Total unpaid claims and claim adjustment expenses at end of the fiscal year</b>	<b>\$ 8,748,166</b>	<b>\$ 7,383,303</b>	<b>\$ 31,946,604</b>	<b>\$ 30,625,946</b>	<b>\$ 40,694,770</b>	<b>\$ 38,009,249</b>
Claims Liability	\$ 8,748,166	\$ 7,383,303	\$ 30,172,292	\$ 28,939,316	\$ 38,920,458	\$ 36,322,619
Claims ULAE	-	-	1,774,312	1,686,630	1,774,312	1,686,630
<b>Total Claim Liabilities</b>	<b>\$ 8,748,166</b>	<b>\$ 7,383,303</b>	<b>\$ 31,946,604</b>	<b>\$ 30,625,946</b>	<b>\$ 40,694,770</b>	<b>\$ 38,009,249</b>

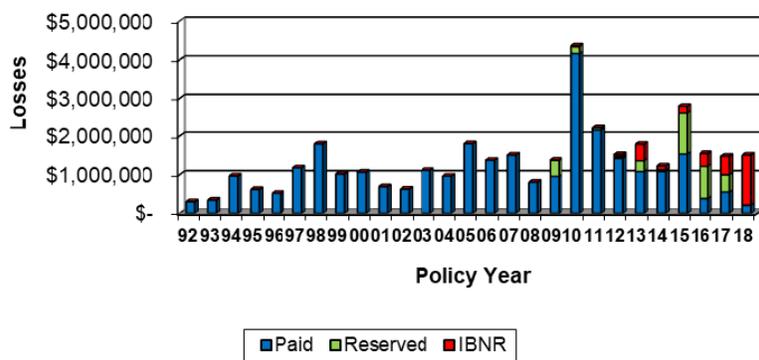
# Claims Summary

## Liability - Banking



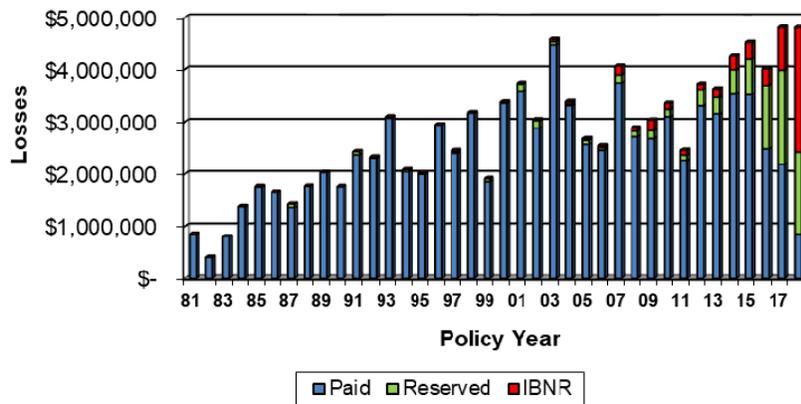
# Claims Summary

## Liability - Shared



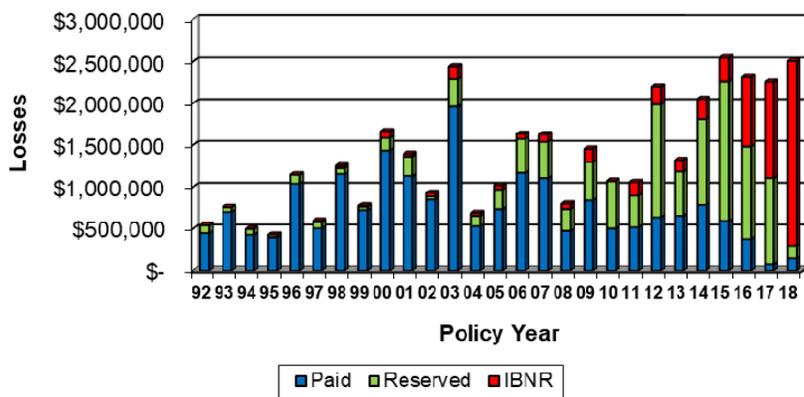
# Claims Summary

## Workers Compensation - Banking



# Claims Summary

## Workers Compensation - Shared



## Conclusion

- The financial position of the pool deteriorated in FY 2018, mainly due to the change in fair market value of investments exceeding dividends and interest income.
- Liability Shared Layer continues to show positive net position.
- **Demonstrating value:** Net refunds to members over the last ten years approaching \$32M - \$48M over last 23 years.



## FY 17/18 FINANCIAL AUDIT

### ACTION ITEM

**ISSUE:** NCCSIF's auditor, Crowe Horwath, will present the annual audited financial statements. Changes in NCCSIF's financial condition over the last fiscal year include:

- Total assets increased by \$2.2 million, and total liabilities increased by \$2.6 million, resulting in a *decrease in Net Position of \$377,089*, or 2.4%, from \$15,996,079 to \$15,618,990. Without ***dividends of \$2,551,295*** the net position would have increased by \$2,174,206.
- Net cash from operations increased by \$425,986, from \$1,590,743 to \$2,016,729. Results reflect increased cash received from members of \$1.2 million and increased cash from investing activities of \$3 million, less increased cash paid for claims of \$4.4 million.
- NCCSIF lost (-\$377,089) in 2018 compared to earning \$1,996,522 in 2017. This is largely due to an increase of \$2.7 million in the provision for unpaid claims and claim adjustment expenses.

**RECOMMENDATION:** Receive and file the FY 17/18 Year End Financials as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The annual financial audit has been conducted by Crowe Horwath since FY 10/11.

### ATTACHMENT(S):

1. Audited Financial Statements as of June 30, 2018 and 2017
2. Financial Audit Management Letter

**NORTHERN CALIFORNIA CITIES  
SELF INSURANCE FUND**

**FINANCIAL STATEMENTS**

June 30, 2018 and 2017

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
Sacramento, California

FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Members  
Northern California Cities Self Insurance Fund  
Sacramento, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of Northern California Cities Self Insurance Fund, as of and for the years ended June 30, 2018 and 2017 and related notes to the financial statements, which collectively comprise the Northern California Cities Self Insurance Fund's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *State Controller's Minimum Audit Requirements for California Special Districts* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern California Cities Self Insurance Fund, as of June 30, 2018 and 2017, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 11, the Reconciliation of Claims Liabilities by Type of Contract on pages 24 and 25, and the Claims Development Information on pages 26 through 28, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Northern California Cities Self Insurance Fund's basic financial statements. The Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Change in Net Position, Statement of Net Position by Member, and Statement of Revenues, Expenses and Change in Net Position by Member are presented on pages 29 through 38, for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Change in Net Position, Statement of Net Position by Member, and Statement of Revenues, Expenditures and Change in Net Position by Member are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Change in Net Position, Statement of Net Position by Member, and Statement of Revenues, Expenditures and Change in Net Position by Member have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2018 on our consideration of Northern California Cities Self Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern California Cities Self Insurance Fund's internal control over financial reporting and compliance.

**Crowe LLP**

Crowe LLP

Sacramento, California  
September 13, 2018

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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The following report reflects on the financial condition of Northern California Cities Self Insurance Fund (NCCSIF) for the fiscal year ended June 30, 2018. It is provided in order to enhance the information in the financial audit, and should be reviewed in concert with that report.

### **Financial Highlights, fiscal years ended June 30, 2017 and 2018**

- The change in net position for the fiscal year ended June 30, 2018 was \$(377,089). Expenses during the year included dividends to members totaling \$2,551,295. Without the dividend to members the program would have shown change in net position of \$2,174,206.
- The change in net position for the fiscal year ended June 30, 2017 was \$1,996,522. Expenses during the year included dividends to members totaling \$2,534,805. Without the dividend to members the program would have shown change in net position of \$4,531,327.
- Total operating revenues for fiscal year 2018 were \$16,182,915, net of refunds, an increase of 6.0% or \$909,642 as compared to fiscal year 2017. The increase in operating revenues was driven by an increase in the confidence level from 70% in fiscal year 2017 to 75% in fiscal year 2018.
- Total operating revenues for fiscal year 2017 were \$15,273,273, net of refunds, a decrease of 3.6% or \$568,055 as compared to fiscal year 2016. The decrease in net operating revenues was driven by an increase in dividends of \$1,413,361 from the prior year.

### **Description of the Basic Financial Statements**

NCCSIF financial statements are prepared in conformity with generally accepted accounting principles and necessarily include amounts based upon reliable estimates and judgments. Statement of Net Position, a Statement of Revenues, Expenses & Changes in Net Position, and the Statement of Cash Flows are included along with Notes to Financial Statements to clarify unique accounting policies and financial information.

The *Statement of Net Position* provides information on all NCCSIF program assets and liabilities, with the difference reported as Net Position. Net Position may be an indicator of the overall pool financial changes across years.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing total revenues versus total expenses and the resulting effect on Net Position.

The *Statement of Cash Flows* presents information about the cash receipts and cash payments during the year and reconciles to operating income.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Combining statements are provided with the supplementary information and reflect financial information separated by the specific program to which it relates. NCCSIF's accounting system is organized so that each program can be accounted for and evaluated independently. Separate funds are operated for four insurance funds: two for Workers' Compensation (Banking Layer and Shared Risk Layer), and Liability (Banking Layer and Shared Risk Layer), General Administration and Loss Control. The assets, liabilities, revenues and expenses for all funds are reported on a full accrual basis. There were no significant accounting changes during the year.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. The notes describe the nature of NCCSIF's operations and significant accounting policies as well as clarify unique financial information.

**Required Supplementary Information**

Following the basic financial statements is required supplementary information, which provides further detail and reconciliation of claims liabilities by program.

Crowe LLP, Certified Public Accountants has performed an independent audit examination of our financial statements in accordance with generally accepted auditing standards. This firm's opinion is included in the Financial Section of this report. This report also includes information from NCCSIF's previous audits at June 30, 2017 and June 30, 2016:

**Pool-Wide Financial Analysis**

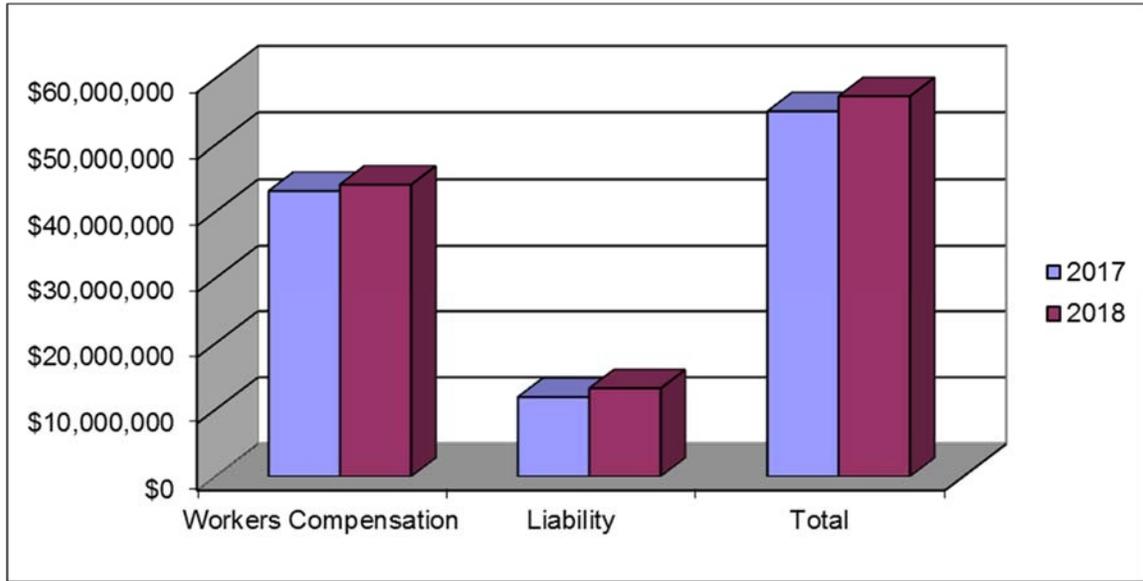
	<b>June 30, 2018</b>	<b>Percent</b>	<b>June 30, 2017</b>	<b>Percent</b>	<b>June 30, 2016</b>	<b>Percent</b>
Current assets	\$ 10,735,497	19%	\$ 7,768,359	14%	\$ 7,684,507	14%
Noncurrent assets	46,579,861	81%	47,269,986	86%	46,395,121	86%
Total Assets	<u>\$ 57,315,358</u>	<u>100%</u>	<u>\$ 55,038,345</u>	<u>100%</u>	<u>\$ 54,079,628</u>	<u>100%</u>
Current liabilities	\$ 8,771,598	15%	\$ 1,033,017	2%	\$ 335,047	1%
Claim liabilities	32,924,770	57%	38,009,249	69%	39,745,024	73%
Total liabilities	<u>41,696,368</u>	<u>73%</u>	<u>39,042,266</u>	<u>71%</u>	<u>40,080,071</u>	<u>74%</u>
Net position	15,618,990	27%	15,996,079	29%	13,999,557	26%
Total Liabilities and Net Position	<u>\$ 57,315,358</u>	<u>100%</u>	<u>\$ 55,038,345</u>	<u>100%</u>	<u>\$ 54,079,628</u>	<u>100%</u>

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

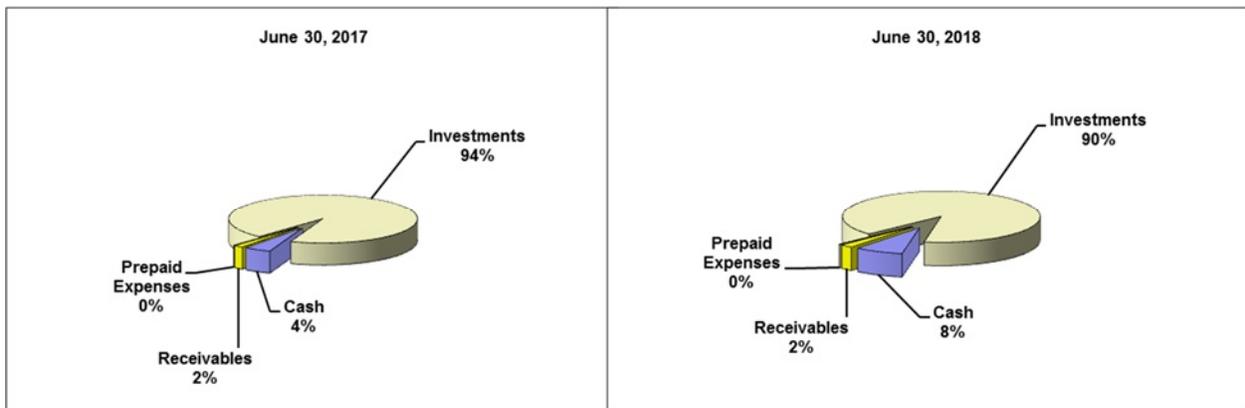
**Northern California Cities Self Insurance Fund  
Total Assets by Program at June 30, 2017 and June 30, 2018**



The total increase in assets for fiscal year 2018 was \$2,277,013, resulting in a total asset balance of \$57,315,358 at June 30, 2018.

The total increase in assets for fiscal year 2017 was \$958,717, resulting in a total asset balance of \$55,038,345 at June 30, 2017.

**Total Assets by Type at June 30, 2017 and June 30, 2018**



# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

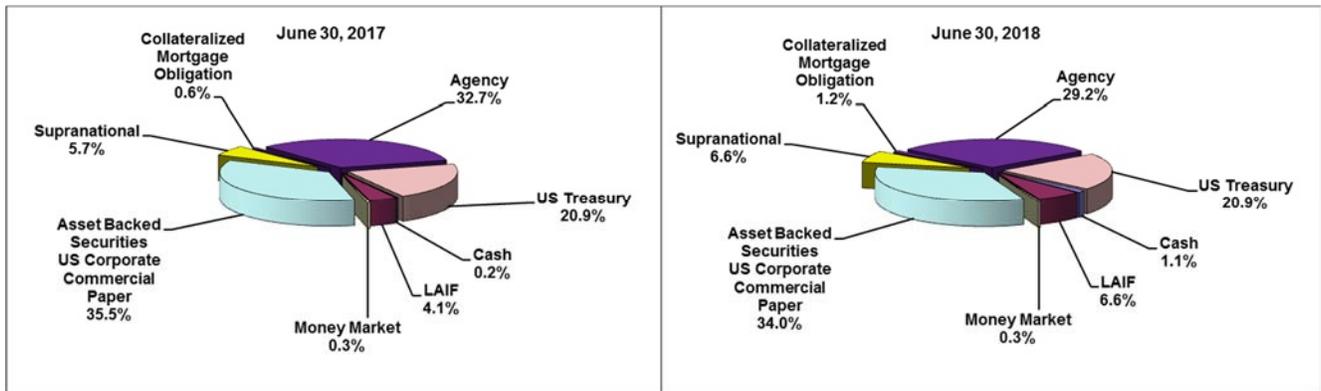
## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Investment revenues are used to offset program costs wherever possible and reduce the required member contributions. The overall investments of the pool increased in 2016-2017 from \$48,804,329 to \$51,608,346 and in 2017-2018 decreased to \$51,419,143. The increase in fiscal year 2017 was partly due to the transfer of \$2,955,000 from the pool's cash holdings to its investment accounts. The decrease in fiscal year 2018 was due to market value adjustments. NCCSIF invests those funds not immediately necessary for the payment of claims in order to optimize the rate of return. Funds are invested in a manner that will protect principal, allow for cash flow needs and optimize returns, and are in conformity with all federal, state, and local statutes governing such investment of public funds. Those assets needed for current operations are maintained in the Local Agency Investment Fund (LAIF) in Sacramento, which is administered by the State Treasurer's Office.

While steadily increasing, the interest rates have remained low in the past two years. For example, the average rate of return for funds invested in LAIF during fiscal year 2017 was 0.745%, in 2018 the average rate of return was 1.420%. The effective rate of return for the overall JPA investment portfolio decreased from -0.3% in fiscal year 2017 to -0.5% in fiscal year 2018. This was due to the market value adjustments of the portfolio. The ability of these funds to earn investment income has a direct effect on program rates, as this income is used to discount future liabilities. When investments fall short of projections, additional funding may be required to meet actuarial estimates.

### Components of NCCSIF Portfolio at June 30, 2017 and June 30, 2018



# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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### **NCCSIF Pool Liabilities**

Current liabilities, excluding the current portion of claims liabilities, increased by \$697,970 from 2016 to 2017, and increased by \$7,738,581 from 2017 to 2018, respectively. The variance increase from 2016 to 2017 was largely due to timing of payment of member refunds.

Outstanding claims liabilities for the two self-insured programs increased from \$38,009,249 at June 30, 2017 to \$40,694,770 at the close of the 2018 fiscal year, an increase of 7%. This increase resulted from an increase in estimates for insured claims of prior fiscal years, offset with the addition of the current policy year claims. The prior year saw a decrease of \$1,735,775 from fiscal year 2016 to the end of fiscal year 2017, largely due to a decrease in estimates for insured claims of prior fiscal years.

### **NCCSIF Dividends and Assessments**

#### For the year ended June 30, 2018:

The Liability Banking Fund had dividends of \$478,737 and had assessments of \$79,760. The Workers' Compensation Banking Fund had assessments of \$188,760 and \$1,291,556 of refunds declared in fiscal year 2018. The Workers' Compensation Shared Risk Fund dividend declared was \$781,002 which was available for refund via check, application to fiscal year 2019 premiums or fiscal year 2018 assessments.

#### For the year ended June 30, 2017:

The Liability Banking Fund had dividends of \$605,301 and had assessments of \$34,369. The Liability Shared Risk Fund had a refund from the liability excess carrier of \$231,952, which was used to reduce the fiscal year 2017 Liability Shared Layer assessment totaling \$600,000. The Workers' Compensation Banking Fund had assessments of \$212,275 and refunds of \$1,431,504 declared in fiscal year 2017. The Workers' Compensation Shared Risk Fund dividend declared was \$498,000 which was available for refund via check, application to fiscal year 2018 premiums or fiscal year 2017 assessments, or deferral to a reserve fund for member risk management needs.

### **NCCSIF Revenues and Expenses**

Pool operating revenues consist almost entirely of contributions received from members. Revenues increased from 2016 to 2017 with operating revenues totaling \$16,962,772 and \$17,808,078, respectively. This increase was driven by the board's decision to fund at the 70% instead of the 67.5% confidence level. Pool operating revenues for the 2018 fiscal year increased 5% from the preceding year to \$18,734,210. The 2017 fiscal year activity resulted in an increase to the pool's net position of \$1,996,522, inclusive of dividends declared totaling \$2,534,805. Fiscal year 2018 dividends declared totaled \$2,551,295 and the pool experienced net decrease in net position of \$377,089, resulting in an ending net position of \$15,618,995 – a 2.4% decrease from the 2017 fiscal year.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

**NCCSIF Statements of Revenue, Expenses, and Changes in Net Position**

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>	<b>2017</b>	<b>2016</b>	<b>Percent Change</b>
Operating Revenues	\$ 18,734,210	\$ 17,808,078	5%	\$ 17,808,078	\$ 16,962,772	5%
Provision for Claims	10,565,863	7,831,311	35%	7,831,311	7,750,453	1%
Dividends	2,551,295	2,534,805	1%	2,534,805	1,121,444	126%
Insurance Premiums	3,541,296	3,082,686	15%	3,082,686	3,004,729	3%
Administration	2,203,398	2,217,546	-1%	2,217,546	2,032,859	9%
Total Expenses	<u>18,861,852</u>	<u>15,666,348</u>	20%	<u>15,666,348</u>	<u>13,909,485</u>	13%
Non-operating:						
Investment Income	<u>(249,447)</u>	<u>(145,208)</u>	72%	<u>(145,208)</u>	1,566,145	-109%
Net Income (Loss)	(377,089)	1,996,522	-119%	1,996,522	4,619,432	-57%
Beginning Net Position	<u>15,996,079</u>	<u>13,999,557</u>	14%	<u>13,999,557</u>	<u>9,380,125</u>	49%
Ending Net Position	<u>\$ 15,618,990</u>	<u>\$ 15,996,079</u>	-2%	<u>\$ 15,996,079</u>	<u>\$ 13,999,557</u>	14%

Non-operating revenues decreased from \$1,566,145 to (\$145,208) for 2016 and 2017, respectively. Non-operating revenues decreased by \$104,239 in fiscal year 2018 to (\$249,447). Variance in non-operating revenues between the last three years was largely a result of changes in valuation of investments; realized gains were in excess of \$700,000 for both fiscal year 2017 and 2018.

Operating expenses, including the provision for insured events, increased by 13% in 2016-2017 to \$15,666,348. This increase resulted largely from increases in provision for insured events. Operating expenses increased \$3.2 million from the total 2017 figure to \$18,861,852 in fiscal year 2018. This increase resulted from an increase in claims related expense for estimates of claims liabilities.

**Insurance Expense**

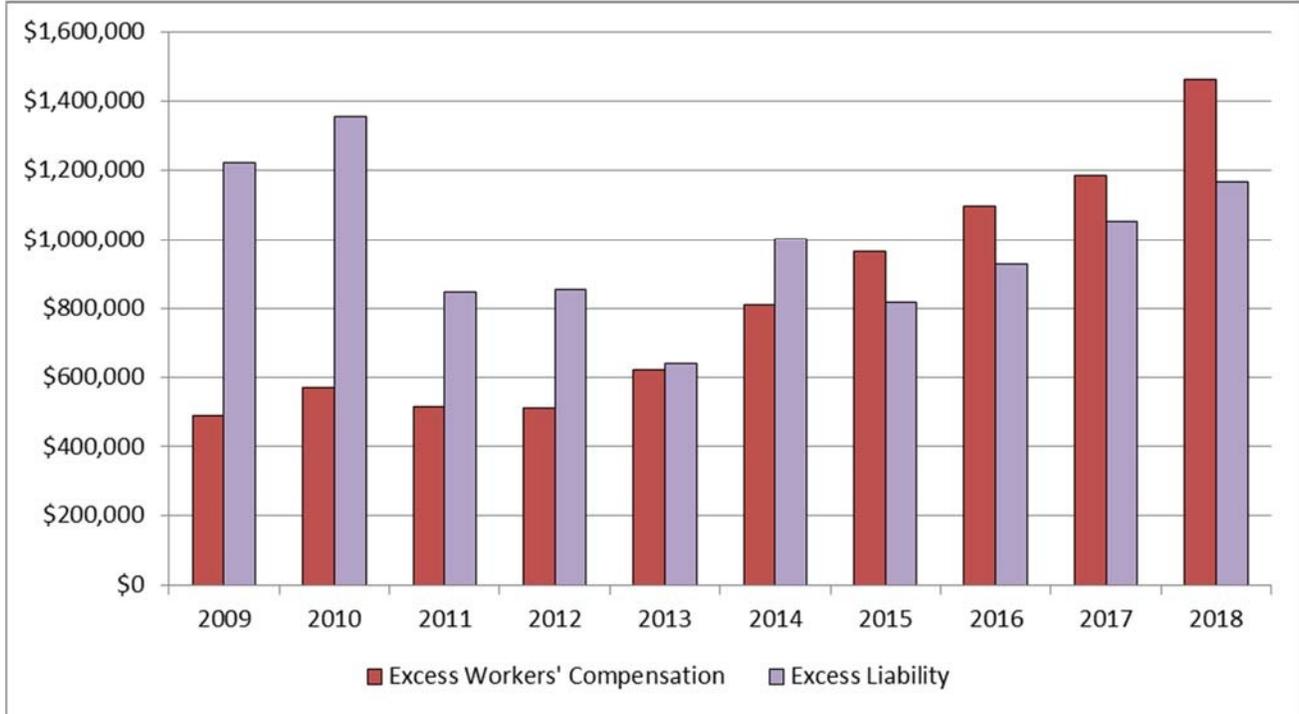
NCCSIF participates in excess California joint powers authorities for liability and workers' compensation. These excess JPA's purchase excess reinsurance and insurance over pooled layers. By doing so NCCSIF now operates in an environment that reduces dependency on the insurance market and is therefore less subject to the swings of insurance pricing cycles. Historically, the insurance market has operated in 3-7 year cycles in which rates will swing from the very high to the very low and back again. Currently we have been in a relatively soft market with workers compensation, but we see the liability market hardening for governmental exposure.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

The table below shows excess insurance premiums paid by the pool for the last ten years.



The decrease in the excess liability premiums for the 2011-2013 period was largely related to NCCSIF moving from a \$500,000 self-insured retention to a \$1,000,000 self-insured retention for that period which reduced the cost of purchased coverage. For 2014 forward NCCSIF is back to using its historical \$500,000 self-insured retention.

**General Administration Fund**

General administration expenses represent 2.8% and 2.1% of the overall pool expenses for 2017 and 2018, respectively. This figure includes administrative and finance staff expenses, support and services, including the costs of NCCSIF Board of Director and Executive Committee meetings. The decrease in these percentages is largely related to the overall administrative costs increasing slightly while there was a sharper increase in the program expense.

### **Risk Management Services**

The Risk Management Services Fund provides on-site consultant support, group training, web-based training, hot line safety services, inspection services, funding for attendance at Risk Management conferences and other support to members in the Liability and Workers' Compensation programs with the goal of controlling loss frequency and severity. These services are funded on a proportional basis by both programs, and represent 3.0% and 2.5% of the pool expenses for 2017 and 2018, respectively. NCCSIF works closely with the Risk Management Committee and each of our member cities to implement programs that help them reduce the cost of coverage. These services range from contract review to site safety inspections and hotline services.

Some of the training provided in fiscal years 2017 and 2018 included: Insurance Requirements in contracts, Traffic Signage and Flagging during construction, Certified Pool Operators, Aquatics Risk Management, Verbal Judo For Public Works, Commercial Driver Safety, Understanding Legal Marijuana, Ethics and Sexual Harassment training per AB1825 and AB 1234, Office Ergonomic Evaluations, OSHA Hazcom training, Forklift Train the Trainer certification, Risk Management 101 For Supervisors and Managers, wastewater services safety and spill response, supervisory skills, and review of members' Injury and Illness Prevention Plans. Risk management dollars were also used to update member police manuals, provide daily training bulletins, purchase body cameras for police officers and provide resources to work with members to conduct investigations of incidents or near-miss occurrences to help isolate the cause and make suggestions to avoid recurrence.

### **Cost Containment**

NCCSIF has made a great effort to manage the cost of its claims through the implementation of creative and innovative programs. A summary of these efforts in the workers' compensation and liability program is as follows.

The Workers' Compensation Program covers all employees, and volunteers (if the city has passed an ordinance) who are injured during the course and scope of their employment. The coverage includes payment for medical costs, temporary disability, permanent disability and vocational rehabilitation. The Workers' Compensation claims administrator, York Risk Services Group, Inc., actively manages costs through the support of a voluntary return-to-work program in which NCCSIF and the claims administrator team with the injured worker, physician, and supervisor to select short-term pre-determined bridge assignments that are medically appropriate for returning the worker to employment. This serves to keep injured workers productive and avoids lengthy recovery periods from which it may be difficult to return to a structured workplace. NCCSIF has implemented a Managed Provider Network to further control workers' compensation medical costs.

For liability claims much of the cost containment is focused on litigation management, with the claims adjuster working closely with the member and legal counsel to establish a legal work plan and budget to assess and resolve cases at the earliest opportunity. Members work with York to establish and maintain a list of preferred defense counsel who share their philosophy of early evaluation and resolution where possible.

### **Financial Management and Control**

NCCSIF's Financial Advisor is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. Further oversight is provided by the NCCSIF Treasurer and annually reviewed by the Financial Auditor.

### **Description of Facts or Conditions That are Expected to Have a Significant Effect on Financial Position or Results of Operations**

The Liability market is expected to harden as it responds to larger losses incurred by governments. We are seeing an increase in the settlement value of liability claims, particularly police cases, given the current environment influenced by a number of high-profile incidents.

The California economy has been improving with unemployment lowering. The state budget situation has improved due to temporary tax increases and the strengthening economy. This has resulted in increased hiring and payrolls for NCCSIF members, leading to an increase in funding.

Annually, NCCSIF evaluates the services and programs currently offered by the Authority and determine whether those services should be continued as is, modified, increased or deleted. Members feel strongly that the JPA can help to provide programs and services at a cost that remains less than the Cities would have to bear individually.

## **FINANCIAL STATEMENTS**

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENTS OF NET POSITION  
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 4,525,647	\$ 2,503,983
Investments maturing within one year (Note 2)	4,839,282	4,338,360
Member receivable	72,513	151,663
Excess insurance receivable	938,429	486,265
Interest receivable	171,460	236,639
Prepaid expenses	<u>188,166</u>	<u>51,449</u>
Total current assets	10,735,497	7,768,359
Investments, less portion maturing within one year (Note 2)	<u>46,579,861</u>	<u>47,269,986</u>
Total assets	<u>57,315,358</u>	<u>55,038,345</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	66,892	257,202
Dividends payable	934,706	775,815
Current portion of unpaid claims and claim adjustment expenses (Note 3)	<u>7,770,000</u>	<u>7,870,000</u>
Total current liabilities	8,771,598	8,903,017
Unpaid claims and claim adjustment expenses (Note 3)	<u>32,924,770</u>	<u>30,139,249</u>
Total liabilities	<u>41,696,368</u>	<u>39,042,266</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 15,618,990</u>	<u>\$ 15,996,079</u>

See accompanying notes to financial statements.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
 For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Banking layer deposit	\$ 8,158,729	\$ 7,712,000
Shared risk layer deposit	5,187,000	4,838,000
Other deposits/fees	5,119,961	4,408,433
Banking layer assessment	268,520	249,644
Shared risk layer assessment	-	368,049
Excess insurance rebate	-	<u>231,952</u>
Total operating revenues	<u>18,734,210</u>	<u>17,808,078</u>
Operating expenses:		
Provision for claims and claim adjustment expenses (Note 3)	10,565,863	7,831,311
Dividends	2,551,295	2,534,805
Insurance premiums	3,541,291	3,082,686
Claims administration	1,255,737	1,277,190
Program administration	402,835	364,518
Administrative fees	59,186	80,448
Safety services	463,220	473,709
Other expenses	<u>22,425</u>	<u>21,681</u>
Total operating expenses	<u>18,861,852</u>	<u>15,666,348</u>
Operating (loss) income	<u>(127,642)</u>	<u>2,141,730</u>
Non-operating (expenses) revenues:		
Net change in the fair value of investments	(1,033,236)	(1,022,100)
Investment income	<u>783,789</u>	<u>876,892</u>
Total non-operating (expenses) revenues	<u>(249,447)</u>	<u>(145,208)</u>
Change in net position	(377,089)	1,996,522
Net position, beginning of year	<u>15,996,079</u>	<u>13,999,557</u>
Net position, end of year	<u>\$ 15,618,990</u>	<u>\$ 15,996,079</u>

See accompanying notes to financial statements.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Cash received from members	\$ 18,612,985	\$ 17,428,955
Cash paid for claims	(7,880,342)	(9,567,086)
Cash paid for insurance	(3,993,457)	(2,216,745)
Cash paid to vendors	(2,330,053)	(2,015,536)
Cash paid for dividends	<u>(2,392,404)</u>	<u>(2,038,845)</u>
Net cash provided by operating activities	<u>2,016,729</u>	<u>1,590,743</u>
<b>Cash flows from investing activities:</b>		
Investment income received	851,784	824,572
Investment purchases	(22,264,589)	(37,039,551)
Proceeds from sale or maturity of investments	<u>21,417,740</u>	<u>33,231,788</u>
Net cash provided by (used in) investing activities	<u>4,935</u>	<u>(2,983,191)</u>
Net increase (decrease) in cash and cash equivalents	2,021,664	(1,392,448)
Cash and cash equivalents, beginning of year	<u>2,503,983</u>	<u>3,896,431</u>
Cash and cash equivalents, end of year	<u>\$ 4,525,647</u>	<u>\$ 2,503,983</u>
Reconciliation of operating (loss) income to net cash provided by operating activities:		
Operating (loss) income	\$ (127,642)	\$ 2,141,730
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
(Increase) decrease in:		
Member receivable	79,150	248,237
Excess insurance receivable	(452,164)	100,552
Prepaid expense	(136,717)	138,029
(Decrease) increase in:		
Accounts payable	(190,310)	202,010
Dividends payable	158,891	495,960
Unpaid claims and claim adjustment expenses	<u>2,685,521</u>	<u>(1,735,775)</u>
Net cash provided by operating activities	<u>\$ 2,016,729</u>	<u>\$ 1,590,743</u>
Supplemental information:		
Noncash non-operating and investing activities		
Net change in fair value of investments	<u>\$ (1,033,236)</u>	<u>\$ (1,022,100)</u>

See accompanying notes to financial statements.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description: Northern California Cities Self Insurance Fund (the "Fund") is a governmental joint powers authority formed in July 1978, pursuant to the Government Code of the State of California, commencing with Section 6500. The Fund provides workers' compensation, general liability, automobile liability, errors and omissions and employment practices coverage through jointly funded banking plan, risk sharing, excess risk sharing and excess reinsurance for its 22 member entities. The risk sharing plan was implemented during the 1991-92 fiscal year.

Reporting Entity: The reporting entity includes all activities considered to be part of the Fund. This includes financial activity relating to all of the membership years of the Fund. In determining the reporting entity, the Fund considered all governmental units that were members of the Fund since inception. The criteria do not require the inclusion of these entities in the Fund's financial statements principally because the Fund does not exercise oversight responsibility over any members.

Basis of Accounting: These statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liabilities are recognized when incurred. Liabilities for reserves for open claims and claims incurred but not reported have been recorded in the Fund's financial statements.

Cash Equivalents: Cash equivalents are investments readily convertible into known amounts of cash with original maturities at date of purchase of less than three months.

Fair Value of Pooled Investments: The Fund records its investment in the Local Agency Investment Fund (LAIF) based upon the Fund's pro-rata share of the fair value of the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Investments: The Fund records its investments at fair value. Changes in fair value are reported as non-operating revenues in the statement of revenues, expenses and change in net position. The effect of recording investments at fair value for the years ended June 30, 2018 and 2017 is reflected as a net change in the fair value of investments on the statement of revenues, expenses and change in net position.

Provisions for Unpaid Claims and Claim Adjustment Expenses: The Fund's policy is to establish unpaid claims and claim adjustment expenses based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from the liability. The Fund increases the liability for allocated and unallocated claim adjustment expenses. Because actual claim costs depend on such complex factors as inflation, changes in doctrine of legal liability, and damage awards, the process used in computing unpaid claims and claim adjustment expenses does not necessarily result in an exact amount, particularly for coverage such as general liability. Unpaid claims and claim adjustment expenses are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, other economic and social factors and estimated payment dates. Adjustments to unpaid claims and claim adjustment expenses are charged or credited to expense in the period in which they are made. The current portion of unpaid claims is based on current year payments and known claim information at the end of the period.

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(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Coverage Limits: The Fund provides coverage within the Banking Layer for each Program:

*Liability:*

\$50,000 per occurrence  
\$50,000 per occurrence for employment practices  
\$100,000 per occurrence for City of Folsom only (all coverages)

*Workers' Compensation:*

\$100,000 per occurrence

The Fund provides coverage within a Shared Risk Layer for each program:

*Liability:*

\$450,000 per occurrence, excess of Banking Layer  
\$450,000 per occurrence for employment practices, excess of Banking Layer  
\$400,000 per occurrence for City of Folsom only (all coverages), excess of Banking Layer

*Workers' Compensation:*

\$400,000 per occurrence, excess of Banking Layer

Currently, the Fund participates in an excess Joint Powers Authority, California Joint Powers Risk Management Authority, for excess coverage above the Liability Shared Risk Layer to a limit of \$40,000,000 per occurrence. See Note 4.

For the Workers' Compensation program, the Fund purchases coverage above the Shared Risk Layer through CSAC Excess Insurance Authority to statutory limits for workers' compensation and \$5,000,000 for employers' liability. See Note 4.

Settlements have not exceeded insurance coverage in each of the past three years.

Revenue Recognition: Contributions are recognized as revenue when earned based upon the coverage period of the related insurance. To the extent that allocated losses and administrative expenses exceed contributions previously paid and interest and other income, the Fund may declare either a dividend or an assessment to member agencies.

Fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating revenues and expenses include all activities necessary to achieve the objectives of the Fund. Non-operating revenues and expenses include investment income and net change in the fair value of investments.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

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(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes: The Fund is an organization comprised of public agencies and is exempt from Federal income and California franchise taxes. Accordingly, no provision for Federal or State income taxes has been made in the accompanying financial statements.

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents at June 30, 2018 and 2017 are reported at fair value and consisted of the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents:		
Cash in bank	\$ 623,042	\$ 82,280
Money market	<u>191,766</u>	<u>188,950</u>
Total cash in bank	814,808	271,230
Cash in Local Agency Investment Fund	<u>3,710,840</u>	<u>2,232,753</u>
Total cash and cash equivalents	<u>\$ 4,525,647</u>	<u>\$ 2,503,983</u>

Custodial Credit Risk – Cash in Bank: The Fund limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2018, the carrying amount of the Fund's accounts were \$623,042, and the bank balances were \$1,095,181, of which \$845,181 was uninsured but collateralized. At June 30, 2017, the carrying amount of the Fund's accounts were \$82,280, and the bank balances were \$650,479, of which \$400,479 was uninsured but collateralized.

Money Market: The Fund has a portion of its cash and equivalents in a money market account at a third party Custodian. The money market account is not covered by FDIC insurance, but is fully collateralized.

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(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018 and 2017

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS** (Continued)

Local Agency Investment Fund (“LAIF”): Northern California Cities Self Insurance Fund places certain funds in the LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State of California and invests the cash. The Fund's investment in the pool is reported in the accompanying financial statements based upon the Fund's pro-rata share of the amortized cost as provided by LAIF in proportion to the amortized cost of entire LAIF portfolio. The funds held in the pooled investments funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds may be withdrawn at any time up to the total amount on deposit with LAIF. Most withdrawals are accessible and transferable to the Fund's master account on the same day as the request, except for amounts greater than \$10,000,000, which require twenty-four hours' advance notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by Federal agencies, government-sponsored enterprises and corporations. LAIF is administered by the State Treasurer. As of June 30, 2018, this fund was yielding approximate interest rate of 1.376% annually. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814.

Investments: Investments at June 30, 2018 and 2017 are reported at fair value and consisted of the following:

	<u>Rating</u>	<u>2018</u>	<u>2017</u>
Investments:			
US Agency	AA+	\$ 16,490,959	\$ 17,709,334
US Agency	AAA	516,472	309,395
US Treasury	TSY	11,710,695	11,289,042
US Corporate Notes	AAA	712,631	727,056
US Corporate Notes	AA+	921,391	1,271,961
US Corporate Notes	AA	721,333	774,310
US Corporate Notes	AA-	2,269,201	2,848,113
US Corporate Notes	A+	2,554,323	3,003,850
US Corporate Notes	A	6,077,244	5,922,883
US Corporate Notes	A-	1,661,496	342,589
Commercial Paper	A-1	-	362,348
Certificates of Deposit	A-1	860,000	-
Supranational	AAA	3,693,329	3,077,544
Asset Backed Paper	AAA	<u>3,230,069</u>	<u>3,969,921</u>
Total investments		<u>\$ 51,419,143</u>	<u>\$ 51,608,346</u>

Investment security ratings reported as of June 30, 2018 and 2017 are defined by Standard & Poors. Securities of the United States Treasury (TSY) are not rated for credit worthiness as they are fully backed by the United States Government.

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS** (Continued)

The following presents information about the Fund's assets and liabilities measured at fair value on a recurring basis as of June 30, 2018 and 2017, and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value based on the hierarchy:

*Level 1* – Quoted market prices or identical instruments traded in active exchange markets.

*Level 2* – Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

*Level 3* – Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

The Fund is required or permitted to record the following assets at fair value on a recurring basis:

<u>Description</u>	2018			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Agency - FFCB, FHLB, FHLMC, FNMA	\$ 17,007,431	\$ -	\$ 17,007,431	\$ -
United States Treasury Notes	11,710,695	-	11,710,695	-
United States Corporate Notes	14,917,619	-	14,917,619	-
Commercial paper	-	-	-	-
Certificates of deposit	860,000	-	860,000	-
Supranational	3,693,329	-	3,693,329	-
Asset backed paper	3,230,069	-	3,230,069	-
	<u>\$ 51,419,143</u>	<u>\$ -</u>	<u>\$ 51,419,143</u>	<u>\$ -</u>
	2017			
<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Agency - FFCB, FHLB, FHLMC, FNMA	\$ 18,018,729	\$ -	\$ 18,018,729	\$ -
United States Treasury Notes	11,289,042	-	11,289,042	-
United States Corporate Notes	14,890,762	-	14,890,762	-
Commercial paper	362,348	-	362,348	-
Certificates of deposit	-	-	-	-
Supranational	3,077,544	-	3,077,544	-
Asset backed paper	3,969,921	-	3,969,921	-
	<u>\$ 51,608,346</u>	<u>\$ -</u>	<u>\$ 51,608,346</u>	<u>\$ -</u>

The Fund's investments are generally classified in Level 2 of the fair value hierarchy because they are valued using broker or dealer quotations, or alternative pricing sources with reasonable level of price transparency. The types of investments valued based on observable inputs includes federal agency securities, U.S. Agency, U.S. Treasury, U.S. Corporate Notes, certificates of deposit, commercial paper, supranational and asset backed paper are classified within level 2 of the fair value hierarchy.

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS** (Continued)

The Fund had no non-recurring assets and no liabilities at June 30, 2018 which were required to be disclosed using the fair value hierarchy

Investment Interest Rate Risk: The Fund's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Maturities of investments held at June 30, 2018 consist of the following:

	<u>Fair Value</u>	<u>Maturity</u>		
		<u>Less Than One Year</u>	<u>One Year through Five Years</u>	<u>Six Years through Ten Years</u>
Investment securities:				
United States Agency - FFCB, FHLB, FHLMC, FNMA	\$ 17,007,431	\$ 116,317	\$ 14,289,551	\$ 2,601,563
United States Treasury Notes	11,710,695	-	10,273,474	1,437,221
United States Corporate Notes	14,917,619	2,732,160	12,185,459	-
Commercial paper	-	-	-	-
Certificates of deposit	860,000	860,000	-	-
Supranational	3,693,329	1,106,756	2,586,573	-
Asset Backed paper	<u>3,230,069</u>	<u>24,049</u>	<u>3,206,020</u>	<u>-</u>
Total	<u>\$ 51,419,143</u>	<u>\$ 4,839,282</u>	<u>\$ 42,541,077</u>	<u>\$ 4,038,784</u>

Maturities of investments held at June 30, 2017 consist of the following:

	<u>Fair Value</u>	<u>Maturity</u>		
		<u>Less Than One Year</u>	<u>One Year through Five Years</u>	<u>Six Years through Ten Years</u>
Investment securities:				
United States Agency - FFCB, FHLB, FHLMC, FNMA	\$ 18,018,729	\$ 572,146	\$ 15,058,099	\$ 2,388,484
United States Treasury Notes	11,289,042	-	8,707,443	2,581,599
United States Corporate Notes	14,890,762	3,331,636	11,559,126	-
Commercial paper	362,348	362,348	-	-
Certificates of deposit	-	-	-	-
Supranational	3,077,544	-	3,077,544	-
Asset Backed paper	<u>3,969,921</u>	<u>72,230</u>	<u>3,897,691</u>	<u>-</u>
Total	<u>\$ 51,608,346</u>	<u>\$ 4,338,360</u>	<u>\$ 42,299,903</u>	<u>\$ 4,970,083</u>

Investment Credit Risk: The Fund's investment policy limits investment choices to obligations of the United States Treasury, its agencies and instrumentalities, corporate medium-term notes, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances and repurchase agreements. At June 30, 2018 and 2017, all investments represented governmental securities and US Corporate Notes which were issued, registered and held by the Fund's agent in the Fund's name.

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS** (Continued)

Concentration of Investment Credit Risk: The Fund does not place limits on the amount it may invest in any one issuer. At June 30, 2018 and 2017, the Fund had the following investments that represent more than five percent of the Fund's net investments:

	<u>2018</u>	<u>2017</u>
United States Treasury Notes	22%	22%
Federal National Mortgage Association	15%	16%
Federal Home Loan Mortgage Co.	7%	8%
Federal Home Loan Bank	9%	8%

**NOTE 3 – UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES**

As discussed in Note 1, the Fund established a liability for both reported and unreported insured events for the Liability and the Workers' Compensation programs. The liability includes estimates of future payments of losses and related claim adjustment expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities during the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Unpaid claims and claim adjustment expenses, beginning of year	\$ 38,009,249	\$ 39,745,024
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	9,923,336	10,338,237
Change in the provision for covered events of prior years	<u>642,527</u>	<u>(2,506,926)</u>
Total incurred claims and claim adjustment expenses	<u>10,565,863</u>	<u>7,831,311</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	1,526,052	1,599,988
Claims and claim adjustment expenses attributable to covered events of prior years	<u>6,354,290</u>	<u>7,967,098</u>
Total payments	<u>7,880,342</u>	<u>9,567,086</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 40,694,770</u>	<u>\$ 38,009,249</u>
Outstanding Liabilities	\$ 38,920,458	\$ 36,322,616
Unallocated loss adjustment expenses	<u>1,774,312</u>	<u>1,686,633</u>
	<u>\$ 40,694,770</u>	<u>\$ 38,009,249</u>

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 3 – UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES** (Continued)

The components of the unpaid claims and claim adjustment expenses as of June 30, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Reported claims	\$ 22,618,035	\$ 22,437,049
Claims incurred but not reported (IBNR)	16,302,423	13,885,567
Unallocated loss adjustment expenses (ULAE)	<u>1,774,312</u>	<u>1,686,633</u>
Total unpaid claims and claim adjustment expenses	40,694,770	38,009,249
Current portion	<u>(7,770,000)</u>	<u>(7,870,000)</u>
Non-current portion	<u>\$ 32,924,770</u>	<u>\$ 30,139,249</u>

At June 30, 2018 and 2017, this liability was reported at present value using an expected future investment yield assumption of one and a half percent. The undiscounted liability was \$40,924,590 and \$39,983,529 at June 30, 2018 and 2017, respectively.

**NOTE 4 – JOINT POWERS AGREEMENTS**

The Fund participates in two joint powers agreements with California Joint Powers Risk Management Authority (CJPRMA) and CSAC Excess Insurance Authority (CSACEIA). The relationship between the Fund and CJPRMA and CSACEIA is such that CJPRMA and CSACEIA are not component units of the Fund for financial reporting purposes.

CJPRMA arranges for and provides excess general liability coverage from \$500,000 to \$40 million for its members. CJPRMA is governed by a Board consisting of representatives from member agencies. The Board controls the operations of CJPRMA, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a premium commensurate with the level of coverage requested and shares surplus and deficits proportionate to their participation.

CSACEIA arranges for and provides excess workers' compensation and employers' liability coverage from \$500,000 to \$149.5 million and \$5 million, respectively, for its members. CSACEIA is governed by a Board consisting of representative member agencies.

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(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018 and 2017

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**NOTE 4 – JOINT POWERS AGREEMENTS (Continued)**

	<u>CJPRMA</u>	<u>CSACEIA</u>
<u>Purpose</u>	To protect public entity members against catastrophic liability and other financial losses.	To provide workers' compensation coverage and employer's liability from \$500,000 to \$149.5 million and \$5 million, respectively.
<u>Participants</u>	Seventeen cities and five joint power authorities.	Fifty-four counties and one hundred fifty-five public entities, including cities, school districts and other joint power authorities.
<u>Governing Board</u>	Consisting on one member from each participating agency.	Sixty-one member Board of Directors composed of one representative from each member county and seven members elected by the public entity membership.
<u>Payments for the Current Year</u>	\$ <u>1,166,890</u>	\$ <u>1,461,475</u>

Condensed Financial Information

	<u>CJPRMA</u> <u>June 30, 2017 *</u>	<u>CSACEIA</u> <u>June 30, 2017 *</u>
Total assets	\$ 78,955,950	\$ 791,363,353
Deferred outflows of resources	\$ 248,530	\$ 1,537,233
Total liabilities	\$ 42,992,530	\$ 650,912,971
Deferred inflows of resources	\$ 82,819	\$ 1,466,353
Net position	\$ 36,129,131	\$ 140,521,262
Revenues	\$ 13,254,708	\$ 771,379,563
Expenses	<u>14,896,471</u>	<u>768,530,918</u>
Change in net position	<u>\$ (1,641,763)</u>	<u>\$ 2,848,645</u>
<u>Member Agencies Share of Year-End Assets, Liabilities or Fund Equity</u>	**	**

\* Most recent information available.  
\*\* Has not been calculated.

**REQUIRED SUPPLEMENTARY INFORMATION**

NORTHERN CALIFORNIA FUND SELF INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT  
LIABILITY PROGRAM  
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unpaid claims and claim adjustment expenses, beginning of year	\$ <u>7,383,303</u>	\$ <u>9,946,576</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	2,649,708	3,062,804
Change in provision for covered events of prior years	<u>404,930</u>	<u>(1,339,688)</u>
Total incurred claims and claim adjustment expenses	<u>3,054,638</u>	<u>1,723,116</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	529,712	587,291
Claims and claim adjustment expenses attributable to covered events of prior years	<u>1,160,063</u>	<u>3,699,098</u>
Total payments	<u>1,689,775</u>	<u>4,286,389</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 8,748,166</u>	<u>\$ 7,383,303</u>

The components of the unpaid claims and claim adjustment expenses as of June 30, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Reported claims	\$ 3,778,029	\$ 3,626,280
Claims incurred but not reported (IBNR)	4,970,137	3,757,023
Unallocated loss adjustment expenses (ULAE) *	<u>-</u>	<u>-</u>
Total unpaid claims and claim adjustment expenses	8,748,166	7,383,303
Current portion	<u>(2,570,000)</u>	<u>(2,890,000)</u>
Non-current portion	<u>\$ 6,178,166</u>	<u>\$ 4,493,303</u>

\* ULAE has been included in the IBNR.

(Continued)

NORTHERN CALIFORNIA FUND SELF INSURANCE FUND  
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT  
WORKERS' COMPENSATION PROGRAM  
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unpaid claims and claim adjustment expenses, beginning of year	\$ <u>30,625,946</u>	\$ <u>29,798,448</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	7,273,628	7,275,433
Change in provision for covered events of prior years	<u>237,597</u>	<u>(1,167,238)</u>
Total incurred claims and claim adjustment expenses	<u>7,511,225</u>	<u>6,108,195</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	996,340	1,012,697
Claims and claim adjustment expenses attributable to covered events of prior years	<u>5,194,227</u>	<u>4,268,000</u>
Total payments	<u>6,190,567</u>	<u>5,280,697</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 31,946,604</u>	<u>\$ 30,625,946</u>

The components of the unpaid claims and claim adjustment expenses as of June 30 were as follows:

	<u>2018</u>	<u>2017</u>
Reported claims	\$ 18,840,006	\$ 18,810,769
Claims incurred but not reported (IBNR)	11,332,286	10,128,544
Unallocated loss adjustment expenses (ULAE)	<u>1,774,312</u>	<u>1,686,633</u>
Total unpaid claims and claim adjustment expenses	31,946,604	30,625,946
Current portion	<u>(5,200,000)</u>	<u>(4,980,000)</u>
Non-current portion	<u>\$ 26,746,604</u>	<u>\$ 25,645,946</u>

See report on required supplementary information.

NORTHERN CALIFORNIA FUND SELF INSURANCE FUND  
CLAIMS DEVELOPMENT INFORMATION  
For the Years Ended June 30, 2018 and 2017

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The tables that follow illustrate how the Fund's earned revenues (net of reinsurance) and investment income compared to related costs of loss and other expenses assumed by the Fund as of the end of each of the previous ten years for the shared risk layer of the liability program and workers' compensation program. The rows of the tables are defined as follows:

- (1) Total of each fiscal year's gross earned premiums and reported investment revenue, amount of premiums ceded, and reported premiums (net of reinsurance) and reported investment revenue.
- (2) Each fiscal year's other operating costs of the program, including overhead and loss adjustment expenses not allocable to individual claims.
- (3) Program's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called policy year).
- (4) Cumulative net amounts paid as of the end of successive years for each policy year.
- (5) Latest reestimated amount of losses assumed by the reinsurers for each policy year.
- (6) Each policy year's net incurred losses increases or decreases as of the end of successive years. This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.
- (7) Compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature policy years.

The columns of the tables show data for successive policy years.

Note: The information for lines 2, 3 and 6 was based on estimates provided by the actuary as this information had not been accumulated and presented in prior years.

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(Continued)

NORTHERN CALIFORNIA FUND SELF INSURANCE FUND  
CLAIMS DEVELOPMENT INFORMATION  
LIABILITY PROGRAM - SHARED RISK LAYER  
June 30, 2018

	Fiscal and Policy Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(1) Premiums and investment revenue:										
Earned	\$ 3,268,203	\$ 3,755,802	\$ 3,791,113	\$ 3,541,142	\$ 4,380,988	\$ 4,715,090	\$ 4,334,426	\$ 4,079,226	\$ 4,907,824	\$ 4,530,241
Ceded	(1,221,891)	(1,884,144)	(1,453,246)	(1,484,889)	(1,419,753)	(1,926,033)	(1,690,331)	(1,908,352)	(1,897,995)	(2,079,821)
Net earned	<u>\$ 2,046,312</u>	<u>\$ 1,871,658</u>	<u>\$ 2,337,867</u>	<u>\$ 2,056,253</u>	<u>\$ 2,961,235</u>	<u>\$ 2,789,057</u>	<u>\$ 2,644,095</u>	<u>\$ 2,170,874</u>	<u>\$ 3,009,829</u>	<u>\$ 2,450,420</u>
(2) Unallocated Expenses	\$ 780,926	\$ 781,385	\$ 407,970	\$ 537,862	\$ 486,100	\$ 426,155	\$ 469,254	\$ 427,434	\$ 488,034	\$ 486,971
(3) Estimated incurred claims and expense, end of policy year:										
Incurred	\$ 1,339,360	\$ 1,307,777	\$ 1,171,545	\$ 1,283,641	\$ 1,365,390	\$ 1,270,359	\$ 1,765,163	\$ 2,005,460	\$ 1,534,221	\$ 1,508,393
Ceded	<u>\$ 1,339,360</u>	<u>\$ 1,307,777</u>	<u>\$ 1,171,545</u>	<u>\$ 1,283,641</u>	<u>\$ 1,365,390</u>	<u>\$ 1,270,359</u>	<u>\$ 1,765,163</u>	<u>\$ 2,005,460</u>	<u>\$ 1,532,221</u>	<u>\$ 1,508,393</u>
(4) Net paid (cumulative) as of:										
End of policy year	\$ 74,067	\$ 174,385	\$ -	\$ 3,037	\$ 180,785	\$ -	\$ 301,122	\$ 19,329	\$ 9,491	\$ 207,838
One year later	\$ 118,022	\$ 387,662	\$ 1,040,336	\$ 915,285	\$ 199,497	\$ 60,780	\$ 1,029,288	\$ 699,580	\$ 549,616	
Two years later	\$ 173,778	\$ 890,090	\$ 1,373,978	\$ 965,704	\$ 227,776	\$ 111,790	\$ 1,381,099	\$ 381,525		
Three years later	\$ 303,167	\$ 2,593,239	\$ 2,116,689	\$ 1,128,913	\$ 1,217,808	\$ 1,045,112	\$ 1,535,114			
Four years later	\$ 448,011	\$ 3,002,689	\$ 2,118,772	\$ 1,256,707	\$ 1,054,507	\$ 1,079,670				
Five years later	\$ 862,550	\$ 3,232,567	\$ 2,118,772	\$ 1,388,399	\$ 1,077,300					
Six years later	\$ 925,872	\$ 3,433,286	\$ 2,127,759	\$ 1,414,833						
Seven years later	\$ 944,406	\$ 4,117,687	\$ 2,156,007							
Eight years later	\$ 950,017	\$ 4,161,811								
Nine years later	\$ 954,105									
(5) Reestimated ceded losses and expenses	\$ 1,211,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Reestimated net incurred losses and expense										
End of policy year	\$ 1,339,360	\$ 1,307,777	\$ 1,171,545	\$ 1,283,641	\$ 1,356,390	\$ 1,270,359	\$ 1,765,163	\$ 2,005,460	\$ 1,534,221	\$ 1,508,393
One year later	\$ 1,528,753	\$ 3,176,936	\$ 3,388,854	\$ 2,132,782	\$ 1,686,862	\$ 1,569,319	\$ 2,391,423	\$ 1,830,015	\$ 1,474,414	
Two years later	\$ 709,633	\$ 4,168,099	\$ 2,465,448	\$ 1,828,589	\$ 1,317,455	\$ 1,251,770	\$ 2,437,139	\$ 1,546,615		
Three years later	\$ 778,313	\$ 4,149,750	\$ 2,583,021	\$ 2,362,949	\$ 2,032,670	\$ 1,304,245	\$ 2,794,770			
Four years later	\$ 957,907	\$ 4,227,667	\$ 2,211,524	\$ 2,232,039	\$ 1,447,509	\$ 1,225,416				
Five years later	\$ 1,326,304	\$ 4,392,049	\$ 2,212,498	\$ 1,616,160	\$ 1,789,976					
Six years later	\$ 1,306,831	\$ 3,759,502	\$ 2,238,648	\$ 1,517,533						
Seven years later	\$ 1,235,237	\$ 4,366,617	\$ 2,241,425							
Eight years later	\$ 1,207,361	\$ 4,359,920								
Nine years later	\$ 1,378,089									
(7) (Decrease) increase in estimated net incurred losses and expenses from end of policy year	\$ 38,729	\$ 3,052,143	\$ 1,069,880	\$ 233,892	\$ 424,586	\$ (44,943)	\$ 1,029,607	\$ (458,845)	\$ (59,807)	\$ -

(Continued)

NORTHERN CALIFORNIA FUND SELF INSURANCE FUND  
CLAIMS DEVELOPMENT INFORMATION  
WORKERS' COMPENSATION PROGRAM - SHARED RISK LAYER  
June 30, 2018

	Fiscal and Policy Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(1) Premium and investment revenue:										
Earned	\$ 2,909,886	\$ 2,482,842	\$ 3,662,217	\$ 3,640,707	\$ 3,253,069	\$ 4,213,603	\$ 4,149,874	\$ 4,814,279	\$ 4,793,402	\$ 5,713,611
Ceded	(488,650)	(693,829)	(508,538)	(510,693)	(623,053)	(809,819)	(964,512)	(1,096,376)	(1,184,691)	(1,461,470)
Net Earned	\$ 2,421,236	\$ 1,789,013	\$ 3,153,679	\$ 3,130,014	\$ 2,630,016	\$ 3,403,784	\$ 3,185,362	\$ 3,717,903	\$ 3,608,711	\$ 4,252,141
(2) Unallocated expenses	\$ 558,803	\$ 583,131	\$ 636,277	\$ 692,388	\$ 608,073	\$ 733,458	\$ 511,785	\$ 417,284	\$ 452,322	\$ 460,694
(3) Estimated incurred claims and expenses, end of policy year:										
Incurred	\$ 2,184,278	\$ 1,924,065	\$ 1,793,080	\$ 1,932,000	\$ 1,980,990	\$ 1,848,544	\$ 2,939,904	\$ 2,259,028	\$ 2,510,850	\$ 2,507,428
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	\$ 2,184,278	\$ 1,924,065	\$ 1,793,080	\$ 1,932,000	\$ 1,980,990	\$ 1,848,544	\$ 2,939,904	\$ 2,259,028	\$ 2,510,850	\$ 2,507,428
(4) Net paid (cumulative) as of:										
End of policy year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$ 39,008	\$ 41,202	\$ 169,253	\$ 57,142	\$ 101,129	\$ 189,014	\$ 43,989	\$ 74,361	\$ 145,009	\$ 145,009
Two years later	\$ 172,095	\$ 128,690	\$ 235,785	\$ 208,847	\$ 245,266	\$ 376,392	\$ -	\$ -	\$ -	\$ -
Three years later	\$ 369,309	\$ 219,873	\$ 184,103	\$ 358,175	\$ 383,467	\$ 690,271	\$ 593,267	\$ -	\$ -	\$ -
Four years later	\$ 628,065	\$ 202,057	\$ 262,948	\$ 456,697	\$ 440,628	\$ 785,581	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 547,139	\$ 247,920	\$ 352,569	\$ 509,745	\$ 656,402	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 636,179	\$ 383,758	\$ 458,625	\$ 636,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 679,680	\$ 446,814	\$ 518,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 835,131	\$ 503,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 839,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Reestimated ceded losses and expenses	\$ 488,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Reestimated net incurred losses and expense										
End of policy year	\$ 2,184,278	\$ 1,924,065	\$ 1,793,080	\$ 1,932,000	\$ 1,980,990	\$ 1,848,544	\$ 2,939,904	\$ 2,259,028	\$ 2,510,850	\$ 2,507,428
One year later	\$ 1,833,151	\$ 1,394,741	\$ 1,637,158	\$ 1,976,178	\$ 1,153,802	\$ 1,810,527	\$ 2,126,770	\$ 2,107,495	\$ 2,253,326	\$ -
Two years later	\$ 1,353,878	\$ 1,245,177	\$ 1,731,324	\$ 1,959,911	\$ 1,773,238	\$ 1,532,342	\$ 2,377,658	\$ 2,308,074	\$ -	\$ -
Three years later	\$ 1,262,558	\$ 1,216,570	\$ 1,106,497	\$ 1,628,478	\$ 1,047,137	\$ 1,940,654	\$ 2,548,526	\$ -	\$ -	\$ -
Four years later	\$ 1,566,453	\$ 883,372	\$ 1,043,621	\$ 1,756,630	\$ 1,444,799	\$ 2,051,627	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 1,628,917	\$ 1,050,225	\$ 1,042,651	\$ 2,008,892	\$ 1,319,831	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 1,613,910	\$ 1,098,991	\$ 1,085,537	\$ 2,196,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 1,561,635	\$ 945,072	\$ 1,057,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 1,454,969	\$ 1,072,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Increase (decrease) in estimated net incurred losses and expenses from end of policy year	\$ (729,309)	\$ (851,281)	\$ (735,970)	\$ 264,503	\$ (661,159)	\$ 203,083	\$ (391,378)	\$ 49,046	\$ (257,524)	\$ -

See report on required supplementary information.

**SUPPLEMENTARY INFORMATION**

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
 COMBINING STATEMENT OF NET POSITION  
 June 30, 2018

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,411,177	\$ 3,114,470	\$ 4,525,647
Investments maturing within one year	1,036,836	3,802,446	4,839,282
Member receivable	-	72,513	72,513
Excess insurance receivable	581,846	356,583	938,429
Interest receivable	38,869	132,591	171,460
Prepaid expenses	<u>167,176</u>	<u>20,990</u>	<u>188,166</u>
Total current assets	3,235,904	7,499,593	10,735,497
Investments, less portion maturing within one year	<u>9,979,929</u>	<u>36,599,932</u>	<u>46,579,861</u>
Total assets	<u>13,215,833</u>	<u>44,099,525</u>	<u>57,315,358</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	51,818	15,074	66,892
Dividends payable	230,217	704,489	934,706
Current portion of unpaid claims and claim adjustment expenses	<u>2,570,000</u>	<u>5,200,000</u>	<u>7,770,000</u>
Total current liabilities	2,852,035	5,919,563	8,771,598
Unpaid claims and claim adjustment expenses	<u>6,178,166</u>	<u>26,746,604</u>	<u>32,924,770</u>
Total liabilities	<u>9,030,201</u>	<u>32,666,167</u>	<u>41,696,368</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 4,185,632</u>	<u>\$ 11,433,358</u>	<u>\$ 15,618,990</u>

See independent auditor's report on supplementary information.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
 For the Year Ended June 30, 2018

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:			
Banking layer deposit	\$ 1,922,999	\$ 6,235,730	\$ 8,158,729
Shared risk layer deposit	1,954,000	3,233,000	5,187,000
Other deposits/fees	2,639,350	2,480,611	5,119,961
Banking layer assessment	<u>79,760</u>	<u>188,760</u>	<u>268,520</u>
Total operating revenues	<u>6,596,109</u>	<u>12,138,101</u>	<u>18,734,210</u>
Operating expenses:			
Provision for claims and claim adjustment expenses	3,054,638	7,511,225	10,565,863
Dividends	478,737	2,072,558	2,551,295
Insurance premiums	2,079,821	1,461,470	3,541,291
Claims administration	450,622	805,115	1,255,737
Program administration	215,213	187,622	402,835
Administrative fees	37,742	21,444	59,186
Safety services	228,701	234,519	463,220
Other expenses	<u>5,316</u>	<u>17,109</u>	<u>22,425</u>
Total operating expenses	<u>6,550,790</u>	<u>12,311,062</u>	<u>18,861,852</u>
Operating income (loss)	<u>45,319</u>	<u>(172,961)</u>	<u>(127,642)</u>
Non-operating (expenses) revenues:			
Net change in the fair value of investments	(254,676)	(778,560)	(1,033,236)
Investment income	<u>191,567</u>	<u>592,222</u>	<u>783,789</u>
Total non-operating (expenses) revenues	<u>(63,109)</u>	<u>(186,338)</u>	<u>(249,447)</u>
Change in net position	(17,790)	(359,299)	(377,089)
Net position, beginning of year	<u>4,203,422</u>	<u>11,792,657</u>	<u>15,996,079</u>
Net position, end of year	<u>\$ 4,185,632</u>	<u>\$ 11,433,358</u>	<u>\$ 15,618,990</u>

See independent auditor's report on supplementary information.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF NET POSITION BY MEMBER  
LIABILITY PROGRAM  
June 30, 2018

	Shared Risk	Admin-istration	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Lone
<b>ASSETS</b>											
Current assets:											
Cash and cash equivalents	\$ 814,586	\$ 10,909	\$ 12,247	\$ 12,804	\$ 1,299	\$ 6,813	\$ 17,300	\$ 175,656	\$ 31,036	\$ 17,544	\$ 1574
Investments maturing within one year	598,465	8,038	8,999	9,408	954	5,006	12,713	129,078	22,810	12,889	1,166
Member receivable	-	-	-	-	-	-	-	-	-	-	-
Excess insurance receivable	581,846	-	-	-	-	-	-	-	-	-	-
Interest receivable	21,947	607	328	354	30	188	503	5,085	943	475	37
Prepaid expenses	51,449	115,721	-	-	-	-	-	-	-	-	-
Total current assets	2,068,293	135,281	21,574	22,566	2,283	12,007	30,516	309,819	54,789	30,908	2,767
Investments, less portion maturing within one year	5,760,448	77,365	86,604	90,555	9,180	48,188	122,363	1,242,428	219,552	124,064	11,126
Total assets	7,828,741	212,646	108,178	113,121	11,463	60,195	152,879	1,552,247	274,341	154,972	13,893
<b>LIABILITIES</b>											
Current liabilities:											
Accounts payable	134	14,997	60	3,140	1,282	1,783	574	11,369	827	187	197
Unearned revenue	-	-	-	-	-	8,309	-	-	-	-	-
Current portion of unpaid claims and claims adjustment expenses	1,450,000	-	21,439	65,473	40,422	19,655	22,013	399,736	60,469	21,120	5,912
Total current liabilities	1,450,134	14,997	21,499	68,613	41,704	29,747	22,587	411,105	61,296	21,307	6,109
Unpaid claims and claims adjustment expenses	4,868,732	-	25,064	76,547	47,258	22,979	25,736	467,347	70,696	24,693	6,913
Total liabilities	6,318,866	14,997	46,563	145,160	88,962	52,726	48,323	878,452	131,992	46,000	13,022
<b>NET POSITION</b>											
Unrestricted	\$ 1,509,875	\$ 197,649	\$ 61,615	\$ (32,039)	\$ (77,499)	\$ 7,469	\$ 104,556	\$ 673,795	\$ 142,349	\$ 108,972	\$ 871

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF NET POSITION BY MEMBER  
LIABILITY PROGRAM  
June 30, 2018

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
<b>ASSETS</b>											
Current assets:											
Cash and cash equivalents	\$ 14,282	\$ 52,255	\$ 31,374	\$ 20,584	\$ 31,809	\$ 36,456	\$ 4,552	\$ 41,055	\$ 4,939	\$ 72,103	\$ 1,411,177
Investments maturing within one year	10,488	38,386	23,056	15,127	23,370	26,785	3,345	30,163	3,672	52,973	1,036,836
Member receivable	-	-	-	-	-	-	-	-	-	-	-
Excess insurance receivable	-	-	-	-	-	-	-	-	-	-	581,846
Interest receivable	325	1,343	930	598	864	1,000	143	1,115	117	1,937	38,869
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	167,176
Total current assets	25,095	91,984	55,360	36,309	56,043	64,241	8,040	72,333	8,683	127,013	3,235,904
Investments, less portion maturing within one year	100,950	369,484	221,926	145,600	224,947	257,819	32,200	290,333	34,915	509,882	9,979,929
Total assets	126,045	461,468	277,286	181,909	280,990	322,060	40,240	362,666	43,598	636,895	13,215,833
<b>LIABILITIES</b>											
Current liabilities:											
Accounts payable	466	1,939	2,667	145	3,530	568	2,161	3,346	17	2,429	51,818
Unearned revenue	32,953	76,006	-	-	15,885	34,463	-	-	-	60,601	230,217
Current portion of unpaid claims and claims adjustment expenses	20,326	101,334	82,861	37,823	29,382	15,249	24,871	62,037	5,437	84,441	2,570,000
Total current liabilities	53,745	181,279	85,528	37,968	48,797	50,280	27,032	65,383	5,454	147,471	2,852,035
Unpaid claims and claims adjustment expenses	23,764	118,473	96,876	44,221	34,352	17,828	29,077	72,530	6,356	98,724	6,178,166
Total liabilities	77,509	299,752	182,404	82,189	83,149	68,108	56,109	137,913	11,810	246,195	9,030,201
<b>NET POSITION</b>											
Unrestricted	\$ 48,536	\$ 161,716	\$ 94,882	\$ 99,720	\$ 197,841	\$ 253,952	\$ (15,869)	\$ 224,753	\$ 31,788	\$ 390,700	\$ 4,185,632

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF NET POSITION BY MEMBER  
WORKERS' COMPENSATION PROGRAM  
June 30, 2018

	Shared Risk	Admin-istration	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
<b>ASSETS</b>													
Current assets:													
Cash and cash equivalents	\$ 1,537,579	\$ 41,078	\$ 31,230	\$ 66,934	\$ 12,962	\$ 23,885	\$ 72,657	\$ 144,918	\$ 371,010	\$ 70,717	\$ 38,398	\$ 3,565	\$ 11,274
Investments maturing within one year	1,877,187	50,145	38,130	81,729	15,827	29,159	88,720	176,909	453,052	86,329	46,874	4,354	13,767
Member receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess insurance receivable	356,583	1,674	1,340	2,932	571	993	3,222	5,983	16,561	2,917	1,574	170	517
Interest receivable	65,134	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	20,990	-	-	-	-	-	-	-	-	-	-	-
Total current assets	3,836,483	113,887	70,700	151,595	29,360	54,037	164,599	327,810	840,623	159,963	86,846	8,089	25,558
Investments, less portion maturing within one year	18,068,613	482,664	367,012	786,668	152,345	280,664	853,963	1,702,815	4,360,789	830,945	451,179	41,912	132,517
Total assets	21,905,096	596,551	437,712	938,263	181,705	334,701	1,018,562	2,030,625	5,201,412	990,908	538,025	50,001	158,075
<b>LIABILITIES</b>													
Current liabilities:													
Accounts payable	1,669	11,761	29	56	12	22	78	39	472	91	40	8	22
Unearned revenue	187,045	-	-	8,206	20,583	52,733	78,005	-	-	76,398	-	2,185	-
Current portion of unpaid claims and claims adjustment expenses	1,780,000	-	90,235	158,804	43,594	31,565	78,512	300,857	699,105	202,647	34,494	7,631	8,499
Total current liabilities	1,968,714	11,761	90,264	167,066	64,189	84,320	156,595	300,896	699,577	279,136	34,534	9,824	8,521
Unpaid claims and claims adjustment expenses	16,259,327	-	276,698	486,967	133,679	96,791	240,754	922,566	2,143,775	621,407	105,776	23,401	26,063
Total liabilities	18,228,041	11,761	366,962	654,033	197,868	181,111	397,349	1,223,462	2,843,352	900,543	140,310	33,225	34,584
<b>NET POSITION</b>													
Unrestricted	\$ 3,677,055	\$ 584,790	\$ 70,750	\$ 284,230	\$ (16,163)	\$ 153,590	\$ 621,213	\$ 807,163	\$ 2,358,060	\$ 90,365	\$ 397,715	\$ 16,776	\$ 123,491

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF NET POSITION BY MEMBER  
WORKERS' COMPENSATION PROGRAM  
June 30, 2018

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
<b>ASSETS</b>												
Current assets:												
Cash and cash equivalents	\$ 85,456	\$ 41,137	\$ 12,209	\$ 32,599	\$ 47,351	\$ 49,534	\$ 85,669	\$ 18,250	\$ 146,949	\$ 23,183	\$ 145,926	\$ 3,114,470
Investments maturing within one year	104,330	50,228	14,916	39,791	57,802	60,483	104,572	22,280	179,389	28,302	178,171	3,802,446
Member receivable	-	-	-	72,513	-	-	-	-	-	-	-	72,513
Excess insurance receivable	-	-	-	-	-	-	-	-	-	-	-	356,583
Interest receivable	3,609	1,786	606	1,317	1,945	2,179	3,458	758	6,082	970	6,293	132,591
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-	20,990
Total current assets	193,395	93,151	27,731	146,220	107,098	112,196	193,699	41,288	332,420	52,455	330,390	7,499,593
Investments, less portion maturing within one year	1,004,212	483,463	143,571	383,007	556,367	582,176	1,006,542	214,448	1,726,688	272,414	1,714,958	36,599,932
Total assets	1,197,607	576,614	171,302	529,227	663,465	694,372	1,200,241	255,736	2,059,108	324,869	2,045,348	44,099,525
<b>LIABILITIES</b>												
Current liabilities:												
Accounts payable	(108)	73	19	53	73	41	71	17	162	29	345	15,074
Unearned revenue	177,218	-	-	61,876	-	-	-	117	-	40,123	-	704,489
Current portion of unpaid claims and claims adjustment expenses	136,865	100,238	46,683	121,661	152,254	124,366	291,491	37,034	325,676	15,015	412,774	5,200,000
Total current liabilities	313,975	100,311	46,702	183,590	152,327	124,407	291,562	37,168	325,838	55,167	413,119	5,919,563
Unpaid claims and claims adjustment expenses	419,691	307,376	143,151	373,068	466,881	381,362	893,842	113,564	998,670	46,041	1,265,754	26,746,604
Total liabilities	733,666	407,687	189,853	556,658	619,208	505,769	1,185,404	150,732	1,324,508	101,208	1,678,873	32,666,167
<b>NET POSITION</b>												
Unrestricted	\$ 463,941	\$ 168,927	\$ (18,551)	\$ (27,431)	\$ 44,257	\$ 188,603	\$ 14,637	\$ 105,004	\$ 734,600	\$ 223,661	\$ 366,475	\$ 11,433,358

See independent auditor's report on supplementary information.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION BY MEMBER  
LIABILITY PROGRAM  
June 30, 2018

	Shared Risk	Admin-istration	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Lone
<b>Revenues</b>											
Banking layer deposit	\$ -	\$ -	\$ 29,573	\$ 112,009	\$ 32,415	\$ 31,551	\$ 38,499	\$ 588,876	\$ 95,431	\$ 47,154	\$ 17,398
Shared risk layer deposit	1,954,000	-	-	-	-	-	-	-	-	-	-
Other deposits/fees	2,074,252	565,098	-	-	-	-	-	-	-	-	-
Banking layer assessment	-	-	-	20,584	19,850	-	-	-	-	-	9,326
Shared layer assessment	-	-	-	-	-	-	-	-	-	-	-
Excess insurance rebate	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>4,028,252</b>	<b>565,098</b>	<b>29,573</b>	<b>132,593</b>	<b>52,265</b>	<b>31,551</b>	<b>38,499</b>	<b>588,876</b>	<b>95,431</b>	<b>47,154</b>	<b>26,724</b>
<b>Expense:</b>											
Provision for claims and claim adjustment expenses	1,792,713	-	52,411	125,242	83,462	16,599	6,652	496,753	68,209	(7,922)	2,082
Dividends	-	-	-	-	-	8,309	25,674	147,510	68,519	-	-
Insurance premiums	2,079,821	-	-	-	-	-	-	-	-	-	-
Claims administration	-	20,900	3,758	35,743	11,674	11,379	6,084	112,606	25,010	6,676	8,658
Program administration	-	215,213	-	-	-	-	-	-	-	-	-
Administrative fees	-	37,742	-	-	-	-	-	-	-	-	-
Safety services	-	228,701	-	-	-	-	-	-	-	-	-
Other expenses	-	5,316	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>3,872,534</b>	<b>507,872</b>	<b>56,169</b>	<b>160,985</b>	<b>95,136</b>	<b>36,287</b>	<b>38,410</b>	<b>756,869</b>	<b>161,738</b>	<b>(1,246)</b>	<b>10,740</b>
<b>Operating income (loss)</b>	<b>155,718</b>	<b>57,226</b>	<b>(26,596)</b>	<b>(28,392)</b>	<b>(42,871)</b>	<b>(4,736)</b>	<b>89</b>	<b>(167,993)</b>	<b>(66,307)</b>	<b>48,400</b>	<b>15,984</b>
<b>Non-operating (expenses) revenues:</b>											
Net change in fair value of Investments	(140,675)	(6,696)	(2,084)	(2,459)	(391)	(1,198)	(3,243)	(33,831)	(6,380)	(3,008)	(325)
Investment income	106,886	4,674	1,492	1,847	307	828	2,392	25,136	4,670	2,295	245
<b>Total non-operating (expenses) revenues</b>	<b>(33,789)</b>	<b>(2,022)</b>	<b>(592)</b>	<b>(612)</b>	<b>(84)</b>	<b>(370)</b>	<b>(851)</b>	<b>(8,695)</b>	<b>(1,710)</b>	<b>(713)</b>	<b>(80)</b>
<b>Change in net position</b>	<b>121,929</b>	<b>55,204</b>	<b>(27,188)</b>	<b>(29,004)</b>	<b>(42,955)</b>	<b>(5,106)</b>	<b>(762)</b>	<b>(176,688)</b>	<b>(68,017)</b>	<b>47,687</b>	<b>15,904</b>
<b>Net position, beginning of year</b>	<b>1,387,946</b>	<b>142,445</b>	<b>88,803</b>	<b>(3,035)</b>	<b>(34,544)</b>	<b>12,575</b>	<b>105,318</b>	<b>850,483</b>	<b>210,366</b>	<b>61,285</b>	<b>(15,033)</b>
<b>Net position, end of year</b>	<b>\$ 1,509,875</b>	<b>\$ 197,649</b>	<b>\$ 61,615</b>	<b>\$ (32,039)</b>	<b>\$ (77,499)</b>	<b>\$ 7,469</b>	<b>\$ 104,556</b>	<b>\$ 673,795</b>	<b>\$ 142,349</b>	<b>\$ 108,972</b>	<b>\$ 871</b>

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION BY MEMBER  
LIABILITY PROGRAM  
June 30, 2018

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
<b>Revenues:</b>											
Banking layer deposit	\$ 73,666	\$ 110,875	\$ 113,480	\$ 62,753	\$ 68,806	\$ 65,266	\$ 29,353	\$ 203,753	\$ 19,496	\$ 182,645	\$ 1,922,999
Shared risk layer deposit	-	-	-	-	-	-	-	-	-	-	1,954,000
Other deposits/fees	-	-	-	-	-	-	-	-	-	-	2,639,350
Banking layer assessment	10,000	-	-	-	-	-	10,000	-	10,000	-	79,760
Shared layer assessment	-	-	-	-	-	-	-	-	-	-	-
Excess insurance rebate	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>83,666</b>	<b>110,875</b>	<b>113,480</b>	<b>62,753</b>	<b>68,806</b>	<b>65,266</b>	<b>39,353</b>	<b>203,753</b>	<b>29,496</b>	<b>182,645</b>	<b>6,596,109</b>
<b>Expense:</b>											
Provision for claims and claim adjustment expenses	18,084	182,889	73,733	22,359	(71,682)	(20,158)	52,562	104,991	36,266	19,393	3,054,638
Dividends	-	28,776	42,261	329,988	15,885	51,214	-	-	-	60,601	478,737
Insurance premiums	5,927	29,576	30,806	3,741	15,696	8,425	31,489	39,215	7,960	35,299	2,079,821
Claims administration	-	-	-	-	-	-	-	-	-	-	450,622
Program administration	-	-	-	-	-	-	-	-	-	-	215,213
Administrative fees	-	-	-	-	-	-	-	-	-	-	37,742
Safety services	-	-	-	-	-	-	-	-	-	-	228,701
Other expenses	-	-	-	-	-	-	-	-	-	-	5,316
<b>Total expenses</b>	<b>24,011</b>	<b>241,241</b>	<b>146,800</b>	<b>56,088</b>	<b>(40,101)</b>	<b>39,481</b>	<b>84,051</b>	<b>144,206</b>	<b>44,226</b>	<b>115,293</b>	<b>6,550,790</b>
<b>Operating income (loss)</b>	<b>59,655</b>	<b>(130,366)</b>	<b>(33,320)</b>	<b>6,665</b>	<b>108,907</b>	<b>25,785</b>	<b>(44,698)</b>	<b>59,547</b>	<b>(14,730)</b>	<b>67,352</b>	<b>45,319</b>
<b>Non-operating (expenses) revenues:</b>											
Net change in fair value of investments	(1,760)	(8,184)	(6,447)	(3,835)	(5,700)	(6,236)	(1,105)	(8,005)	(1,091)	(12,023)	(254,676)
Investment income	1,543	6,162	4,802	2,859	4,258	4,571	794	5,968	742	9,096	191,567
<b>Total non-operating (expenses) revenues</b>	<b>(217)</b>	<b>(2,022)</b>	<b>(1,645)</b>	<b>(976)</b>	<b>(1,442)</b>	<b>(1,665)</b>	<b>(311)</b>	<b>(2,037)</b>	<b>(349)</b>	<b>(2,927)</b>	<b>(63,109)</b>
<b>Change in net position</b>	<b>59,438</b>	<b>(132,388)</b>	<b>(34,965)</b>	<b>5,689</b>	<b>107,465</b>	<b>24,120</b>	<b>(45,009)</b>	<b>57,510</b>	<b>(15,079)</b>	<b>64,425</b>	<b>(17,790)</b>
<b>Net position, beginning of year</b>	<b>(10,902)</b>	<b>294,104</b>	<b>129,847</b>	<b>94,031</b>	<b>90,376</b>	<b>229,832</b>	<b>29,140</b>	<b>167,243</b>	<b>46,867</b>	<b>326,275</b>	<b>4,203,422</b>
<b>Net position, end of year</b>	<b>\$ 48,536</b>	<b>\$ 161,716</b>	<b>\$ 94,882</b>	<b>\$ 99,720</b>	<b>\$ 197,841</b>	<b>\$ 253,952</b>	<b>\$ (15,869)</b>	<b>\$ 224,753</b>	<b>\$ 31,788</b>	<b>\$ 390,700</b>	<b>\$ 4,185,632</b>

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION BY MEMBER  
WORKERS' COMPENSATION PROGRAM  
June 30, 2018

	Shared Risk	Admin-istration	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Revenues:													
Banking layer deposit	\$ 3,233,000	- \$	182,838 \$	221,035 \$	65,090 \$	51,672 \$	312,987 \$	671,632 \$	1,041,036 \$	297,383 \$	69,235 \$	9,536 \$	71,944
Shared risk layer	1,471,046	907,964	-	-	-	-	-	-	-	-	18,282	-	-
Other deposits/fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking layer assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared layer assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess insurance rebate	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>4,704,046</b>	<b>907,964</b>	<b>182,238</b>	<b>221,035</b>	<b>65,090</b>	<b>51,672</b>	<b>312,987</b>	<b>671,632</b>	<b>1,041,036</b>	<b>297,383</b>	<b>87,517</b>	<b>9,536</b>	<b>71,944</b>
Expenses:													
Provision for claims and claim adjustment expenses	2,696,240	-	106,902	295,619	123,962	25,897	63,699	270,823	583,420	384,539	107,186	23,536	30,013
Dividends	781,002	-	-	8,206	20,583	52,733	178,005	-	662,804	7,879	-	11,511	32,621
Insurance premiums	1,461,470	-	-	-	-	-	-	-	-	-	-	-	-
Claims administration	-	237,771	18,406	19,768	6,982	6,713	19,228	43,316	116,358	28,829	5,798	1,267	6,240
Program administration	-	187,622	-	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	21,444	-	-	-	-	-	-	-	-	-	-	-
Safety services	-	234,519	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	17,109	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>4,938,712</b>	<b>698,465</b>	<b>125,308</b>	<b>323,593</b>	<b>151,527</b>	<b>85,343</b>	<b>260,932</b>	<b>314,139</b>	<b>1,362,582</b>	<b>421,247</b>	<b>112,984</b>	<b>36,314</b>	<b>68,874</b>
<b>Operating income (loss)</b>	<b>(234,666)</b>	<b>209,499</b>	<b>57,530</b>	<b>(102,558)</b>	<b>(86,437)</b>	<b>(33,671)</b>	<b>52,055</b>	<b>357,493</b>	<b>(321,546)</b>	<b>(123,864)</b>	<b>(25,467)</b>	<b>(26,778)</b>	<b>3,070</b>
Non-operating (expenses) revenues:													
Net change in fair value of investments	(377,456)	(9,556)	(7,943)	(16,522)	(3,640)	(5,669)	(19,060)	(33,877)	(102,424)	(16,719)	(9,222)	(1,240)	(3,351)
Investment income	288,431	7,744	6,134	13,008	2,742	4,314	14,670	25,571	75,507	12,702	7,043	835	2,404
<b>Total non-operating (expenses) revenues</b>	<b>(89,025)</b>	<b>(1,812)</b>	<b>(1,809)</b>	<b>(3,514)</b>	<b>(898)</b>	<b>(1,355)</b>	<b>(4,390)</b>	<b>(8,306)</b>	<b>(26,917)</b>	<b>(4,017)</b>	<b>(2,179)</b>	<b>(405)</b>	<b>(947)</b>
<b>Change in net position</b>	<b>(323,691)</b>	<b>207,687</b>	<b>55,721</b>	<b>(106,072)</b>	<b>(87,335)</b>	<b>(35,026)</b>	<b>47,665</b>	<b>349,187</b>	<b>(348,463)</b>	<b>(127,881)</b>	<b>(27,646)</b>	<b>(27,183)</b>	<b>2,123</b>
<b>Net position, beginning of year</b>	<b>4,000,751</b>	<b>377,103</b>	<b>15,029</b>	<b>390,302</b>	<b>71,172</b>	<b>188,616</b>	<b>573,548</b>	<b>457,976</b>	<b>2,706,523</b>	<b>218,246</b>	<b>425,361</b>	<b>43,959</b>	<b>121,368</b>
<b>Net position, end of year</b>	<b>\$ 3,677,060</b>	<b>\$ 584,790</b>	<b>\$ 70,750</b>	<b>\$ 284,230</b>	<b>\$ (16,163)</b>	<b>\$ 153,590</b>	<b>\$ 621,213</b>	<b>\$ 807,163</b>	<b>\$ 2,358,060</b>	<b>\$ 90,365</b>	<b>\$ 397,715</b>	<b>\$ 16,776</b>	<b>\$ 123,491</b>

(Continued)

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION BY MEMBER  
WORKERS' COMPENSATION PROGRAM  
June 30, 2018

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
<b>Revenues:</b>												
Banking layer deposit	\$ 310,853	\$ 150,639	\$ 85,236	\$ 189,468	\$ 241,951	\$ 138,663	\$ 478,530	\$ 80,452	\$ 529,246	\$ 118,587	\$ 917,717	\$ 6,235,730
Shared risk layer deposit	-	-	-	-	-	-	-	-	-	-	-	3,233,000
Other deposits/fees	-	-	-	-	-	-	-	-	83,324	-	-	2,480,611
Banking layer assessment	-	-	-	72,513	37,141	-	51,214	-	-	-	27,892	188,760
Shared layer assessment	-	-	-	-	-	-	-	-	-	-	-	-
Excess insurance rebate	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>310,853</b>	<b>150,639</b>	<b>85,236</b>	<b>261,981</b>	<b>279,092</b>	<b>138,663</b>	<b>529,744</b>	<b>80,452</b>	<b>612,570</b>	<b>118,587</b>	<b>945,609</b>	<b>12,138,101</b>
<b>Expenses:</b>												
Provision for claims and claim adjustment expenses	279,462	141,206	99,436	(173,298)	149,806	202,134	493,311	116,481	515,668	20,087	955,096	7,511,225
Dividends	177,218	26,958	6,946	-	-	65,852	-	117	-	40,123	-	2,072,558
Insurance premiums	-	-	-	-	-	-	-	-	-	-	-	1,461,470
Claims administration	23,030	26,082	7,973	24,542	25,906	20,496	39,531	10,506	48,030	5,261	63,082	805,115
Program administration	-	-	-	-	-	-	-	-	-	-	-	187,622
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	21,444
Safety services	-	-	-	-	-	-	-	-	-	-	-	234,519
Other expenses	-	-	-	-	-	-	-	-	-	-	-	17,109
<b>Total expenses</b>	<b>479,710</b>	<b>194,246</b>	<b>114,355</b>	<b>(148,756)</b>	<b>175,712</b>	<b>288,482</b>	<b>532,842</b>	<b>127,104</b>	<b>563,698</b>	<b>65,471</b>	<b>1,018,178</b>	<b>12,311,062</b>
<b>Operating income (loss)</b>	<b>(168,857)</b>	<b>(43,607)</b>	<b>(29,119)</b>	<b>410,737</b>	<b>103,380</b>	<b>(149,819)</b>	<b>(3,098)</b>	<b>(46,652)</b>	<b>48,872</b>	<b>53,116</b>	<b>(72,569)</b>	<b>(172,961)</b>
<b>Non-operating (expenses) revenues:</b>												
Net change in fair value of investments	(21,869)	(11,076)	(4,179)	(7,428)	(11,079)	(13,410)	(19,898)	(4,501)	(34,584)	(5,665)	(38,192)	(778,560)
Investment income	16,601	8,133	2,941	5,583	8,549	9,938	15,629	3,414	26,604	4,317	29,408	592,222
<b>Total non-operating (expenses) revenues</b>	<b>(5,268)</b>	<b>(2,943)</b>	<b>(1,238)</b>	<b>(1,845)</b>	<b>(2,530)</b>	<b>(3,472)</b>	<b>(4,269)</b>	<b>(1,087)</b>	<b>(7,980)</b>	<b>(1,348)</b>	<b>(8,784)</b>	<b>(186,338)</b>
<b>Change in net position</b>	<b>(174,125)</b>	<b>(46,550)</b>	<b>(30,357)</b>	<b>408,892</b>	<b>100,850</b>	<b>(153,291)</b>	<b>(7,367)</b>	<b>(47,739)</b>	<b>40,892</b>	<b>51,768</b>	<b>(81,353)</b>	<b>(359,299)</b>
<b>Net position, beginning of year</b>	<b>638,066</b>	<b>215,477</b>	<b>11,806</b>	<b>(436,323)</b>	<b>(56,593)</b>	<b>341,894</b>	<b>22,204</b>	<b>152,743</b>	<b>693,708</b>	<b>171,893</b>	<b>447,828</b>	<b>11,792,667</b>
<b>Net position, end of year</b>	<b>\$ 463,941</b>	<b>\$ 168,927</b>	<b>\$ (18,551)</b>	<b>\$ (27,431)</b>	<b>\$ 44,257</b>	<b>\$ 188,603</b>	<b>\$ 14,837</b>	<b>\$ 105,004</b>	<b>\$ 734,600</b>	<b>\$ 223,661</b>	<b>\$ 366,475</b>	<b>\$ 11,433,368</b>

See independent auditor's report on supplementary information.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Members  
Northern California Cities Self Insurance Fund  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northern California Cities Self Insurance Fund as of and for the year ended June 30, 2018 and the related notes to the financial statements which collectively comprise Northern California Cities Self Insurance Fund's basic financial statements, and have issued our report thereon dated September 13, 2018.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northern California Cities Self Insurance Fund internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern California Cities Self Insurance Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern California Cities Self Insurance Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern California Cities Self Insurance Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Crowe LLP**  
Crowe LLP

Sacramento, California  
September 13, 2018



1792 Tribute Road, Suite 450, Sacramento, CA 95815 ~ Telephone: 916.643.2700 Facsimile: 916.643.2650

Accounting Location: James Marta & Co ~ Certified Public Accountants  
701 Howe Avenue, Suite E3, Sacramento, CA 95825 ~ Telephone: 916-993-9494 Facsimile: 916-993-9489

September 13, 2018

Crowe LLP  
400 Capitol Mall, Suite 1400  
Sacramento, California 95814

Ladies and Gentlemen:

We are providing this letter in connection with your audits of the financial statements of Northern California Cities Self Insurance Fund as of June 30, 2018 and 2017 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the statement of net position, statement of revenues, expenses, and change in net position cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$147,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 24, 2017 for the preparation and fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States, and we believe the financial statements are fairly presented and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles in the United States to be included in the financial reporting entity.
2. We are responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.



3. We are responsible for compliance with the laws, regulations, and provisions of contracts and agreements applicable to us, including tax or debt limits and debt contracts, and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
4. We have made provided you
  - a. Access to all financial records, documentation and other information that is relevant to the preparation and fair presentation of the financial statements.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. Results of the assessment of risk that the financial statements may be materially misstated as a result of fraud.
5. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
6. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.
7. We have no plans or intentions that might materially affect the carrying value or classification of assets, deferred outflows, liabilities, and deferred inflows.
8. We have identified all accounting estimates that materially affect recorded amounts and disclosures in the financial statements, and the key factors and significant assumptions underlying those estimates. We believe the estimates are reasonable in the circumstances.

**These estimates include:**

- a. To reduce receivables to their estimated net collectable amounts.
- b. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
- c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2018 and/or for expected retroactive insurance premium adjustments applicable to periods through auditor's report date.
- d. For environmental clean-up obligations.



9. Adequate consideration and provision has been made, when necessary, for any material losses likely to be sustained from:
  - a. Sales commitments.
  - b. Sale of inventory, including excess or obsolete inventories on hand.
  - c. Purchase commitments for inventory quantities in excess of normal requirements or at a price in excess of market.
  - d. Impairment of long lived assets when the carrying amount may not be recoverable.
  - e. Collection of receivables.
  - f. Environmental remediation liabilities.
10. Except as disclosed in the financial statements, or directly to you, there are or have been no material:
  - a. Arrangements, either written or oral, with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
  - b. Oral or written guarantees under which the entity is contingently liable.
  - c. Other financial instruments with significant "off balance sheet" risk of accounting loss to which the entity is a party.
  - d. Concentrations that make the entity vulnerable to the risk of a severe impact within one year from the balance sheet date (including, for example, individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, operating areas or markets).
  - e. Significant accounting estimates that are susceptible to changing materially as a result of an event or change in conditions that is reasonably possible of occurrence within one year from the balance sheet date.
  - f. Liens, encumbrances or other title impairments, such as pledges as collateral, on entity assets at the balance sheet date.
  - g. Restrictions under borrowing agreements.
  - h. Unrecorded transactions.
  - i. Significant events that have occurred subsequent to the balance sheet date through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - j. Declines in market value of investments that are not temporary.



11. We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered by management when preparing the financial statements. These matters have been accounted for and disclosed in conformity with accounting principles generally accepted in the United States and GASB 62.
12. Related parties and all related party relationships and transactions, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees, have been disclosed to you, and have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of accounting principles generally accepted in the United States.
13. Except as disclosed to you, we have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management, whether material or not.
  - b. Employees who have significant roles in internal control, whether material or not.
  - c. Others when the fraud could have a material effect on the financial statements.
14. Except as disclosed to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
15. Except as disclosed to you, there have been no:
  - a. Instances of non-compliance or suspected non-compliance with budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered when preparing the financial statements.
  - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
  - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
  - d. Reservations or designations of fund equity that were not properly authorized and approved.
16. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We are responsible for the presentation of the supplementary information in accordance with the applicable criteria and believe the supplementary information, including its form and content, is fairly presented in accordance with these criteria. The methods of measurement and presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement and presentation of the supplementary information have been identified and disclosed to you. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.



18. We are responsible for the required supplementary information, including that such information is measured and presented in accordance with prescribed guidelines. The methods of measurement or presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information have been disclosed to you.
19. We understand that during the course of your audit, you have relied on work performed by the following specialists. We confirm that we have no relationships with those specialists that may bear on their objectivity, such as the ability through employment, ownership, contractual right, family relationship or otherwise to directly or indirectly control or significantly influence the specialist.

Bickmore Risk Service

20. During the course of your audit, we have provided to you physical or electronic copies of various original documents. We understand that you are relying on such copies as audit evidence in your audit and represent that copies provide an accurate and completed representation of the original documentation and that the copies have not been modified from their original version.
21. The financial statements include all component units that meet the criteria of financial accountability or which are otherwise considered misleading to exclude, the classification of these component units as discretely presented or blended is appropriate, and the relationships and criteria for inclusion are properly disclosed.
22. The financial statements include all joint ventures with an equity interests and properly disclose these joint ventures and other related organizations.
23. The financial statements properly classify all funds and activities.
24. All funds that meet the quantitative criteria in GASB Statements Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to the financial statement users.
25. Net position components (invested in capital assets, restricted, and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
26. Expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
27. Revenues are properly classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
28. Interfund, internal, and intra-entity activity and balances have been properly classified and reported.
29. Deposits and investment securities are properly classified in category of custodial credit risk.
30. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
31. All suggested adjusting journal entries, as discussed and approved, will be recorded in the accounting records.



32. We understand that you have assisted us with the preparation of our financial statements and footnotes and we have reviewed and approved the financial statements and footnotes and take full responsibility for them.

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James P. Marta, CPA-Accountant

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September 13, 2018

Date



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Marcus Beverly, Vice President

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September 13, 2018

Date





## INVESTMENT POLICY

### ACTION ITEM

**ISSUE:** NCCSIF's Investment Policy must be reviewed and approved annually. Chandler Asset Management, NCCSIF's Investment Manager, has reviewed and recommend some minor changes, tracked in the attached Policy.

**FISCAL IMPACT:** None.

**RECOMMENDATION:** Approve the NCCSIF Statement of Investment Policy.

**BACKGROUND:** Pursuant to Government Section Code 43646 (a) (2), the NCCSIF Statement of Investment Policy must be reviewed annually and amended as necessary. James Marta and Company and Chandler Asset Management annual review the Policy and recommend changes as needed. The last update was made in October 19, 2017.

**ATTACHMENTS:** Proposed Revision Red-Line version of NCCSIF Statement of Investment Policy

August 30, 2018

Raychelle Maranan  
Assistant Account Manager  
Northern California Cities Self Insurance Fund  
2180 Harvard Street, Suite 460  
Sacramento, CA 95815

Dear Raychelle,

We have completed our annual review of the Northern California Cities Self Insurance Fund (“NCCSIF”) investment policy for compliance with the statutes of California Government Code (“Code”) that govern the investment of public funds, as well as for inclusion of current industry best practices. NCCSIF’s policy is well written and continues to be effective. We do, however, recommend some minor modifications that we believe will:

- Enhance the clarity and readability of the policy
- Update the policy with the latest changes to Code
- Update the policy with the latest industry best practices

Please find a summary of the recommended changes below:

- **D. Objectives; Section 3. Yield/Return:** We included the term “Return” alongside of “Yield” in recognition of NCCSIF’s total return strategy that seeks to grow the fair value of the investments, as well as enhance interest income.
- **H. Investment Goals:** We recommend a change in the first paragraph referencing “Earnings” to now reference “Yield/Return” to be in line with the stated goals within Section D.
- **J. Investment Instruments and Maturities; Section 1. Permitted Investments:** We recommend including language referencing minimum credit quality, specifically including reference to “rating categories” as listed under Code Section 53601 et. al. This would apply only to asset-backed securities, medium-term notes and supranational obligations.

Please do not hesitate to contact us with any questions you may have, or if further review is needed.

Sincerely,

Carlos Oblites,  
Senior Vice President, Portfolio Strategist  
Chandler Asset Management



## STATEMENT OF INVESTMENT POLICY

### A. INTRODUCTION and PURPOSE

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

This statement provides guidelines for the prudent investment of the funds of NCCSIF and outlines the policies and procedures for maximizing the efficiency of NCCSIF's cash management system. The ultimate goal is to enhance the economic status of NCCSIF, while protecting its pooled funds.

This investment policy was endorsed and adopted by NCCSIF Board of Directors and is effective as of the 19th day of October, 2017, and replaces any previous versions.

### B. SCOPE

NCCSIF's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling NCCSIF to invest funds to the fullest extent possible. NCCSIF will attempt to obtain the highest yield obtainable, as long as investments meet the criteria established for safety and liquidity.

NCCSIF operates its pooled idle fund investments under the prudent person rule (Civil Code Section 2261, et seq.)

### C. PRUDENCE

NCCSIF shall strive to invest 100 % of all idle funds based upon, projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the NCCSIF Finance Committee, of which the NCCSIF Treasurer is a committee member.

Persons authorized to make investment decisions on behalf of local agencies are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law. (Government Code Section 53600.3)

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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### D. OBJECTIVES

NCCSIF shall use the following criteria, in order of priority, when selecting investment options:

#### 1. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. All "allowable investments" are of a very high quality and would be considered extremely safe and conservative. Safety of principal is the foremost objective of the investment program.

#### 2. Liquidity

An adequate percentage of the portfolio will be maintained in liquid short-term securities that can be converted to cash as necessary to meet disbursement requirements. The liquidity percentage will be determined and adjusted as necessary based upon projected cash flow reports. Investments will be made in securities with active secondary or resale markets.

#### 3. Yield/Return

Within the constraints of safety and liquidity, the highest and best return will be sought. The portfolio will be designed to attain a market average rate of return, taking into account NCCSIF's risk constraints, the cash flow characteristics of the portfolio and state law.

#### 4. Maturity

Maturities shall be selected to anticipate cash needs, thus avoiding forced liquidations. Since funds are invested for the specific purpose of providing for medium and long-term growth, and since the cash flow requirements of NCCSIF are met through investment in LAIF, the Board of Directors hereby grants authority for the purchase of securities with maturities in excess of five years. Such purchases shall be of U.S. Treasury and federal agency securities only (including mortgage-backed securities). The maximum maturity of individual securities is limited to ten years. Not more than 25% of the investment portfolio will be at the maximum maturity term.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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### **5. Diversification**

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. No more than 5% of the portfolio may be invested in any one security issuer or institution unless explicitly stated in this policy, excluding U.S. government, agency, investment pool and money market funds securities.

### **6. Public Trust**

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

### **7. Non Discriminatory**

NCCSIF shall not knowingly make or allow investments in any institution, company, corporation, subsidiary or affiliate that practices or supports, directly or indirectly through its actions, discrimination on the basis of race, religion, creed, national or ethnic origin, age, sex, sexual preference or physical disability.

## **E. AUTHORITY TO INVEST MONIES**

Section 53600 et seq. of the California Government Code provides legal authorization for investment of funds of local agencies. All investments of NCCSIF shall conform to the provisions of those laws.

## **F. DELEGATION OF AUTHORITY**

The NCCSIF Board of Directors has designated the Finance Committee as investment managers of NCCSIF and responsible for ensuring that all investment activities are within the guidelines of these policies. Administrative procedures for the operation of the investment program are established under NCCSIF Administration Policy and Procedure A-13, *Review and Control of Investment Activities*. In order to optimize total return through active portfolio management, resources shall be allocated to the investment program. This commitment of resources shall include financial and staffing considerations.

The Agency may engage the services of external investment managers to assist in the management of the Agency's investment portfolio in a manner consistent with the Agency's objectives. The external manager may be granted discretion to purchase and sell

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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investment securities in accordance with this Investment Policy. In addition, the manager must be registered under the Investment Advisers Act of 1940.

### **G. REPORTING**

#### **1. Monthly**

The investment advisor shall submit a monthly report to the NCCSIF Treasurer, the Accounting Services Provider and the Program Administrator. This report will include all items required by Government Code Section 53646.

These items are:

- a. Type of investment;
- b. Issuer;
- c. Date of Maturity;
- d. Amount of deposit and cost of the security;
- e. Current market value of securities and the source of the valuation;
- f. Interest rate;
- g. A statement of compliance with the investment policy;
- h. Accrued interest;
- i. Interest earned to date;
- j. Average weighted book yield;
- k. Average term to maturity;
- l. Transactions;
- m. Percentage distribution of investment types;
- n. Modified duration;
- o. Total rate of return.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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### 2. Quarterly

The NCCSIF Treasurer shall submit quarterly a report to the Board of Directors of all cash and investments of NCCSIF in compliance with Government Code Sections §53646 and §53607.

### 3. Annually

The NCCSIF Treasurer receives from the investment advisor an annual portfolio investment performance report as of June 30. The annual report and the Investment Policy shall be submitted for review and approval annually at the meeting of the Board of Directors.

## H. INVESTMENT GOALS

In the context of “Safety”, “Liquidity” and “[Earnings Yield/Return](#)”, funds available for investment shall be invested to meet this specific goal:

1. To provide funds to pay losses as they come due and to pay the expenses of operating NCCSIF.

The NCCSIF Treasurer, based on consultation with the Finance Committee and Accounting Service Provider, will inform the investment advisor from time to time of amounts of funds needed to pay claims and operating expenses. The NCCSIF Program Administrator will provide current actuarial information to the investment advisor in order to determine the appropriate duration.

## I. INVESTMENT PARAMETERS

1. Investments shall be managed to a duration not to exceed the current duration of loss payment liabilities.
2. The maximum stated final maturity of securities in the account shall be ten years.
3. The NCCSIF Treasurer shall maintain sufficient short-term liquidity to pay claims and operating expenses as they arise.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

### J. INVESTMENT INSTRUMENTS AND MATURITIES

#### 1. Permitted Investments

Securities purchased will be maintained within statutory limits imposed by California Government Code Section 53601. The Government Code currently allows for the following:

PERMITTED INVESTMENTS – Summary of CGC 53601	MAXIMUM % OF PORTFOLIO	MINIMUM CREDIT QUALITY N.R.S.R.O.**	MAXIMUM MATURITY
Asset Backed and Mortgage Backed Securities	20%	AA <a href="#">category or equivalent</a>	5 years
Bankers Acceptances	40%	None	180 days
Collateralized Bank Deposits	None	None	5 years
Commercial Paper	25%	A-1/P-1	270 days
LAIF	As law permits	None	N/A
Medium Term Notes – corporate debt	30%	A <a href="#">category or equivalent</a>	5 years
Money Market Mutual Funds	20%	As law permits	N/A
Mutual Funds	20%	As law permits	N/A
Municipal Obligations of California or other States	None	None	5 years
Municipal Obligations of California local agencies	None	None	5 years
Negotiable Certificates of Deposit	30%	None	5 years
Repurchase Agreements	None	None	1 year
Reverse Repurchase Agreements	20%	None	92 days
Time Certificates of Deposit	None	None	5 years
U.S. Treasury Obligations	None	None	10 years*
U.S. Government and Agency Obligations	None	None	10 years*
Supranationals: IBRD, IFC, IADB	30%	AA <a href="#">category or equivalent</a>	5 years

\*as specified by this investment policy, Section I, 2.; as permitted by California Government Code

\*\* Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The three most prominent NRSROs are Fitch, S&P, and Moody's.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased. NCCSIF may from time to time be invested in a security whose rating is downgraded. If credit rating of a security drops below the minimum credit rating criteria outlined in this policy, the investment advisor shall notify the Treasurer and recommend a plan of action. The Treasurer shall contact the Finance Committee to appraise it of the downgrade and the investment advisor's

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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recommendation. The Committee shall report both the downgrade and any action taken to the Board of Directors at the Board of Directors' next regularly scheduled meeting.

If the Government Code adopts more restrictive investment restrictions, then those restrictions will have precedence over those listed above.

### **2. Excluded Investments**

The following investments are not permitted under this Statement of Investment policy.

- a. Investments not specifically stated under "allowable investments," such as common or preferred stock, convertible or junk bonds, commodities, options, limited partnerships, GIC's, reverse repurchase agreements, uninsured deposits, inverse floaters, range notes, mortgage derived, interest only strips, or in any security that could result in zero interest if held to maturity, etc.;
- b. Investments denominated in any currency other than US dollars; or
- c. Collateralized Mortgage Obligations with collateral not specifically GNMA, FHLMC or FNMA.
- d. Inverse floaters, range notes, mortgage-derived interest only strips, or any security that could result in zero interest accrual if held to maturity.

### **K. PERFORMANCE EVALUATION**

As a reference point for the performance of NCCSIF's portfolio, the quarterly total return of the portfolio will be compared with the quarterly return for LAIF, the quarterly total return of a 1 to 5 year government index benchmark, and the quarterly total return for a 1 to 10 year government index benchmark.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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### **L. SAFEKEEPING AND CUSTODY**

Securities purchased from broker/dealers will be held in a third-party custodian safekeeping account except the collateral for time deposits in banks and savings and loans. Collateral for time deposits shall be held in accordance with California law.

### **M. CONFLICT OF INTEREST**

Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall disclose to the NCCSIF Finance Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of NCCSIF's portfolio.

<b>Adopted:</b>	January 6, 2005
First Revision:	April 14, 2006
Second Revision:	June 20, 2008
Third Revision:	October 21, 2010
Fourth Revision:	December 14, 2011
Fifth Revision:	October 18, 2012
Sixth Revision:	October 9, 2014
Seventh Revision:	October 27, 2016
Eight Revision:	October 19, 2017

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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### Appendix A Explanation of Allowable Instruments

**Asset Backed and Mortgage Backed Securities:** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond of a maximum of five years' maturity.

**Bankers' Acceptances:** A bankers' acceptance is a time draft drawn on and accepted by a bank for payment of the shipment or storage of merchandise. The initial obligation of payment rests with the drawer, but the bank substitutes its credit standing for that borrower and assumes the obligation to pay face value at maturity.

**Commercial Paper:** Commercial Paper is a short-term unsecured obligation issued by both financial companies and non-financial companies to help satisfy their short term funding needs.

**Local Agency Investment Fund (LAIF):** LAIF is a voluntary program offering local agencies the opportunity to participate in a multi-billion dollar portfolio. LAIF is part of the State of California' Pooled Money Investment Account (PMIA). Oversight of the PMIA is provided by a board whose members include the State Treasurer, Director of Finance and the State controller. All securities are purchased under the authority of the California Government Code.

**Medium-Term Notes (MTNs):** MTNs are unsecured promissory notes issued by corporations and financial institutions. MTNs are typically issued through a shelf registration process filed with the Securities and Exchange Commission, with original maturities of one to five years. MTNs offer higher yields than Treasury or agency securities because of the additional risk of purchasing unsecured corporate debt for a period of years. Credit quality varies with the issuer and MTNs are rated by several national securities rating services such as Standard and Poor's or Moody's.

**Money Market Mutual Funds:** Pooled investment funds, which legally are shares of beneficial interest issued by diversified management companies registered with the Securities and Exchange Commission. Money market funds operate under strict guidelines regarding maximum maturities and diversification requirements and seek to maintain a constant net asset value of \$1.00 per share.

**Mutual Funds:** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**Municipal Obligations:** Debt obligations issued by state and local governments.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

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**Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

**Negotiable Certificates of Deposit:** Negotiable CDs are a marketable receipt for funds deposited in a bank for a fixed time period at a stated rate of interest. Negotiable CDs are not required to be collateralized.

**Repurchase Agreement and Reverse Repurchase Agreement:** A repurchase agreement (or reverse repurchase agreement) is a contractual arrangement between a financial institution or dealer and an investor. This agreement normally can run for one or more days. The investor puts up his funds for a certain number of days at a stated yield. In return, he takes a given block of securities as collateral. At maturity, the securities are repurchased and the funds repaid plus interest.

**Time Certificates of Deposit (CDs):** Time CDs are a receipt for funds deposited in a Bank or Savings and Loan Association for a specified period of time at a specific rate of interest. The first \$100,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC) if with a bank. Time CDs with California institutions are required to be collateralized by the financial institution, as specified in the California Government Code.

**Supranational:** an international organization that supports international development and commerce. Three specified organizations permitted under CGC 53601, as of January 2015 are the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

### **U.S. Treasuries:**

**U.S. Treasury Bills:** U.S. Treasury bills, commonly referred to as T-Bills, are short-term marketable securities sold as obligations of the U.S. Government. They are offered in three-month, six month and one-year maturities. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity.

**U.S. Treasury Notes:** U.S. Treasury Notes are marketable, interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years. Interest is paid semi-annually.

**U.S. Treasury Bonds:** U.S. treasury Bonds are the same as U.S. Treasury Notes, except they have original maturities of ten year or longer.

# NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

## STATEMENT OF INVESTMENT POLICY

---

**U.S. Government Agency Issues:** U.S. Government Agency issues include securities which fall into these categories: 1) Issues which are unconditionally backed by the full faith and credit of the United States, 2) Issues which are conditionally backed by the full faith and credit of the United States, and 3) Issues which are not backed by the full faith and credit of the United States.

Issues that are unconditionally backed by the full faith and credit of the United States include the Small business Administration and the General Services Administration (GSA).

Issues that are issued by corporations under the Federal Deposit Insurance Corporation (FDIC) Temporary Liquidity Guarantee Program (TLGP). These notes are backed by the full faith and credit of the United States Government.

Issues which are not backed by the full faith and credit of the United States include the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Farm Credit System (FFCB), Banks for Cooperation (Co-ops), Federal Lands Banks (FLB), Federal Immediate Credit Banks (FICB), Federal Home Loan Mortgage Corporation (FHLMC), Tennessee Valley Authority (TVA), or other government sponsored enterprises (GSEs).

While all of the above issues are not unconditionally backed by the full faith and credit of the United States, they do in fact have de facto backing from the federal government, and it would be most unlikely that the government would let any of these agencies default on its obligations.



## NCCSIF INVESTMENT PORTFOLIO REVIEW

### INFORMATION ITEM

**ISSUE:** Carlos Oblites, SVP Portfolio Strategist, from Chandler Asset Management, will provide the Board of Directors with a presentation on NCCSIF's Investment Portfolio and discuss NCCSIF's investment strategy as well as comment on specific economic factors that have had a direct impact on the rate of return.

**RECOMMENDATION:** None. This item is presented as information only.

**FISCAL IMPACT:** Unknown

**BACKGROUND:** Chandler Asset Management has been NCCSIF's investment portfolio manager implementing investments for the program since 1997. They perform these services for multiple Pools and Public Entities.

**ATTACHMENT(S):** Chandler Asset Management NCCSIF Investment Report for Period Ending September 30, 2018

# Northern California Cities Self Insurance Fund

Period Ending  
September 30, 2018



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Consolidated Information</b>
<b>SECTION 4</b>	<b>Portfolio Holdings</b>
<b>SECTION 5</b>	<b>Transactions</b>

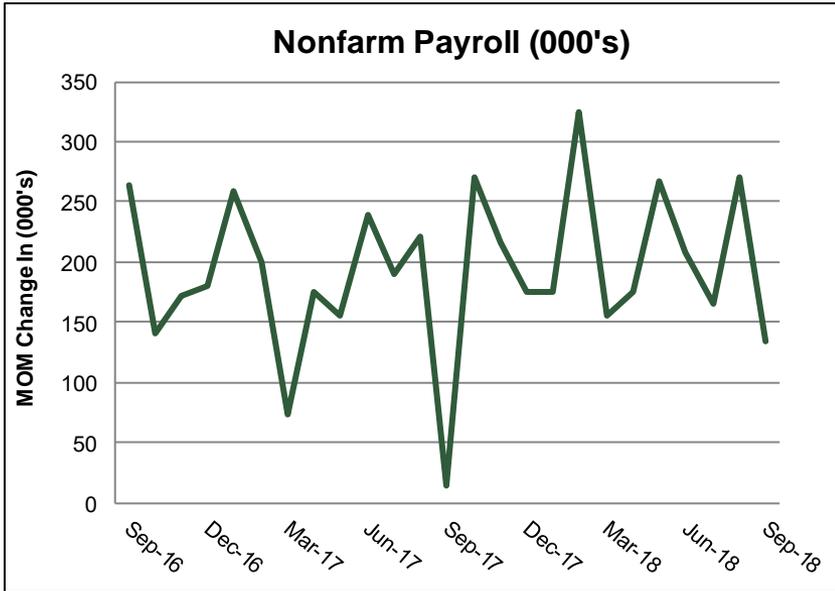
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**SECTION 1**

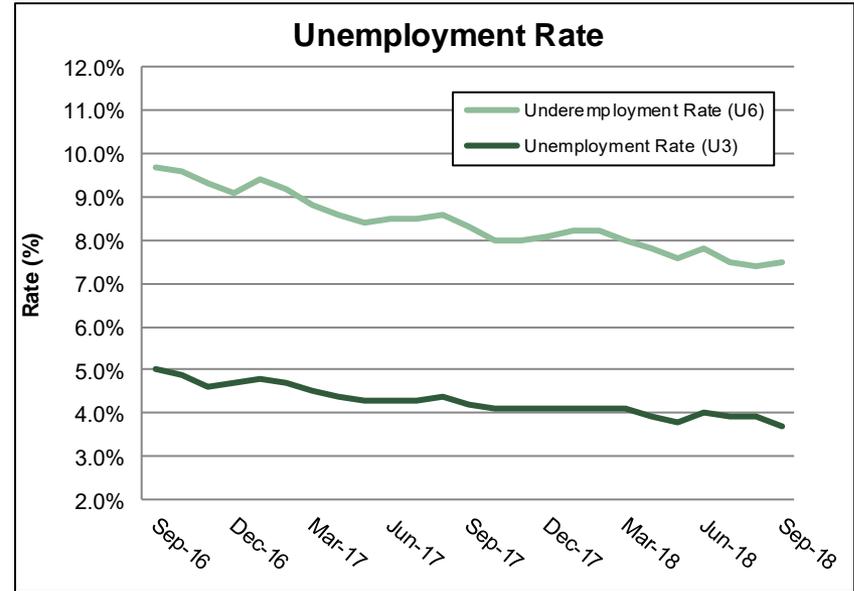
**Economic Update**



- As expected, the Federal Open Market Committee (FOMC) voted to raise the fed funds target rate by 25 basis points to a range of 2.00%-2.25% at the September 26th meeting. The vote was unanimous, including a vote from the new Board of Governors Vice Chair, Richard Clarida. The Fed raised its median forecast for GDP growth in 2018 and 2019 and left its forecasts for unemployment and inflation relatively unchanged. The Fed also kept its fed funds rate forecasts unchanged with the exception of the longer-run target which increased slightly to 3.0%. The Fed's forecast points to one more fed funds rate hike this year and three more hikes next year. Once again, in its policy statement, the FOMC noted that economic activity has been rising at a "strong rate" and policymakers expect that further gradual increases in the fed funds rate will be appropriate. The FOMC continues to believe risks to the economic outlook are roughly balanced. Market participants believe there is a very high probability that there will be another rate hike in December.
- Economic data remains favorable but predictive economic indicators suggest that economic growth is unlikely to accelerate. Although the labor market is strong and consumer confidence is high, we do not believe the economy is close to overheating. The Core PCE Index suggests that inflation is in line with the Fed's 2.0% target. Market participants are forecasting annualized GDP growth of about 3.0% in the third quarter, 2.8% in the fourth quarter, and 2.5% next year.
- Treasury yields increased in September. At month-end, the 2-year Treasury yield was up 19 basis points to 2.82%, while the 10-year Treasury yield was up 20 basis points to 3.06%. The spread between 2- and 10-year Treasury yields remained narrow at just 24 basis points at month-end. Over the past 20 years, the average spread between 2- and 10-year Treasuries has been about 140 basis points. We foresee an upward bias to rates across the Treasury yield curve but believe that the yield curve will remain quite flat over the intermediate-term.

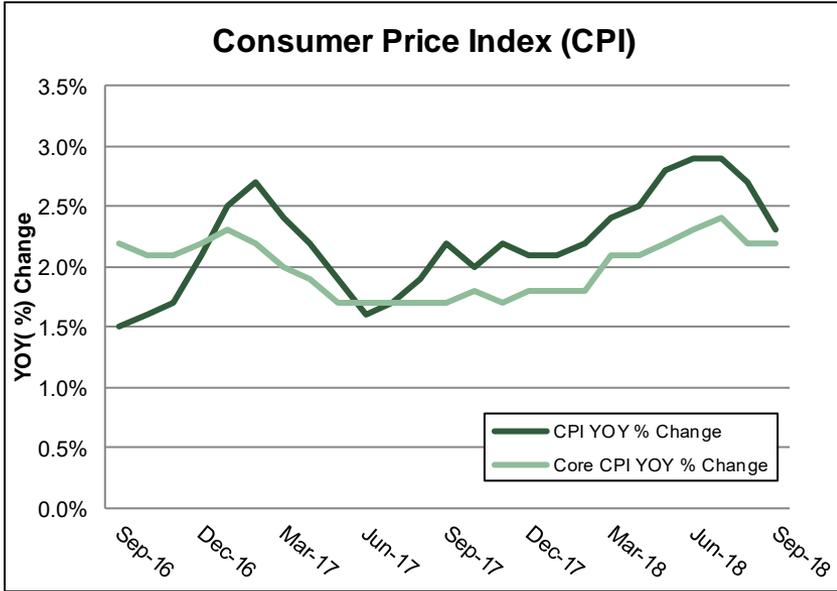


Source: US Department of Labor

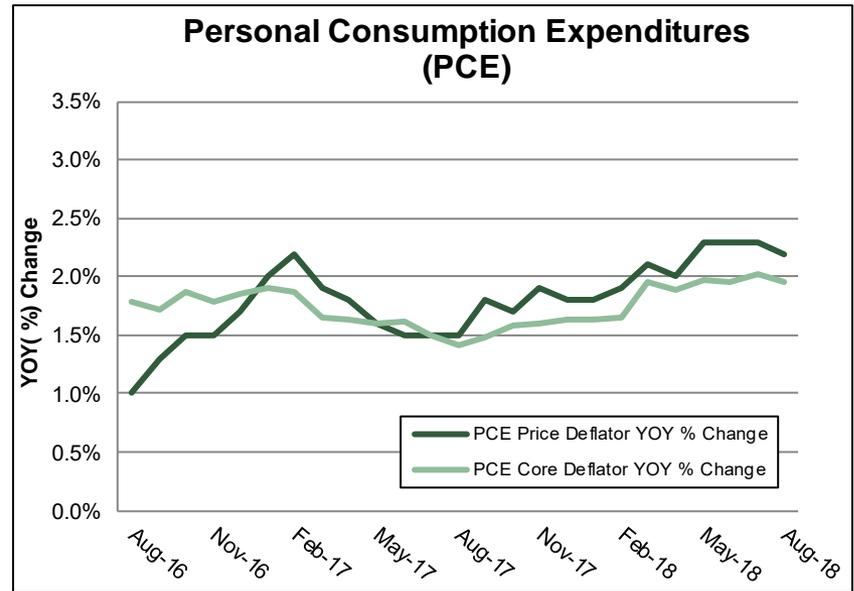


Source: US Department of Labor

U.S. payrolls rose by 134,000 in September, below the consensus forecast of 185,000. However, July and August payrolls were revised up by a total of 87,000. On a trailing 3-month and 6-month basis payrolls increased by an average of 190,000 and 203,000 per month, respectively, more than enough to absorb new entrants into the labor market. The unemployment rate declined further in September to 3.7% from 3.8% in August. The labor participation rate was unchanged month-over-month at 62.7%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, increased to 7.5% from 7.4% in August. Wages rose 0.3% in September on a month-over-month basis, in line with expectations. Wages were up 2.8% on a year-over-year basis in September, versus up 2.9% year-over-year in August. The average workweek was unchanged at 34.5 hours. Overall, the September employment report indicates the labor market remains strong, and there is steady but modest upward pressure on wages.

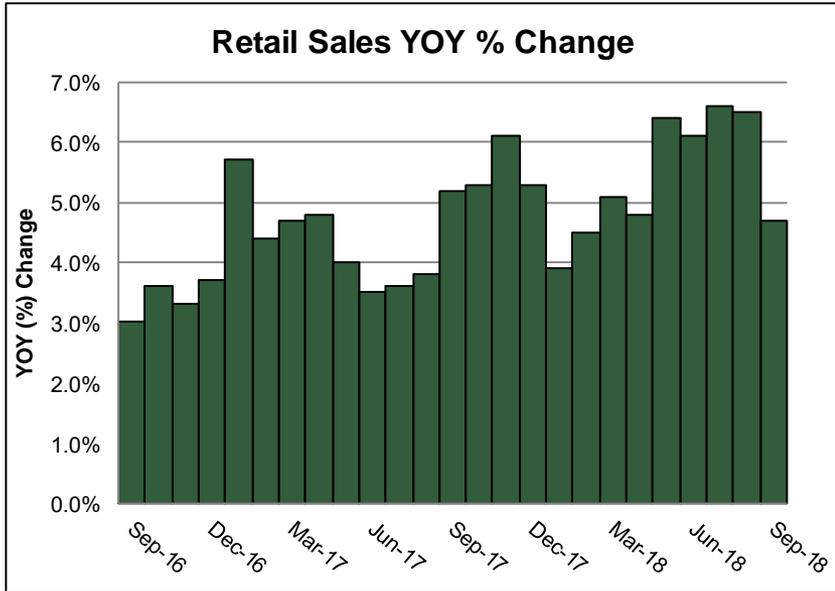


Source: US Department of Labor



Source: US Department of Commerce

The Consumer Price Index (CPI) was up 2.3% year-over-year in September, versus up 2.7% year-over-year in August. Core CPI (CPI less food and energy) was up 2.2% year-over-year in September, unchanged from 2.2% year-over-year in August. The Personal Consumption Expenditures (PCE) index was up 2.2% year-over-year in August, down slightly from 2.3% year-over-year in July. Core PCE (excluding food and energy) was up 2.0% on a year-over-year basis in August, unchanged from 2.0% in July. Core PCE inflation, which is the Fed's primary inflation gauge, remains in line with the Fed's 2.0% target.



Source: US Department of Commerce

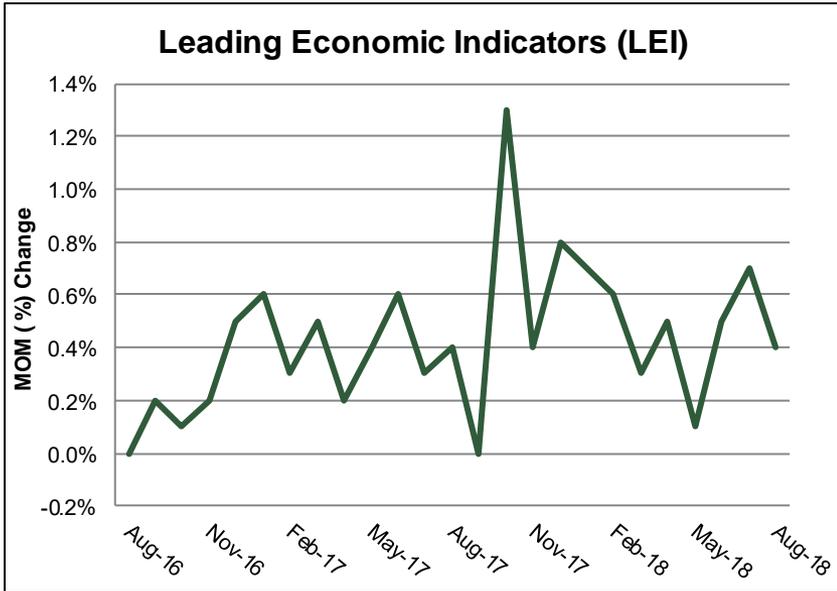


Source: The Conference Board

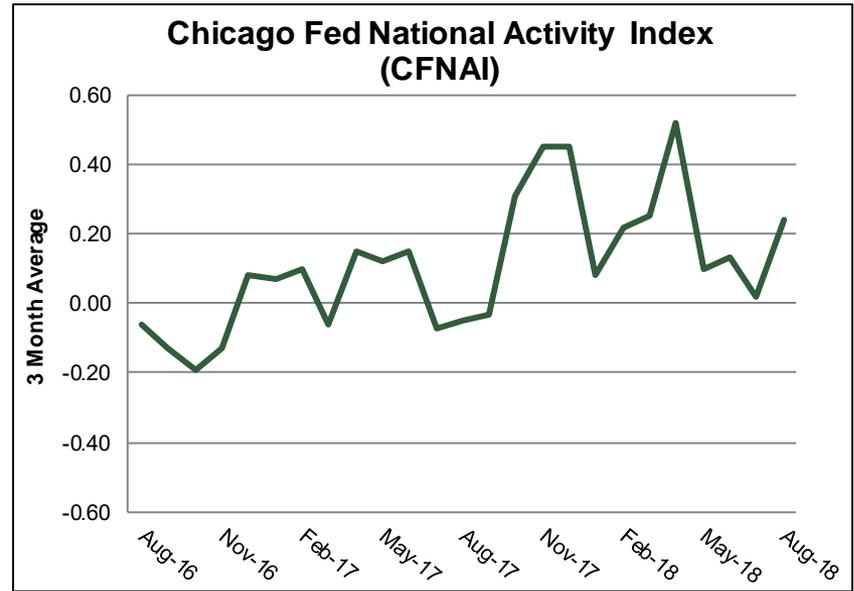
On a year-over-year basis, retail sales were up 4.7% in September, versus up 6.5% year-over-year in August. On a month-over-month basis, retail sales increased just 0.1% in September, well below expectations for a 0.6% increase. E-commerce and furniture sales were strong in September while department store sales declined. The Consumer Confidence Index remains very strong at 138.4 in September, up from 134.7 in August. Ongoing strength in the labor market continues to support consumer confidence and spending trends.



# Economic Activity

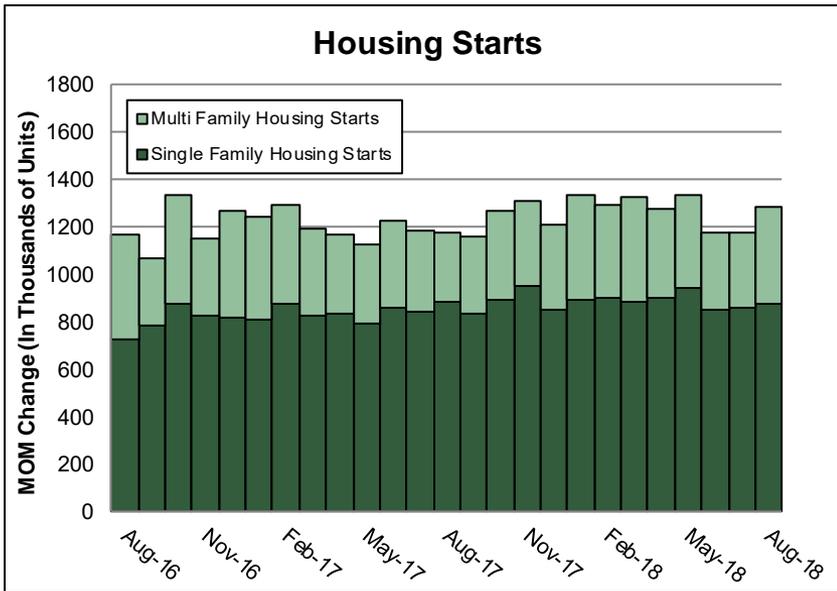


Source: The Conference Board

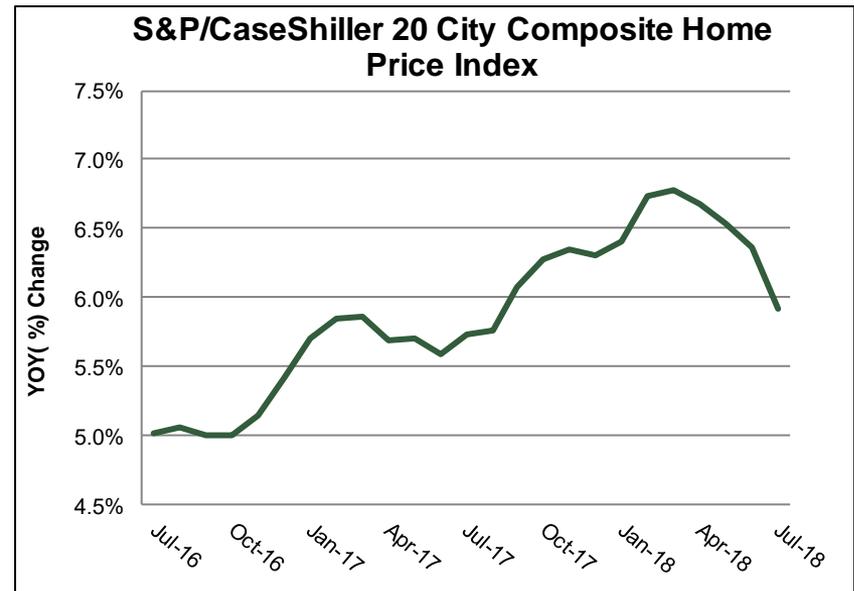


Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.4% month-over-month in August, following a 0.7% increase in July. According to the Conference Board, the index points to solid US economic growth for the remainder of the year. However, the Conference Board also warns that industrial companies that are more sensitive to business cycles should prepare for a possible moderation in economic growth next year. The Chicago Fed National Activity Index (CFNAI) was unchanged month-over-month in August at 0.18, suggesting that economic activity remains steady. On a 3-month moving average basis, the index increased to 0.24 in August from 0.02 in July.

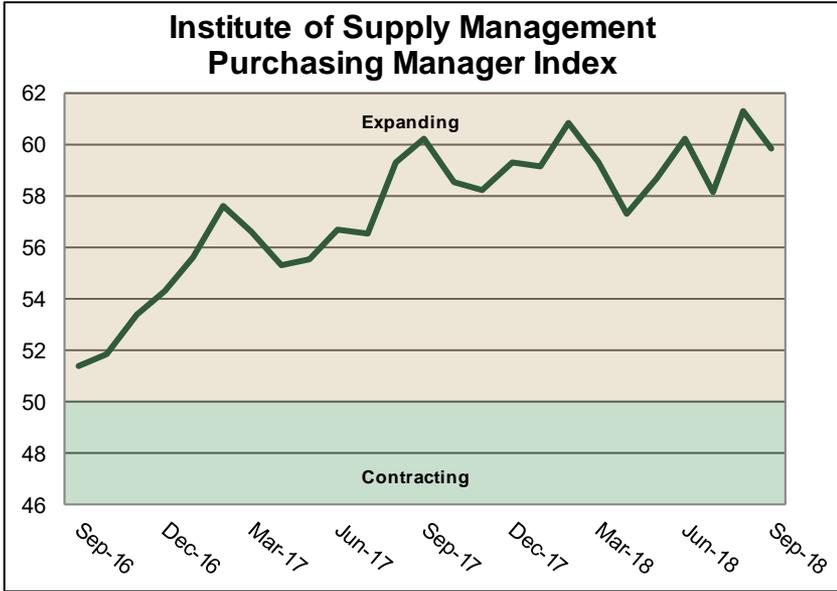


Source: US Department of Commerce

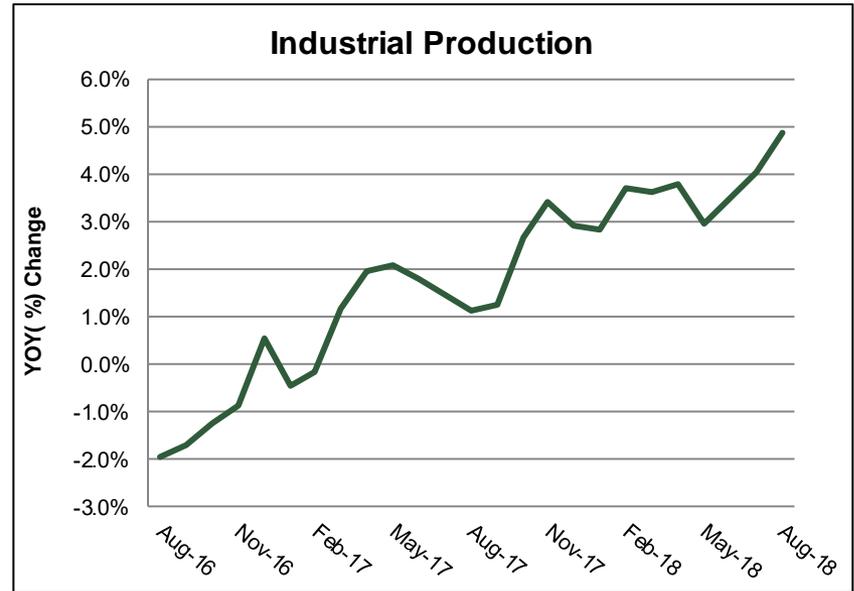


Source: S&P

Total housing starts increased 9.2% in August. Single-family starts increased 1.9% in August while multi-family starts surged 29%. However, permits fell 5.7% in August. According to the Case-Shiller 20-City home price index, home prices were up 5.9% year-over-year in July, versus 6.4% in June. Housing data tends to be volatile on a month-over-month basis. Broadly speaking, the housing sector is facing a few different headwinds including supply constraints, rising mortgage interest rates, and a shortage of skilled labor, and housing trends have softened.



Source: Institute for Supply Management



Source: Federal Reserve

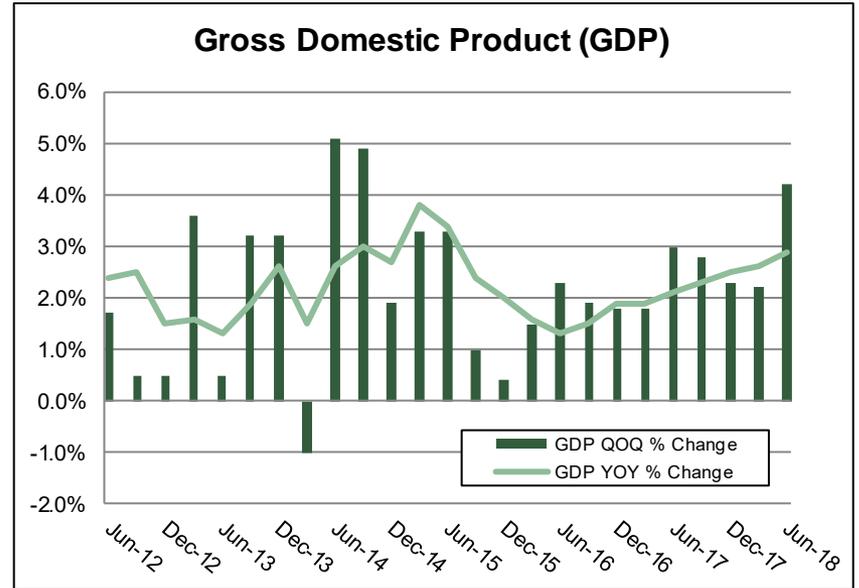
The Institute for Supply Management (ISM) manufacturing index edged down to 59.8 in September from 61.3 in August (the highest level since May 2004). A reading above 50.0 suggests the manufacturing sector is expanding. The Industrial Production index was up 4.9% year-over-year in August versus up 4.0% year-over-year in July. On a month-over-month basis, the manufacturing component of the index edged up just 0.2% in August, following a 0.3% increase in July, pointing to modest growth in the sector. Capacity Utilization increased to 78.1% in August from 77.9% in July, but remains below the long-run average of 79.8% indicating there is still excess capacity for growth.



# Gross Domestic Product (GDP)

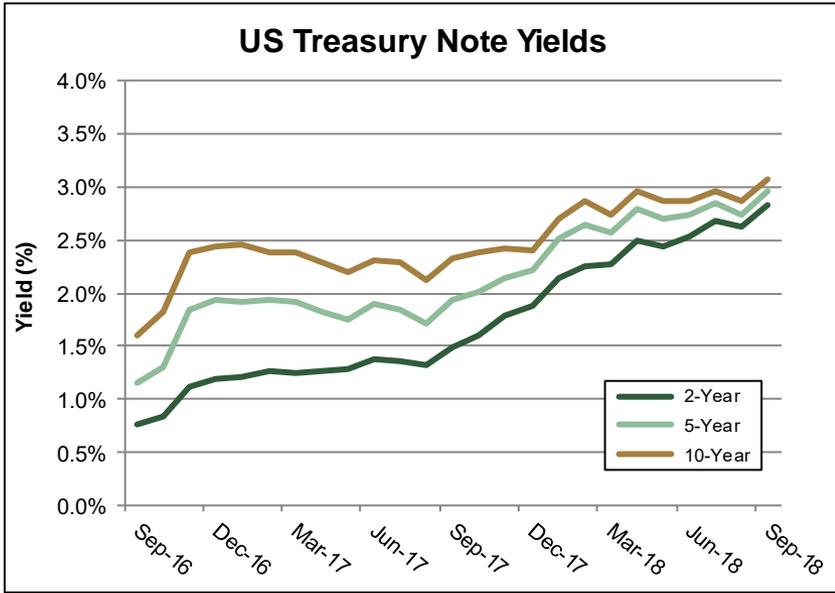
Components of GDP	9/17	12/17	3/18	6/18
Personal Consumption Expenditures	1.5%	2.6%	0.4%	2.6%
Gross Private Domestic Investment	1.5%	0.1%	1.6%	-0.1%
Net Exports and Imports	0.0%	-0.9%	0.0%	1.2%
Federal Government Expenditures	-0.1%	0.3%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	-0.1%	0.2%	0.1%	0.2%
<b>Total</b>	<b>2.8%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>4.2%</b>

Source: US Department of Commerce

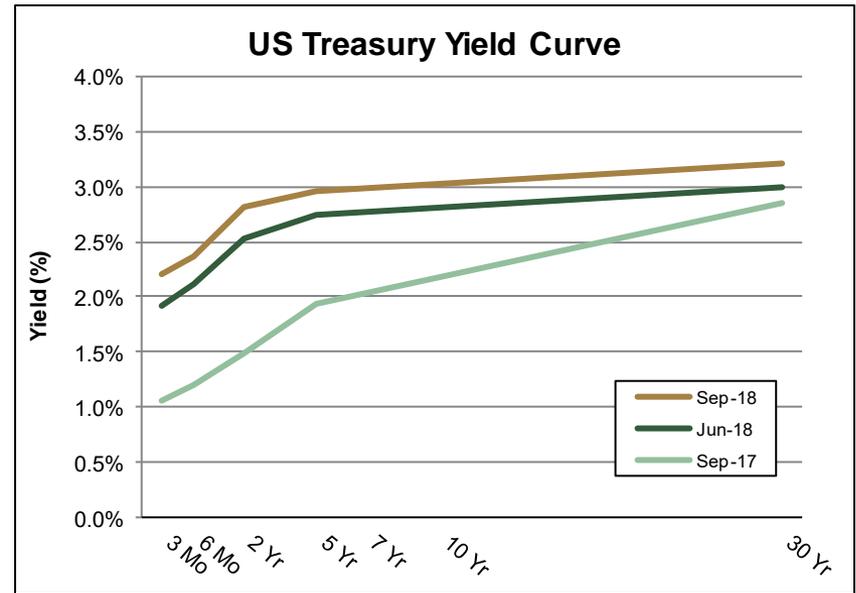


Source: US Department of Commerce

Annualized second quarter GDP grew at an annualized pace of 4.2%, according to the third estimate, following growth of 2.2% in the first quarter. Consumer spending and exports were particularly strong in the second quarter. Market participants estimate the economy grew 3.0% in the third quarter. GDP growth is expected to ease back toward the 2.5%-3.0% range in the fourth quarter.



Source: Bloomberg



Source: Bloomberg

On a year-over-year basis, Treasury yields have increased and the Treasury yield curve has flattened. The spread between 2-Year and 10-year Treasury yields has narrowed from 85 basis points to 24 basis points, year-over-year as of September month-end. Rate hikes by the Federal Reserve have put upward pressure on rates, while supply and demand imbalances, technical factors, and subdued inflation expectations have contributed to the curve flattening.

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**SECTION 2**

**Account Profile**

## **Investment Objectives**

The investment goals of the Northern California Cities Self-Insurance Fund are to preserve principal, to provide liquidity, and to maximize yield within the constraints of capital preservation and liquidity.

## **Chandler Asset Management Performance Objective**

The performance objective for the Northern California Cities Self-Insurance Fund is to achieve a return over a market cycle equal to, or better than, the return on a market index of similar duration.

## **Strategy**

In order to achieve these objectives, the Northern California Cities Self-Insurance Fund invests in high-quality taxable investments, with a maximum maturity of ten years.



## Northern California Cities Self-Insurance Fund - Short Term

September 30, 2018

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



# Portfolio Characteristics

## Northern CA Cities Self Ins. Fund Short Term

	9/30/2018		6/30/2018
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.68	2.63	2.57
Modified Duration	2.55	2.37	2.33
Average Purchase Yield	n/a	2.00%	1.88%
Average Market Yield	2.85%	2.93%	2.72%
Average Quality**	AAA	AA/Aa2	AA/Aa2
Total Market Value		25,600,153	25,528,644

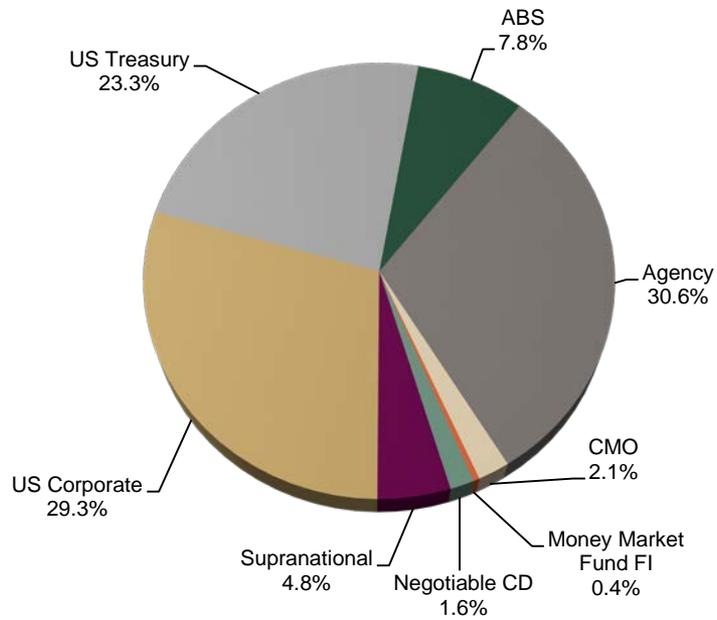
\*ICE BAML 1-5 Yr US Treasury/Agency Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

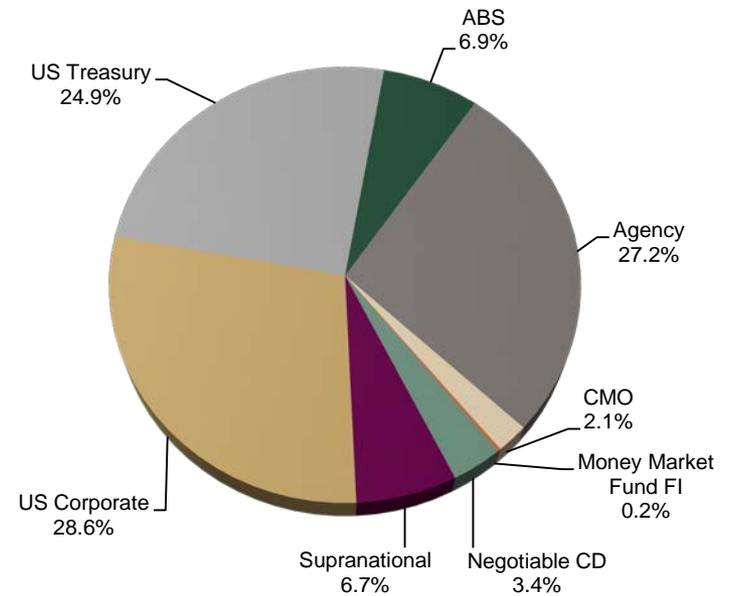


## Northern CA Cities Self Ins. Fund Short Term

September 30, 2018



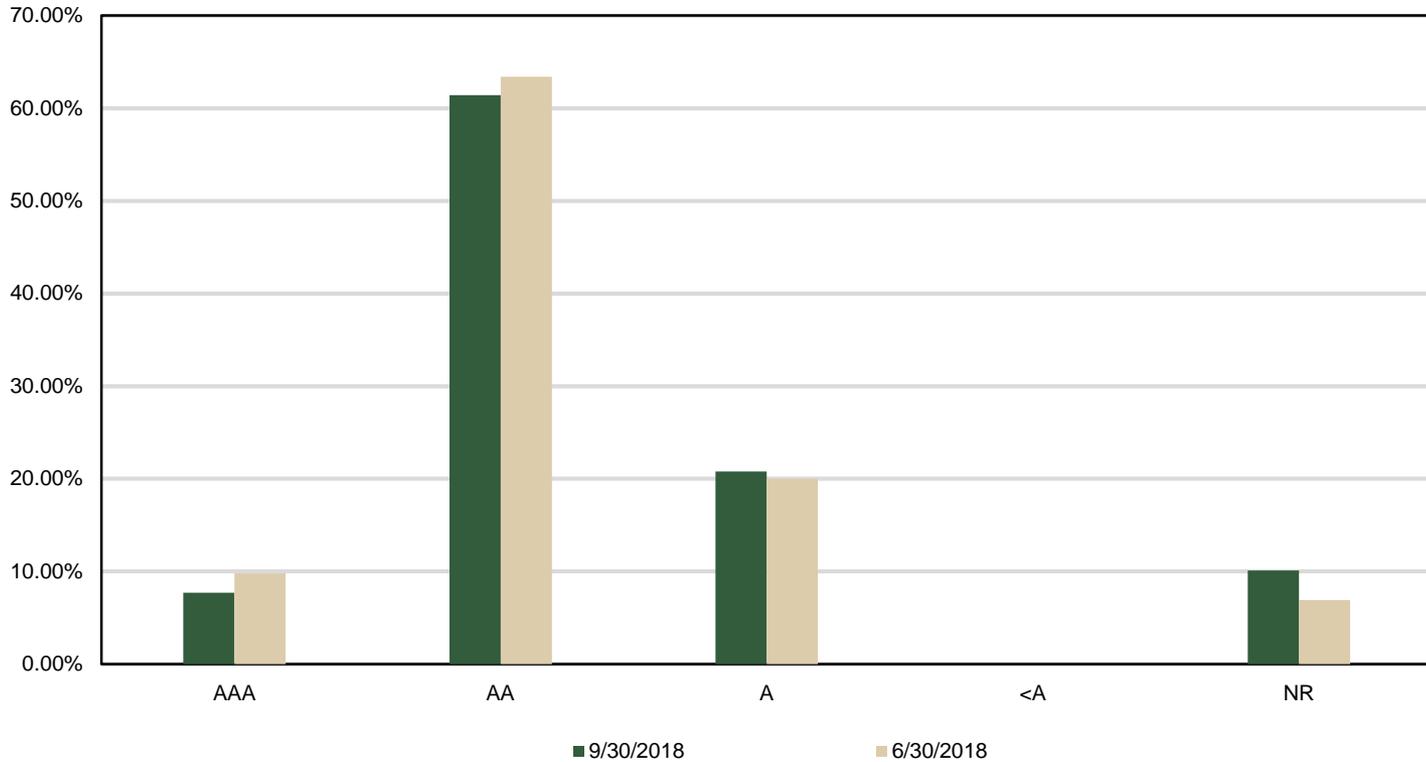
June 30, 2018





## Northern CA Cities Self Ins. Fund Short Term

September 30, 2018 vs. June 30, 2018



	AAA	AA	A	<A	NR
09/30/18	7.7%	61.4%	20.8%	0.0%	10.1%
06/30/18	9.8%	63.4%	20.0%	0.0%	6.9%

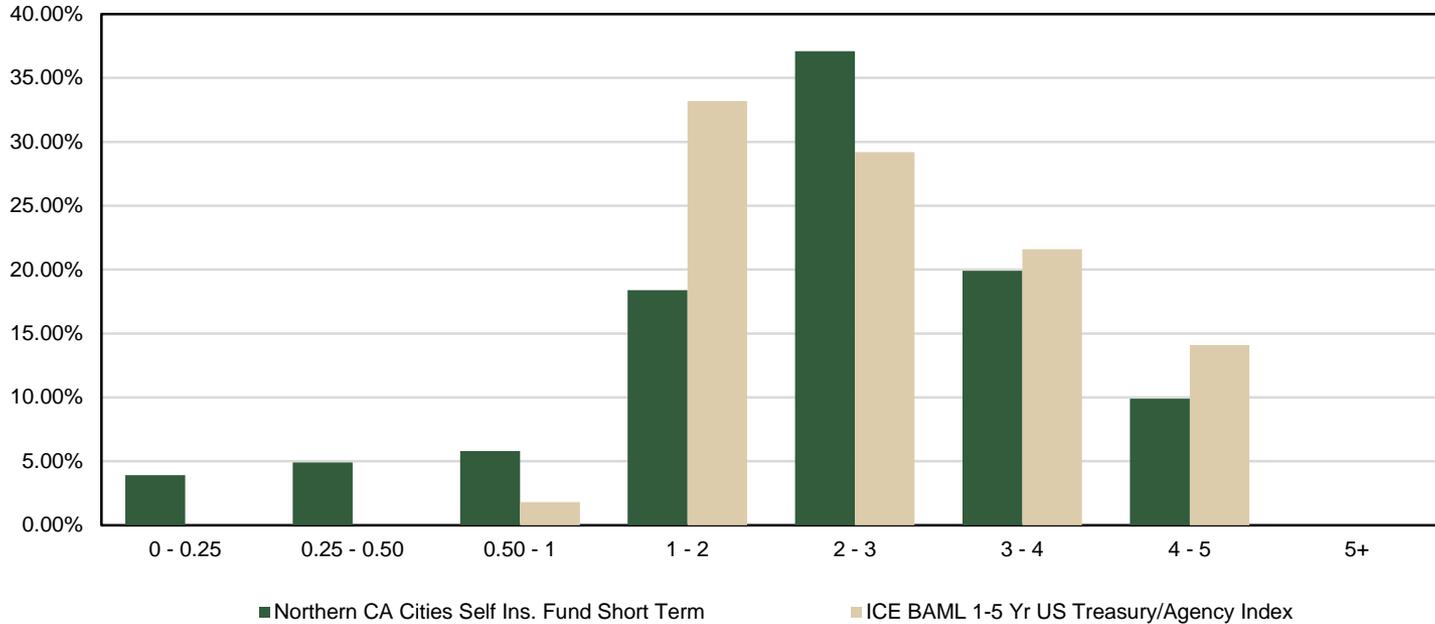
Source: S&P Ratings



# Duration Distribution

## Northern CA Cities Self Ins. Fund Short Term

Portfolio Compared to the Benchmark as of September 30, 2018



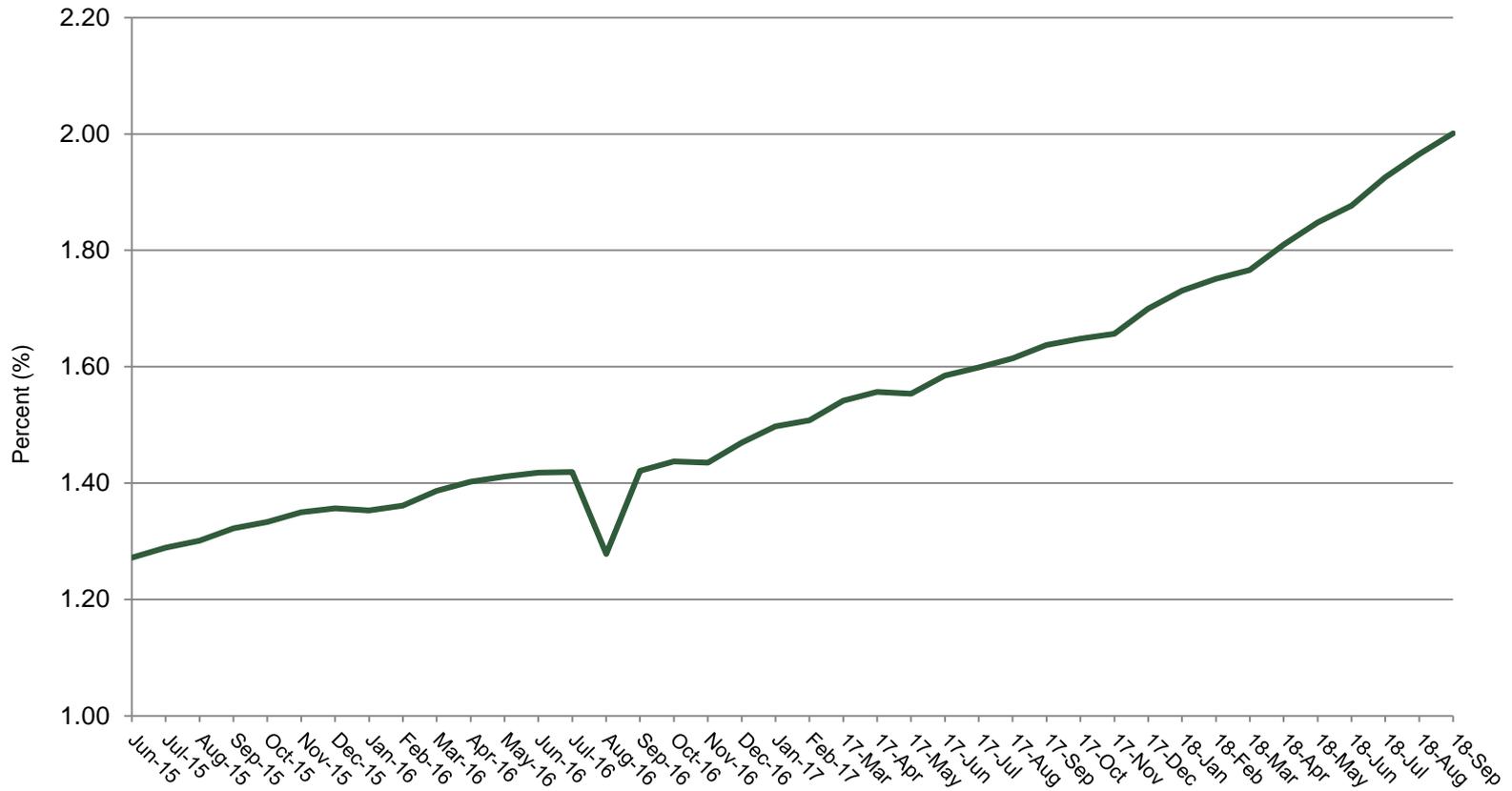
	<b>0 - 0.25</b>	<b>0.25 - 0.50</b>	<b>0.50 - 1</b>	<b>1 - 2</b>	<b>2 - 3</b>	<b>3 - 4</b>	<b>4 - 5</b>	<b>5+</b>
Portfolio	3.9%	4.9%	5.8%	18.4%	37.1%	19.9%	9.9%	0.0%
Benchmark*	0.0%	0.0%	1.8%	33.2%	29.2%	21.6%	14.1%	0.0%

\*ICE BAML 1-5 Yr US Treasury/Agency Index



# Historical Average Purchase Yield

**Northern CA Cities Self Ins. Fund Short Term  
Purchase Yield as of 9/30/2018 = 2.00%**



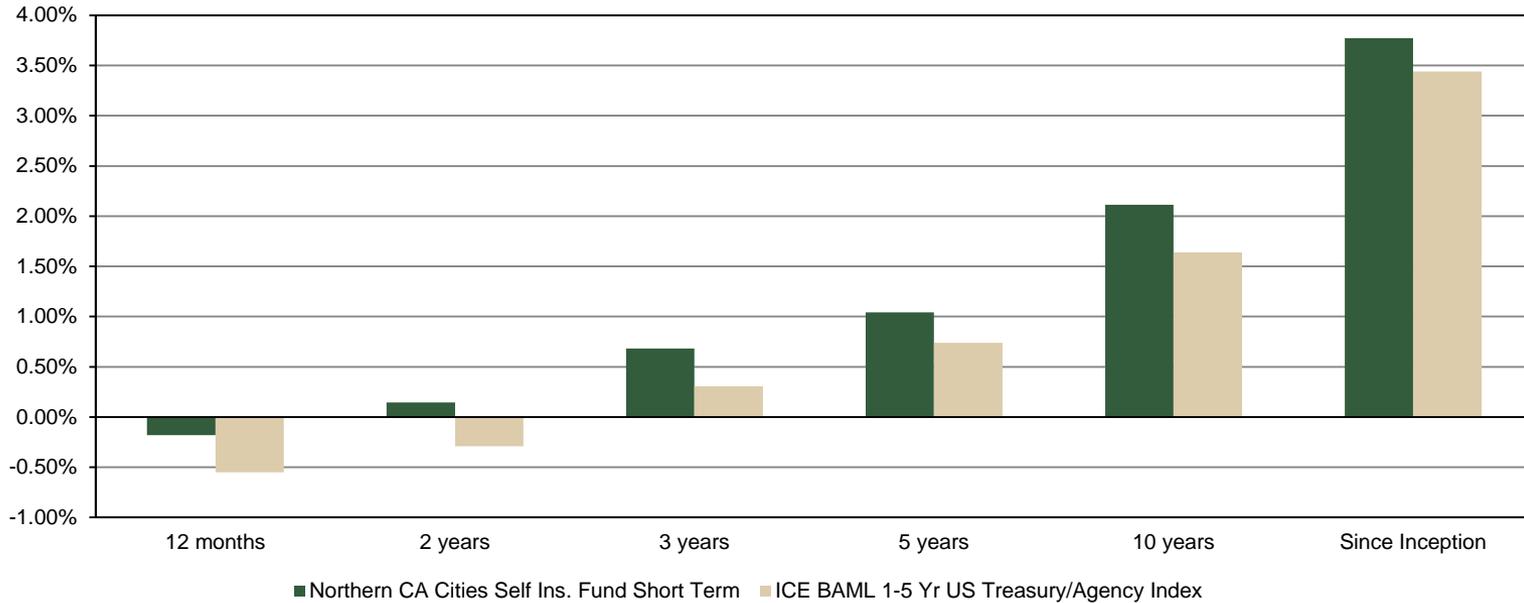


# Investment Performance

## Northern CA Cities Self Ins. Fund Short Term

Period Ending  
September 30, 2018

Total Rate of Return  
Annualized Since Inception  
December 31, 1997



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
Northern CA Cities Self Ins. Fund Short Term	0.28%	-0.18%	0.15%	0.68%	1.04%	2.11%	3.77%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.06%	-0.55%	-0.29%	0.30%	0.74%	1.64%	3.44%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



**Northern California Cities Self-Insurance Fund - Long Term**  
**September 30, 2018**

**COMPLIANCE WITH INVESTMENT POLICY**

*The portfolio complies with state law and with the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



# Portfolio Characteristics

## Northern Cal. Cities Self Ins. Fund Long Term

	9/30/2018		6/30/2018
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	3.85	3.54	3.62
Modified Duration	3.56	3.23	3.28
Average Purchase Yield	n/a	2.19%	2.13%
Average Market Yield	2.89%	2.99%	2.82%
Average Quality**	AAA	AA/Aa2	AA/Aa2
Total Market Value		26,410,488	26,363,547

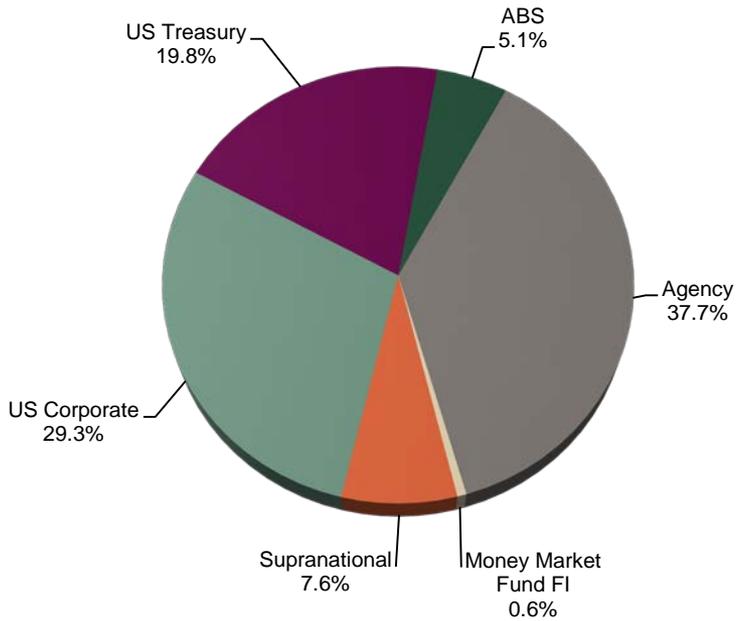
\*ICE BAML 1-10 Yr US Treasury/Agency Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

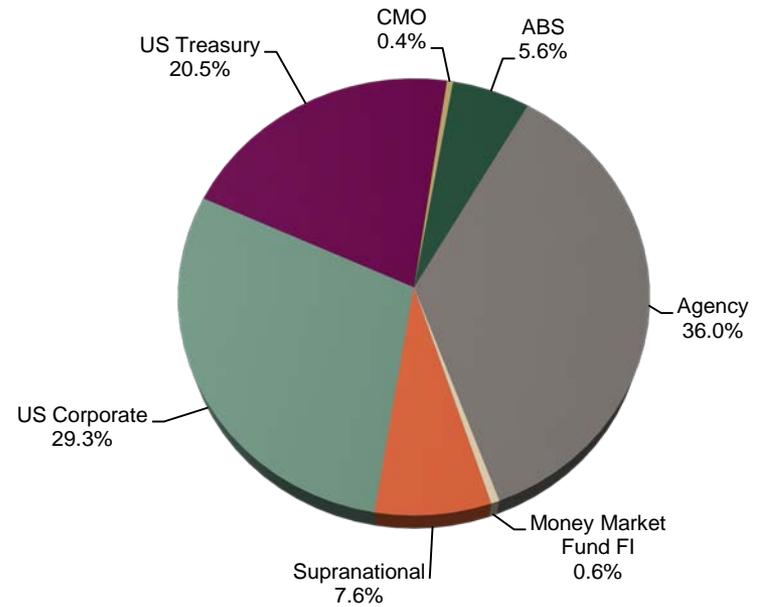


## Northern Cal. Cities Self Ins. Fund Long Term

September 30, 2018



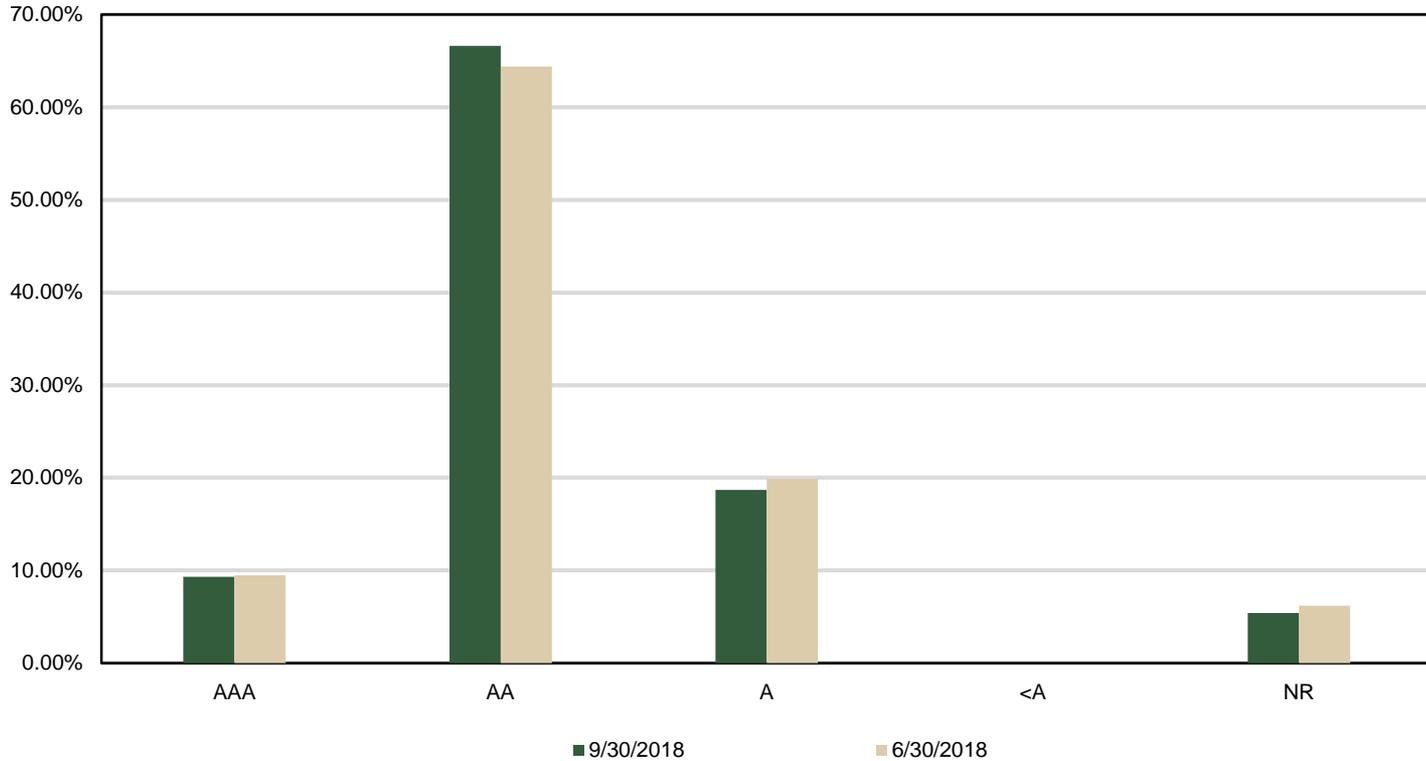
June 30, 2018





## Northern Cal. Cities Self Ins. Fund Long Term

September 30, 2018 vs. June 30, 2018



	AAA	AA	A	<A	NR
09/30/18	9.3%	66.6%	18.7%	0.0%	5.4%
06/30/18	9.5%	64.4%	19.9%	0.0%	6.2%

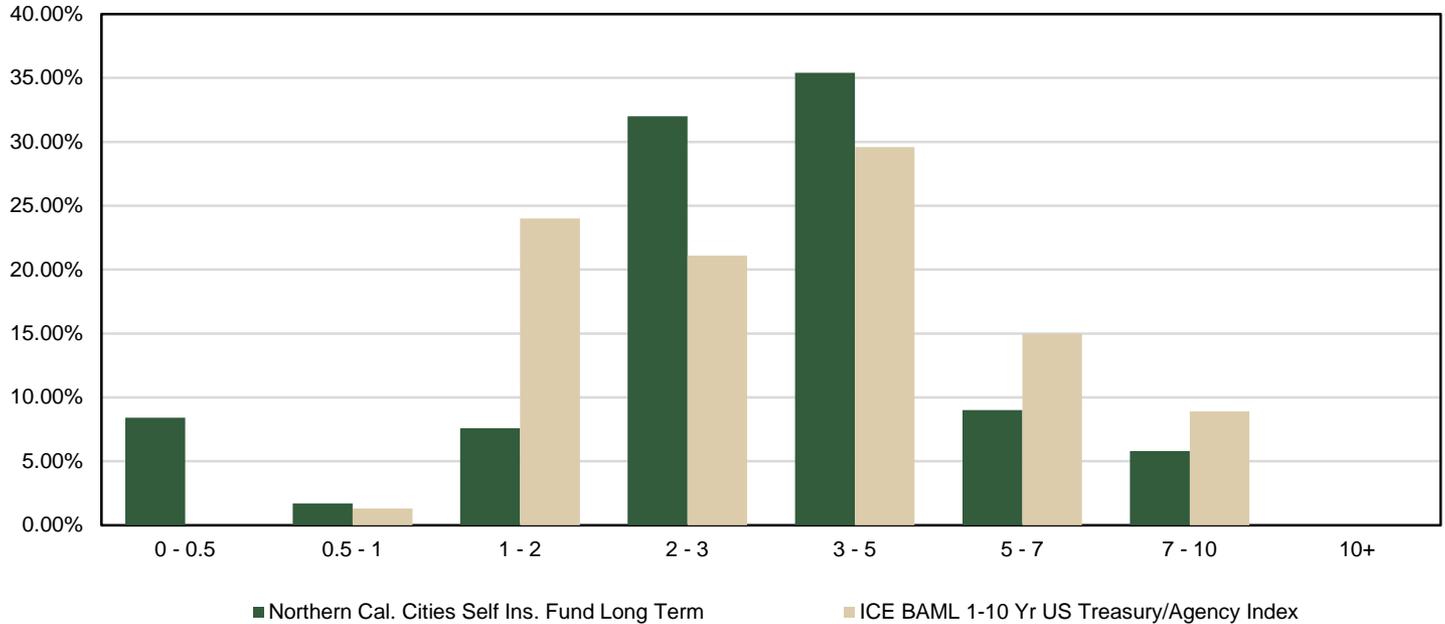
Source: S&P Ratings



# Duration Distribution

## Northern Cal. Cities Self Ins. Fund Long Term

Portfolio Compared to the Benchmark as of September 30, 2018



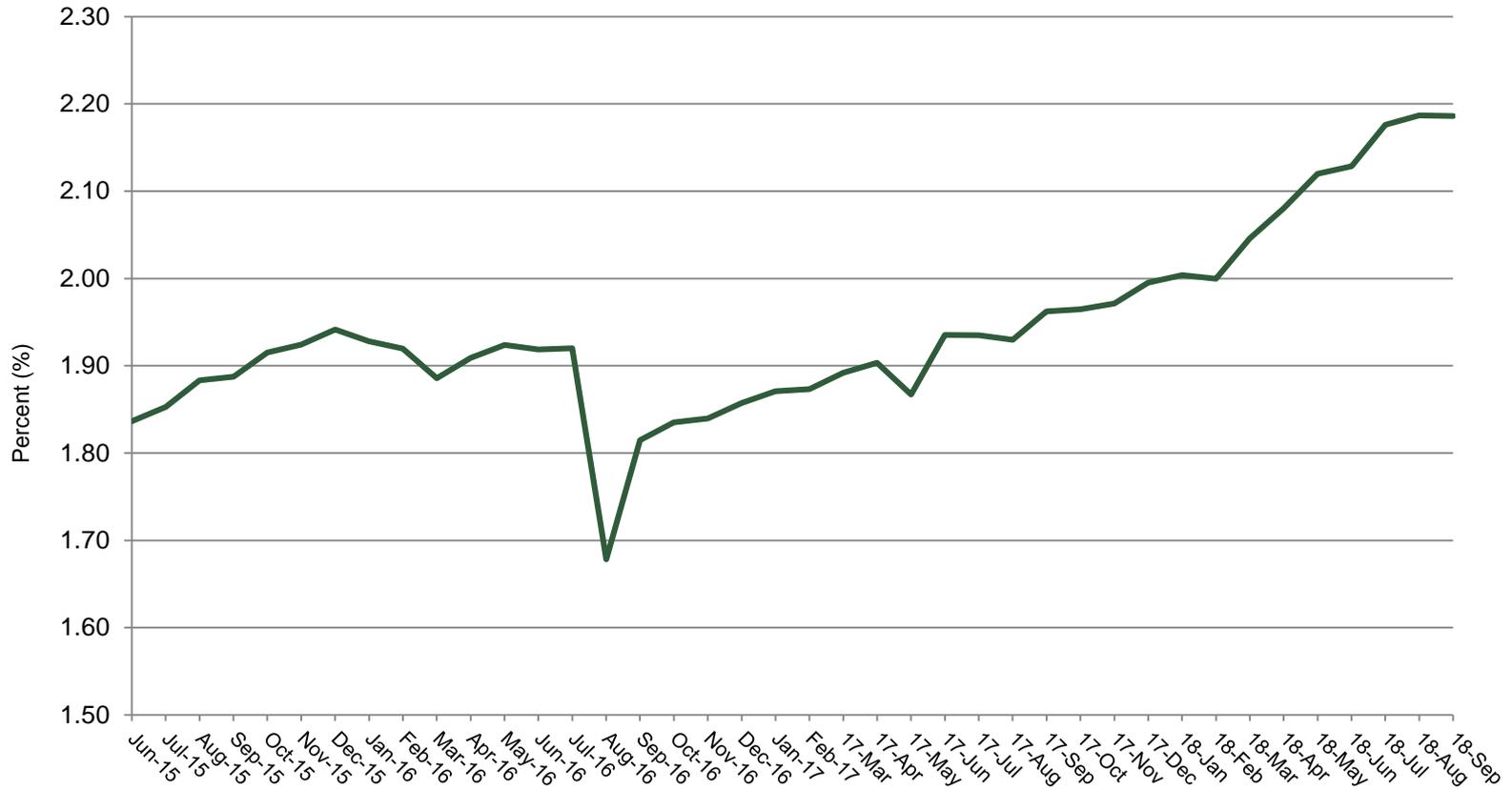
	<b>0 - 0.5</b>	<b>0.5 - 1</b>	<b>1 - 2</b>	<b>2 - 3</b>	<b>3 - 5</b>	<b>5 - 7</b>	<b>7 - 10</b>	<b>10+</b>
Portfolio	8.4%	1.7%	7.6%	32.0%	35.4%	9.0%	5.8%	0.0%
Benchmark*	0.0%	1.3%	24.0%	21.1%	29.6%	15.0%	8.9%	0.0%

\*ICE BAML 1-10 Yr US Treasury/Agency Index



# Historical Average Purchase Yield

**Northern Cal. Cities Self Ins. Fund Long Term  
Purchase Yield as of 9/30/2018 = 2.19%**



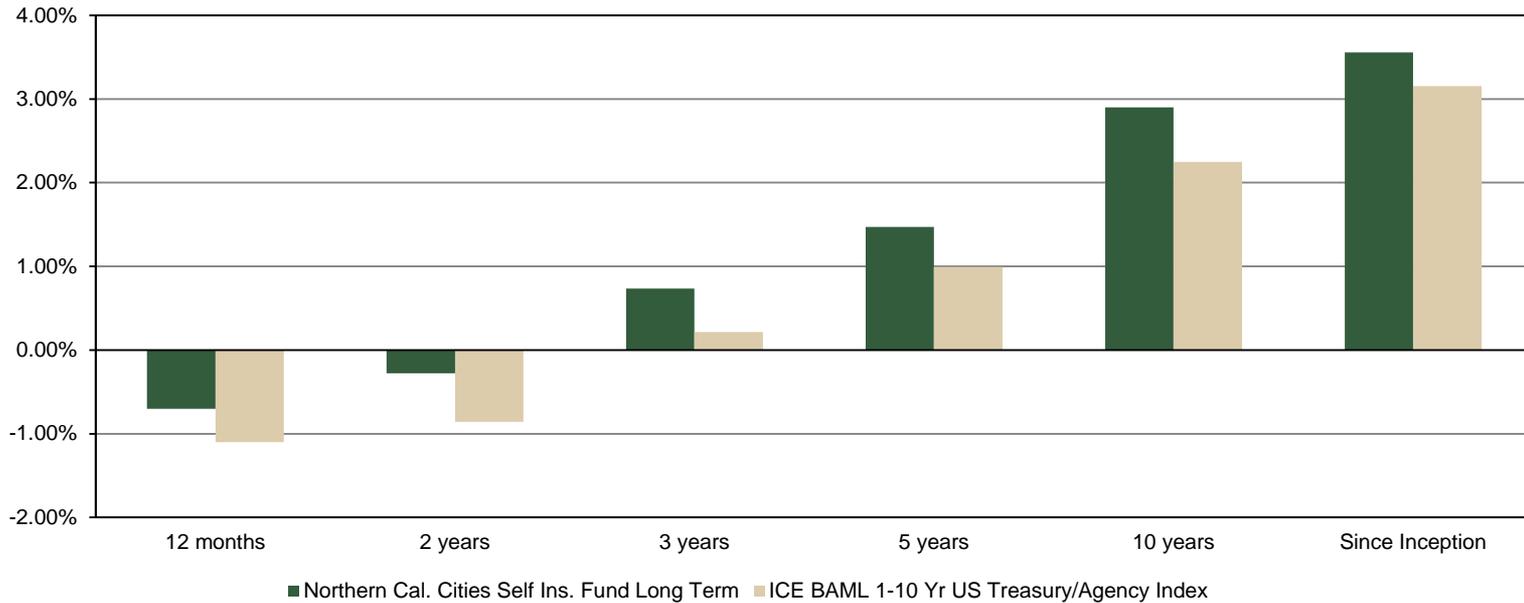


# Investment Performance

## Northern Cal. Cities Self Ins. Fund Long Term

Period Ending  
September 30, 2018

Total Rate of Return  
Annualized Since Inception  
May 31, 2006



	3 months	12 months	Annualized				
			2 years	3 years	5 years	10 years	Since Inception
Northern Cal. Cities Self Ins. Fund Long Term	0.18%	-0.70%	-0.28%	0.74%	1.47%	2.90%	3.56%
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.10%	-1.10%	-0.86%	0.21%	0.99%	2.25%	3.16%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

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**SECTION 3**

**Consolidated Information**



# Portfolio Characteristics

## Nor Cal Consolidated

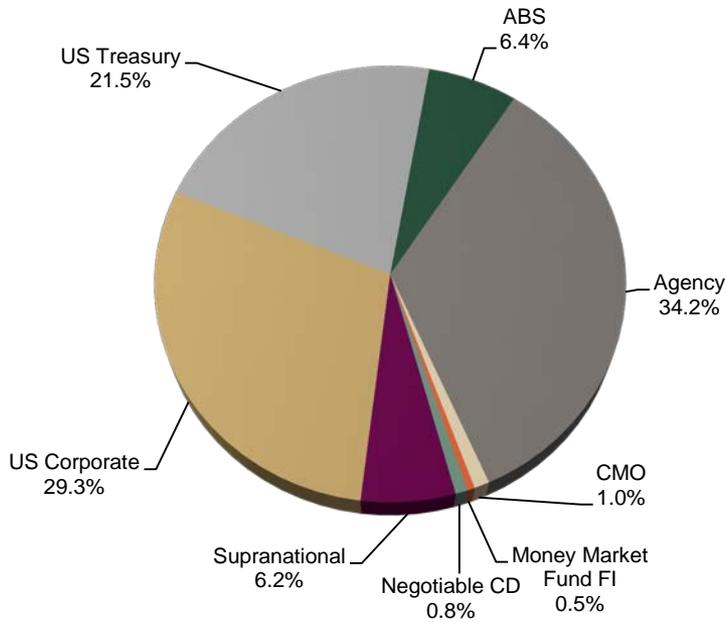
	9/30/2018	6/30/2018
	Portfolio	Portfolio
Average Maturity (yrs)	3.09	3.10
Modified Duration	2.81	2.82
Average Purchase Yield	2.10%	2.00%
Average Market Yield	2.96%	2.77%
Average Quality	AA/Aa2	AA/Aa2
Total Market Value	52,010,641	51,892,191



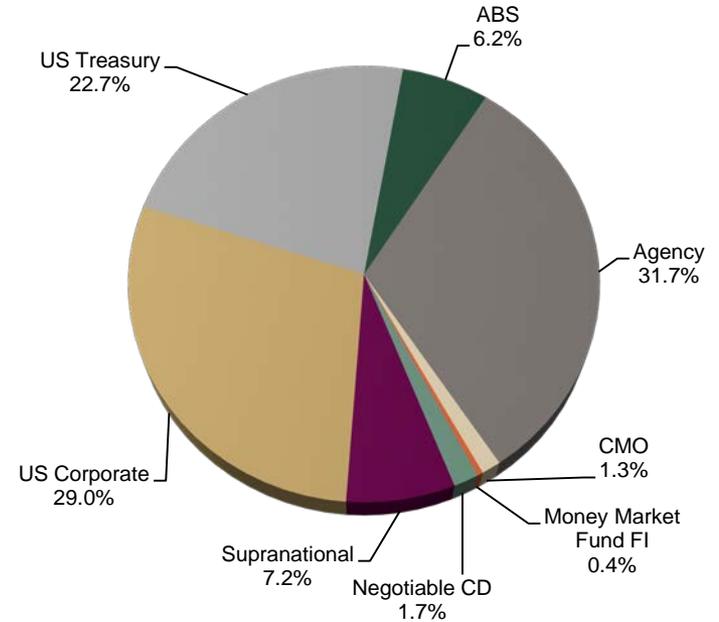
# Sector Distribution

## Nor Cal Consolidated

September 30, 2018



June 30, 2018



**Nor Cal Consolidated – Account #172**
**As of 9/30/2018**

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	21.50%
Federal National Mortgage Association	Agency	15.52%
Federal Home Loan Bank	Agency	10.54%
Federal Home Loan Mortgage Corp	Agency	6.44%
Inter-American Dev Bank	Supranational	4.26%
John Deere ABS	ABS	2.03%
Toyota ABS	ABS	1.80%
Tennessee Valley Authority	Agency	1.71%
Honda ABS	ABS	1.66%
Deere & Company	US Corporate	1.38%
Qualcomm Inc	US Corporate	1.38%
State Street Bank	US Corporate	1.38%
Microsoft	US Corporate	1.38%
Oracle Corp	US Corporate	1.37%
Wells Fargo Corp	US Corporate	1.37%
Cisco Systems	US Corporate	1.35%
US Bancorp	US Corporate	1.30%
Chubb Corporation	US Corporate	1.30%
PNC Financial Services Group	US Corporate	1.27%
JP Morgan Chase & Co	US Corporate	1.27%
Intl Bank Recon and Development	Supranational	1.26%
Occidental Petroleum Corporation	US Corporate	1.25%
Exxon Mobil Corp	US Corporate	1.22%
Berkshire Hathaway	US Corporate	1.21%
IBM Corp	US Corporate	1.15%
Praxair	US Corporate	1.15%
Bank of New York	US Corporate	1.14%
Toyota Motor Corp	US Corporate	1.06%
Federal Home Loan Mortgage Corp	CMO	1.05%
Bank of Montreal Chicago	Negotiable CD	0.80%

**Nor Cal Consolidated – Account #172**
**As of 9/30/2018**

Issue Name	Investment Type	% Portfolio
Paccar Financial	US Corporate	0.74%
International Finance Corp	Supranational	0.71%
Nissan ABS	ABS	0.68%
Charles Schwab Corp/The	US Corporate	0.65%
Toronto Dominion Holdings	US Corporate	0.63%
Royal Bank of Canada	US Corporate	0.62%
General Electric Co	US Corporate	0.59%
Bank of America Corp	US Corporate	0.57%
General Dynamics Corp	US Corporate	0.57%
Apple Inc	US Corporate	0.55%
Dreyfus Institutional Reserves Money Market Fund	Money Market Fund FI	0.50%
Pepsico Inc	US Corporate	0.46%
Costco Wholesale Corporation	US Corporate	0.32%
Home Depot	US Corporate	0.27%
American Express ABS	ABS	0.24%
Wal-Mart Stores	US Corporate	0.22%
Honda Motor Corporation	US Corporate	0.19%
<b>Total</b>		<b>100.00%</b>

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**SECTION 4**

**Portfolio Holdings**



# Holdings Report

Northern CA Cities Self Ins. Fund Short Term - Account #170

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89238MAB4	Toyota Auto Receivables Owner 2017-A 1.420% Due 09/16/2019	19,276.35	03/07/2017 1.43%	19,274.49 19,275.64	99.93 2.56%	19,263.57 12.17	0.08% (12.07)	Aaa / AAA NR	0.96 0.06
47787XAB3	John Deere Owner Trust 2017-A A2 1.500% Due 10/15/2019	16,414.22	02/22/2017 1.50%	16,414.16 16,414.20	99.93 2.65%	16,402.58 10.94	0.06% (11.62)	Aaa / NR AAA	1.04 0.06
654747AB0	Nissan Auto Receivables 2017-A A2A 1.470% Due 01/15/2020	28,696.30	03/21/2017 1.47%	28,696.15 28,696.23	99.87 2.46%	28,659.04 18.75	0.11% (37.19)	Aaa / NR AAA	1.29 0.13
47788MAC4	John Deere Owner Trust 2016-A A3 1.360% Due 04/15/2020	60,156.46	02/23/2016 1.37%	60,147.00 60,152.93	99.68 2.62%	59,962.63 36.36	0.23% (190.30)	Aaa / NR AAA	1.54 0.26
47788BAB0	John Deere Owner Trust 2017-B A2A 1.590% Due 04/15/2020	34,211.33	07/11/2017 1.60%	34,208.36 34,209.66	99.74 2.58%	34,121.75 24.18	0.13% (87.91)	Aaa / NR AAA	1.54 0.26
89237RAB4	Toyota Auto Receivable 2017-C A2A 1.580% Due 07/15/2020	166,302.66	07/25/2017 1.59%	166,301.08 166,301.70	99.60 2.61%	165,631.28 116.78	0.65% (670.42)	Aaa / AAA NR	1.79 0.39
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.100% Due 10/15/2020	320,000.00	01/23/2018 2.12%	319,967.30 319,975.34	99.70 2.70%	319,048.00 298.67	1.25% (927.34)	Aaa / AAA NR	2.04 0.50
654747AD6	Nissan Auto Receivables 2017-A A3 1.740% Due 08/16/2021	300,000.00	12/27/2017 2.10%	298,089.84 298,487.43	98.83 2.94%	296,488.20 217.50	1.16% (1,999.23)	Aaa / NR AAA	2.88 0.98
43811BAC8	Honda Auto Receivables 2017-2 A3 1.680% Due 08/16/2021	325,000.00	04/27/2018 2.62%	319,947.27 320,593.55	98.74 2.91%	320,919.30 242.67	1.25% 325.75	Aaa / AAA NR	2.88 1.03
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	50,000.00	07/11/2017 1.83%	49,996.34 49,997.38	98.63 3.01%	49,314.90 40.44	0.19% (682.48)	Aaa / NR AAA	3.04 1.16
47788CAC6	John Deere Owner Trust 2016-B A4 2.660% Due 04/18/2022	85,000.00	02/21/2018 2.68%	84,993.89 84,994.76	99.27 3.13%	84,376.61 100.49	0.33% (618.15)	Aaa / NR AAA	3.55 1.62
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.950% Due 08/22/2022	220,000.00	08/21/2018 2.98%	219,969.82 219,970.53	99.67 3.12%	219,276.86 180.28	0.86% (693.67)	Aaa / NR AAA	3.90 2.10
02587AAJ3	American Express Credit 2017-1 1.930% Due 09/15/2022	125,000.00	06/21/2018 2.92%	123,056.64 123,180.07	98.61 2.98%	123,267.12 107.22	0.48% 87.05	Aaa / NR AAA	3.96 1.33
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	255,000.00	07/18/2018 3.10%	254,980.67 254,981.51	99.83 3.18%	254,573.89 349.07	1.00% (407.62)	Aaa / NR AAA	4.13 2.11
<b>Total ABS</b>		<b>2,005,057.32</b>	<b>2.39%</b>	<b>1,996,043.01</b> <b>1,997,230.93</b>	<b>2.90%</b>	<b>1,991,305.73</b> <b>1,755.52</b>	<b>7.79%</b> <b>(5,925.20)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.91</b> <b>1.12</b>

<b>Agency</b>									
3137EADM8	FHLMC Note 1.250% Due 10/02/2019	295,000.00	Various 1.73%	288,387.35 293,631.45	98.62 2.65%	290,935.19 1,833.50	1.14% (2,696.26)	Aaa / AA+ AAA	1.01 0.98
3135G0A78	FNMA Note 1.625% Due 01/21/2020	465,000.00	04/07/2015 1.44%	468,887.40 466,060.20	98.58 2.74%	458,382.59 1,469.27	1.80% (7,677.61)	Aaa / AA+ AAA	1.31 1.28
3137EADR7	FHLMC Note 1.375% Due 05/01/2020	470,000.00	Various 1.52%	466,918.34 468,941.39	97.82 2.79%	459,763.40 2,692.71	1.81% (9,177.99)	Aaa / AA+ AAA	1.59 1.54
3135G0D75	FNMA Note 1.500% Due 06/22/2020	430,000.00	09/29/2015 1.49%	430,232.20 430,084.71	97.86 2.77%	420,818.64 1,773.75	1.65% (9,266.07)	Aaa / AA+ AAA	1.73 1.68



# Holdings Report

Northern CA Cities Self Ins. Fund Short Term - Account #170

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0F73	FNMA Note 1.500% Due 11/30/2020	225,000.00	12/16/2015 1.90%	220,747.50 223,141.59	97.19 2.85%	218,677.28 1,134.38	0.86% (4,464.31)	Aaa / AA+ AAA	2.17 2.10
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	400,000.00	02/17/2016 1.46%	398,384.00 399,229.59	96.58 2.87%	386,301.20 656.94	1.51% (12,928.39)	Aaa / AA+ AAA	2.39 2.32
3135G0J20	FNMA Note 1.375% Due 02/26/2021	480,000.00	Various 1.46%	478,133.28 479,075.42	96.54 2.87%	463,393.92 641.66	1.81% (15,681.50)	Aaa / AA+ AAA	2.41 2.34
3135G0K69	FNMA Note 1.250% Due 05/06/2021	380,000.00	Various 1.26%	379,788.93 379,866.01	95.94 2.88%	364,559.08 1,913.20	1.43% (15,306.93)	Aaa / AA+ AAA	2.60 2.52
313379RB7	FHLB Note 1.875% Due 06/11/2021	415,000.00	08/30/2017 1.67%	418,129.10 417,231.18	97.39 2.89%	404,166.84 2,377.60	1.59% (13,064.34)	Aaa / AA+ AAA	2.70 2.59
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	540,000.00	09/29/2016 1.26%	536,549.40 537,992.41	95.35 2.87%	514,915.92 1,299.38	2.02% (23,076.49)	Aaa / AA+ AAA	2.79 2.71
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	550,000.00	Various 1.33%	544,694.50 546,916.33	95.17 2.89%	523,407.50 842.19	2.05% (23,508.83)	Aaa / AA+ AAA	2.87 2.78
3135G0N82	FNMA Note 1.250% Due 08/17/2021	540,000.00	09/28/2016 1.28%	539,168.40 539,509.81	95.52 2.88%	515,826.90 825.00	2.02% (23,682.91)	Aaa / AA+ AAA	2.88 2.79
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	300,000.00	10/27/2016 1.50%	298,173.00 298,884.57	95.54 2.93%	286,605.30 1,993.75	1.13% (12,279.27)	Aaa / AA+ AAA	3.02 2.90
3135G0S38	FNMA Note 2.000% Due 01/05/2022	550,000.00	04/25/2017 1.92%	552,007.50 551,396.11	97.11 2.93%	534,122.60 2,627.78	2.10% (17,273.51)	Aaa / AA+ AAA	3.27 3.11
3135G0T78	FNMA Note 2.000% Due 10/05/2022	200,000.00	10/17/2017 2.04%	199,600.00 199,676.78	96.19 3.01%	192,388.80 1,955.56	0.76% (7,287.98)	Aaa / AA+ AAA	4.02 3.78
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	250,000.00	08/28/2018 2.83%	246,712.50 246,781.91	98.10 2.99%	245,244.00 1,944.44	0.97% (1,537.91)	Aaa / AA+ NR	4.19 3.91
3135G0T94	FNMA Note 2.375% Due 01/19/2023	550,000.00	04/11/2018 2.71%	541,893.00 542,693.00	97.49 3.00%	536,176.85 2,612.50	2.10% (6,516.15)	Aaa / AA+ AAA	4.31 4.03
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	500,000.00	07/20/2018 2.86%	497,490.00 497,588.05	98.77 3.03%	493,853.00 4,201.39	1.95% (3,735.05)	Aaa / AA+ AAA	4.72 4.35
3135G0U43	FNMA Note 2.875% Due 09/12/2023	505,000.00	09/12/2018 2.96%	502,929.50 502,948.80	99.16 3.06%	500,733.26 685.61	1.96% (2,215.54)	NR / NR AAA	4.95 4.57
<b>Total Agency</b>		<b>8,045,000.00</b>	<b>1.82%</b>	<b>8,008,825.90</b> <b>8,021,649.31</b>	<b>2.89%</b>	<b>7,810,272.27</b> <b>33,480.61</b>	<b>30.64%</b> <b>(211,377.04)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.93</b> <b>2.79</b>
<b>CMO</b>									
3137BDDC7	FHLMC K716 A2 3.130% Due 06/25/2021	145,000.00	09/12/2017 1.92%	150,947.27 149,301.00	99.84 3.13%	144,771.92 75.64	0.57% (4,529.08)	Aaa / AA+ NR	2.74 2.42
3137BM6P6	FHLMC K721 A2 3.090% Due 08/25/2022	400,000.00	09/21/2017 2.22%	415,216.00 412,077.81	99.67 3.15%	398,676.80 1,030.00	1.56% (13,401.01)	Aaa / NR NR	3.90 3.44
<b>Total CMO</b>		<b>545,000.00</b>	<b>2.14%</b>	<b>566,163.27</b> <b>561,378.81</b>	<b>3.14%</b>	<b>543,448.72</b> <b>1,105.64</b>	<b>2.13%</b> <b>(17,930.09)</b>	<b>Aaa / AA+</b> <b>NR</b>	<b>3.59</b> <b>3.17</b>



# Holdings Report

Northern CA Cities Self Ins. Fund Short Term - Account #170

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund FI</b>									
26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	105,645.61	Various 1.67%	105,645.61 105,645.61	1.00 1.67%	105,645.61 0.00	0.41% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>105,645.61</b>	<b>1.67%</b>	<b>105,645.61</b>	<b>1.67%</b>	<b>0.00</b>	<b>0.00</b>	<b>Aaa</b>	<b>0.00</b>
<b>Negotiable CD</b>									
06371ETT4	Bank of Montreal Chicago Yankee CD 1.760% Due 11/07/2018	410,000.00	11/06/2017 1.76%	410,000.00 410,000.00	100.00 1.76%	410,000.00 6,574.58	1.63% 0.00	P-1 / A-1 F-1+	0.10 0.10
<b>Total Negotiable CD</b>		<b>410,000.00</b>	<b>1.76%</b>	<b>410,000.00</b>	<b>1.76%</b>	<b>6,574.58</b>	<b>0.00</b>	<b>Aaa / AA</b> <b>Aaa</b>	<b>0.10</b> <b>0.10</b>
<b>Supranational</b>									
459058ER0	Intl. Bank Recon & Development Note 1.000% Due 10/05/2018	85,000.00	09/30/2015 1.06%	84,855.50 84,999.47	99.99 1.78%	84,990.65 415.56	0.33% (8.82)	Aaa / AAA AAA	0.01 0.01
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 05/12/2020	450,000.00	04/05/2017 1.70%	448,933.50 449,442.12	98.04 2.87%	441,194.85 2,823.44	1.73% (8,247.27)	Aaa / AAA AAA	1.62 1.57
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	185,000.00	01/18/2018 2.35%	184,456.10 184,579.67	98.42 2.96%	182,067.94 763.13	0.71% (2,511.73)	Aaa / AAA NR	2.32 2.23
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	535,000.00	01/10/2017 2.15%	534,341.95 534,565.74	97.15 3.04%	519,758.92 2,305.33	2.04% (14,806.82)	Aaa / NR AAA	3.30 3.14
<b>Total Supranational</b>		<b>1,255,000.00</b>	<b>1.94%</b>	<b>1,252,587.05</b> <b>1,253,587.00</b>	<b>2.88%</b>	<b>1,228,012.36</b> <b>6,307.46</b>	<b>4.82%</b> <b>(25,574.64)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.32</b> <b>2.22</b>
<b>US Corporate</b>									
74005PBH6	Praxair Note 1.250% Due 11/07/2018	300,000.00	Various 1.66%	295,537.00 299,880.61	99.85 2.73%	299,541.30 1,500.00	1.18% (339.31)	A2 / A NR	0.10 0.10
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.950% Due 11/15/2018	30,000.00	02/12/2014 1.90%	30,063.60 30,000.52	99.94 2.42%	29,981.70 221.00	0.12% (18.82)	A1 / A+ AA-	0.13 0.12
36962G7G3	General Electric Capital Corp Note 2.300% Due 01/14/2019	305,000.00	Various 2.19%	306,135.90 305,091.50	99.90 2.63%	304,698.97 1,500.43	1.20% (392.53)	A2 / A A	0.29 0.29
17275RAR3	Cisco Systems Note 2.125% Due 03/01/2019	365,000.00	Various 1.83%	368,113.35 365,435.94	99.85 2.48%	364,448.49 646.36	1.43% (987.45)	A1 / AA- NR	0.42 0.42
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.200% Due 04/25/2019	315,000.00	Various 1.92%	317,202.15 315,415.56	99.75 2.64%	314,216.28 3,003.00	1.24% (1,199.28)	A1 / A+ AA-	0.57 0.56
084664CK5	Berkshire Hathaway Note 1.300% Due 08/15/2019	340,000.00	Various 1.31%	339,864.20 339,960.56	98.79 2.70%	335,899.94 564.78	1.31% (4,060.62)	Aa2 / AA A+	0.87 0.86
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019	255,000.00	Various 2.29%	255,099.45 255,016.95	99.52 2.82%	253,765.80 325.83	0.99% (1,251.15)	A1 / A AA-	0.95 0.93
94974BGF1	Wells Fargo Corp Note 2.150% Due 01/30/2020	320,000.00	Various 2.15%	320,028.60 320,010.89	98.82 3.06%	316,212.17 1,165.78	1.24% (3,798.72)	A2 / A- A+	1.33 1.30



# Holdings Report

Northern CA Cities Self Ins. Fund Short Term - Account #170

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
22160KAG0	Costco Wholesale Corp Note 1.750% Due 02/15/2020	170,000.00	02/05/2015 1.77%	169,821.50 169,950.87	98.38 2.96%	167,250.93 380.14	0.65% (2,699.94)	A1 / A+ A+	1.38 1.34
747525AD5	Qualcomm Inc Note 2.250% Due 05/20/2020	380,000.00	Various 2.23%	379,560.00 380,152.63	98.69 3.07%	375,026.56 3,111.25	1.48% (5,126.07)	A2 / A- NR	1.64 1.58
437076BQ4	Home Depot Note 1.800% Due 06/05/2020	140,000.00	05/24/2017 1.82%	139,918.80 139,954.58	98.40 2.78%	137,762.10 812.00	0.54% (2,192.48)	A2 / A A	1.68 1.63
594918BG8	Microsoft Callable Note Cont. 10/03/20 2.000% Due 11/03/2020	120,000.00	10/29/2015 2.02%	119,904.00 119,959.86	98.23 2.88%	117,875.76 986.67	0.46% (2,084.10)	Aaa / AAA AA+	2.10 2.01
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	335,000.00	02/06/2017 2.16%	336,577.85 335,868.29	98.18 3.21%	328,906.35 3,167.61	1.30% (6,961.94)	A3 / A A	2.10 2.00
78012KKU0	Royal Bank of Canada Note 2.500% Due 01/19/2021	325,000.00	12/11/2017 2.37%	326,231.75 325,914.30	98.37 3.24%	319,695.68 1,625.00	1.26% (6,218.62)	Aa2 / AA- AA	2.31 2.21
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	320,000.00	Various 1.97%	323,593.65 321,814.31	98.01 3.08%	313,641.29 592.53	1.23% (8,173.02)	Aaa / AA+ NR	2.42 2.33
24422ESL4	John Deere Capital Corp Note 2.800% Due 03/04/2021	230,000.00	05/24/2017 2.12%	235,595.90 233,604.35	99.16 3.16%	228,068.23 483.00	0.89% (5,536.12)	A2 / A A	2.43 2.32
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	295,000.00	Various 3.25%	292,932.15 293,194.43	99.47 3.21%	293,422.34 3,441.66	1.16% 227.91	A2 / A+ NR	2.61 2.47
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	325,000.00	Various 1.84%	326,619.80 325,913.93	96.75 3.25%	314,442.05 2,323.75	1.24% (11,471.88)	A1 / A AA-	2.64 2.52
594918BP8	Microsoft Callable Note Cont 7/8/21 1.550% Due 08/08/2021	220,000.00	Various 1.57%	219,737.80 219,850.38	95.98 3.03%	211,161.72 502.03	0.83% (8,688.66)	Aaa / AAA AA+	2.86 2.76
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.900% Due 09/15/2021	340,000.00	11/29/2016 2.40%	332,387.40 335,296.56	96.55 3.13%	328,278.50 287.11	1.28% (7,018.06)	A1 / AA- A+	2.96 2.84
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	200,000.00	05/16/2018 3.34%	194,939.00 195,454.96	97.85 3.30%	195,692.60 1,155.56	0.77% 237.64	Aa3 / AA- A	3.28 3.10
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 01/24/2022	165,000.00	01/19/2017 2.66%	164,716.20 164,811.78	97.76 3.34%	161,304.83 806.09	0.63% (3,506.95)	A1 / A+ AA-	3.32 3.13
674599CK9	Occidental Petroleum Callable Note Cont 3/15/2022 2.600% Due 04/15/2022	315,000.00	06/18/2018 3.27%	307,484.10 308,039.04	97.30 3.42%	306,484.61 3,776.50	1.21% (1,554.43)	A3 / A A	3.54 3.31
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.450% Due 07/28/2022	355,000.00	07/25/2017 2.45%	354,968.05 354,975.57	96.25 3.50%	341,690.34 1,522.06	1.34% (13,285.23)	A2 / A A+	3.83 3.60
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	310,000.00	11/29/2017 2.58%	304,754.80 305,670.15	95.68 3.38%	296,619.78 435.72	1.16% (9,050.37)	A1 / A+ A+	3.94 3.72
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	325,000.00	Various 3.24%	321,131.25 321,601.06	97.40 3.63%	316,538.63 2,039.12	1.24% (5,062.43)	A3 / A- AA-	4.30 3.96
24422ETG4	John Deere Capital Corp Note 2.800% Due 03/06/2023	150,000.00	06/13/2018 3.44%	145,828.50 146,089.67	97.76 3.35%	146,639.55 291.67	0.57% 549.88	A2 / A A	4.43 4.12
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	100,000.00	07/11/2018 3.49%	99,827.00 99,834.30	99.85 3.48%	99,847.70 718.75	0.39% 13.40	A2 / A+ NR	4.79 4.35



# Holdings Report

Northern CA Cities Self Ins. Fund Short Term - Account #170

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	250,000.00	08/06/2018 3.41%	249,897.50 249,900.48	99.54 3.50%	248,843.50 1,227.78	0.98% (1,056.98)	A1 / A+ NR	4.86 4.42
<b>Total US Corporate</b>		<b>7,600,000.00</b>	<b>2.34%</b>	<b>7,578,664.03</b>	<b>3.09%</b>	<b>7,467,957.70</b> <b>38,613.18</b>	<b>29.32%</b> <b>(110,706.33)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.29</b> <b>2.17</b>
<b>US Treasury</b>									
912828J84	US Treasury Note 1.375% Due 03/31/2020	460,000.00	04/28/2015 1.39%	459,660.13 459,896.60	97.97 2.77%	450,656.48 17.38	1.76% (9,240.12)	Aaa / AA+ AAA	1.50 1.47
912828VF4	US Treasury Note 1.375% Due 05/31/2020	450,000.00	07/10/2015 1.62%	444,921.43 448,269.19	97.70 2.80%	439,646.40 2,079.41	1.73% (8,622.79)	Aaa / AA+ AAA	1.67 1.62
912828L32	US Treasury Note 1.375% Due 08/31/2020	470,000.00	09/29/2015 1.37%	470,148.45 470,057.83	97.32 2.82%	457,405.41 553.42	1.79% (12,652.42)	Aaa / AA+ AAA	1.92 1.87
912828L99	US Treasury Note 1.375% Due 10/31/2020	475,000.00	11/23/2015 1.71%	467,561.16 471,860.26	97.06 2.84%	461,028.35 2,733.19	1.81% (10,831.91)	Aaa / AA+ AAA	2.09 2.02
912828N89	US Treasury Note 1.375% Due 01/31/2021	455,000.00	03/09/2016 1.40%	454,557.19 454,788.63	96.67 2.86%	439,839.40 1,054.04	1.72% (14,949.23)	Aaa / AA+ AAA	2.34 2.27
912828B90	US Treasury Note 2.000% Due 02/28/2021	590,000.00	Various 1.51%	603,231.27 596,644.36	98.00 2.86%	578,176.99 1,010.50	2.26% (18,467.37)	Aaa / AA+ AAA	2.42 2.33
912828Q37	US Treasury Note 1.250% Due 03/31/2021	550,000.00	12/13/2016 1.81%	537,261.61 542,590.94	96.14 2.86%	528,794.75 18.89	2.07% (13,796.19)	Aaa / AA+ AAA	2.50 2.43
912828T34	US Treasury Note 1.125% Due 09/30/2021	545,000.00	11/09/2016 1.48%	535,783.66 539,346.28	94.97 2.89%	517,579.96 16.84	2.02% (21,766.32)	Aaa / AA+ AAA	3.00 2.91
912828J43	US Treasury Note 1.750% Due 02/28/2022	570,000.00	03/13/2017 2.14%	559,692.93 562,908.55	96.26 2.91%	548,669.46 854.21	2.15% (14,239.09)	Aaa / AA+ AAA	3.42 3.28
912828XG0	US Treasury Note 2.125% Due 06/30/2022	525,000.00	08/15/2017 1.82%	532,446.09 530,729.05	97.19 2.92%	510,234.38 2,819.38	2.00% (20,494.67)	Aaa / AA+ AAA	3.75 3.55
912828L57	US Treasury Note 1.750% Due 09/30/2022	525,000.00	10/17/2017 1.99%	519,175.78 520,296.81	95.56 2.93%	501,682.65 25.24	1.96% (18,614.16)	Aaa / AA+ AAA	4.00 3.82
912828N30	US Treasury Note 2.125% Due 12/31/2022	525,000.00	01/25/2018 2.46%	516,837.89 517,962.45	96.75 2.94%	507,957.98 2,819.38	2.00% (10,004.47)	Aaa / AA+ AAA	4.25 4.00
<b>Total US Treasury</b>		<b>6,140,000.00</b>	<b>1.74%</b>	<b>6,115,350.95</b>	<b>2.87%</b>	<b>5,941,672.21</b> <b>14,001.88</b>	<b>23.26%</b> <b>(173,678.74)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.78</b> <b>2.67</b>
<b>TOTAL PORTFOLIO</b>		<b>26,105,702.93</b>	<b>2.01%</b>	<b>26,019,013.68</b> <b>26,043,506.64</b>	<b>2.93%</b>	<b>25,498,314.60</b> <b>101,838.87</b>	<b>100.00%</b> <b>(545,192.04)</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.63</b> <b>2.37</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>25,600,153.47</b>			



# Holdings Report

Northern Cal. Cities Self Ins. Fund Long Term - Account #171

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
654747AB0	Nissan Auto Receivables 2017-A A2A 1.470% Due 01/15/2020	29,943.97	03/21/2017 1.47%	29,943.82 29,943.90	99.87 2.46%	29,905.09 19.56	0.11% (38.81)	Aaa / NR AAA	1.29 0.13
47788MAC4	John Deere Owner Trust 2016-A A3 1.360% Due 04/15/2020	63,498.49	02/23/2016 1.37%	63,488.50 63,494.76	99.68 2.62%	63,293.89 38.38	0.24% (200.87)	Aaa / NR AAA	1.54 0.26
89231UAD9	Toyota Auto Receivables 2016-B 1.300% Due 04/15/2020	101,725.81	05/02/2016 1.31%	101,720.61 101,724.86	99.56 2.67%	101,281.36 58.77	0.38% (443.50)	Aaa / AAA NR	1.54 0.32
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.100% Due 10/15/2020	330,000.00	01/23/2018 2.12%	329,966.27 329,974.57	99.70 2.70%	329,018.25 308.00	1.25% (956.32)	Aaa / AAA NR	2.04 0.50
47787XAC1	John Deere Owner Trust 2017-A A3 1.780% Due 04/15/2021	110,000.00	02/22/2017 1.79%	109,984.34 109,990.35	99.22 2.85%	109,146.18 87.02	0.41% (844.17)	Aaa / NR AAA	2.54 0.73
43811BAC8	Honda Auto Receivables 2017-2 A3 1.680% Due 08/16/2021	325,000.00	04/27/2018 2.62%	319,947.27 320,593.55	98.74 2.91%	320,919.30 242.67	1.22% 325.75	Aaa / AAA NR	2.88 1.03
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	305,000.00	Various 2.58%	302,148.56 302,601.34	98.63 3.01%	300,820.87 246.71	1.14% (1,780.47)	Aaa / NR AAA	3.04 1.16
47788CAC6	John Deere Owner Trust 2016-B A4 2.660% Due 04/18/2022	85,000.00	02/21/2018 2.68%	84,993.89 84,994.76	99.27 3.13%	84,376.61 100.49	0.32% (618.15)	Aaa / NR AAA	3.55 1.62
<b>Total ABS</b>		<b>1,350,168.27</b>	<b>2.24%</b>	<b>1,342,193.26</b> <b>1,343,318.09</b>	<b>2.85%</b>	<b>1,338,761.55</b> <b>1,101.60</b>	<b>5.07%</b> <b>(4,556.54)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.53</b> <b>0.83</b>

<b>Agency</b>									
3137EADR7	FHLMC Note 1.375% Due 05/01/2020	335,000.00	Various 1.99%	323,220.06 331,950.89	97.82 2.79%	327,703.70 1,919.27	1.25% (4,247.19)	Aaa / AA+ AAA	1.59 1.54
3135G0F73	FNMA Note 1.500% Due 11/30/2020	475,000.00	10/28/2015 1.57%	473,366.00 474,304.74	97.19 2.85%	461,652.03 2,394.79	1.76% (12,652.71)	Aaa / AA+ AAA	2.17 2.10
3135G0H55	FNMA Note 1.875% Due 12/28/2020	430,000.00	11/13/2015 1.88%	429,961.30 429,983.04	97.87 2.86%	420,847.45 2,082.81	1.60% (9,135.59)	Aaa / AA+ AAA	2.25 2.17
880591EL2	Tennessee Valley Authority Note 3.875% Due 02/15/2021	425,000.00	07/28/2011 3.33%	443,904.00 429,702.97	102.18 2.92%	434,268.40 2,104.34	1.65% 4,565.43	Aaa / AA+ AAA	2.38 2.25
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	545,000.00	Various 1.41%	543,883.20 544,502.91	96.58 2.87%	526,335.39 895.09	2.00% (18,167.52)	Aaa / AA+ AAA	2.39 2.32
3135G0J20	FNMA Note 1.375% Due 02/26/2021	500,000.00	09/08/2016 1.24%	502,930.00 501,579.07	96.54 2.87%	482,702.00 668.40	1.83% (18,877.07)	Aaa / AA+ AAA	2.41 2.34
3133732Y7	FHLB Note 3.625% Due 03/12/2021	435,000.00	Various 1.92%	480,708.00 451,926.62	101.71 2.90%	442,435.89 832.24	1.68% (9,490.73)	Aaa / AA+ AAA	2.45 2.33
3135G0K69	FNMA Note 1.250% Due 05/06/2021	475,000.00	07/22/2016 1.27%	474,653.25 474,811.62	95.94 2.88%	455,698.85 2,391.49	1.73% (19,112.77)	Aaa / AA+ AAA	2.60 2.52
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	500,000.00	09/08/2016 1.30%	495,800.00 497,585.42	95.35 2.87%	476,774.00 1,203.13	1.81% (20,811.42)	Aaa / AA+ AAA	2.79 2.71
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	500,000.00	08/16/2016 1.32%	495,225.00 497,257.19	95.17 2.89%	475,825.00 765.63	1.80% (21,432.19)	Aaa / AA+ AAA	2.87 2.78



# Holdings Report

Northern Cal. Cities Self Ins. Fund Long Term - Account #171

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133827M9	FHLB Note 1.930% Due 12/01/2021	445,000.00	03/11/2013 1.99%	442,855.10 444,220.34	97.07 2.90%	431,953.05 2,862.83	1.65% (12,267.29)	Aaa / AA+ AAA	3.17 3.02
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	500,000.00	01/24/2012 2.53%	493,081.00 497,718.38	98.27 2.93%	491,362.50 2,572.92	1.87% (6,355.88)	Aaa / AA+ AAA	3.29 3.12
3130A5P45	FHLB Note 2.375% Due 06/10/2022	515,000.00	07/24/2015 2.31%	517,157.85 516,159.34	97.95 2.96%	504,444.05 3,771.30	1.92% (11,715.29)	Aaa / AA+ AAA	3.70 3.48
880591EN8	Tennessee Valley Authority Note 1.875% Due 08/15/2022	470,000.00	08/29/2012 1.94%	467,161.20 468,896.02	96.04 2.96%	451,390.35 1,126.04	1.71% (17,505.67)	Aaa / AA+ AAA	3.88 3.69
3135G0T78	FNMA Note 2.000% Due 10/05/2022	290,000.00	10/05/2017 2.01%	289,808.60 289,846.36	96.19 3.01%	278,963.76 2,835.56	1.07% (10,882.60)	Aaa / AA+ AAA	4.02 3.78
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	275,000.00	07/30/2018 2.94%	272,591.00 272,674.72	98.77 3.03%	271,619.15 2,310.76	1.04% (1,055.57)	Aaa / AA+ AAA	4.72 4.35
3135G0ZR7	FNMA Note 2.625% Due 09/06/2024	410,000.00	Various 2.42%	417,094.80 414,399.70	97.59 3.07%	400,114.49 747.40	1.52% (14,285.21)	Aaa / AA+ AAA	5.94 5.43
3130AEBV1	FHLB Note 3.125% Due 06/13/2025	400,000.00	08/28/2018 3.07%	401,372.00 401,353.74	99.32 3.24%	397,279.60 4,861.11	1.52% (4,074.14)	Aaa / AA+ AAA	6.71 5.93
3135G0K36	FNMA Note 2.125% Due 04/24/2026	565,000.00	Various 2.18%	562,430.10 562,926.67	93.17 3.15%	526,417.28 5,236.06	2.01% (36,509.39)	Aaa / AA+ AAA	7.57 6.83
3130A2VE3	FHLB Note 3.000% Due 09/11/2026	575,000.00	Various 2.81%	583,719.50 582,424.73	97.94 3.30%	563,161.33 3,562.33	2.14% (19,263.40)	Aaa / AA+ NR	7.95 6.99
3135G0Q22	FNMA Note 1.875% Due 09/24/2026	575,000.00	Various 2.77%	531,510.00 538,951.81	90.68 3.21%	521,412.88 209.64	1.98% (17,538.93)	Aaa / AA+ AAA	7.99 7.30
3130ACKB9	FHLB Note 2.625% Due 09/10/2027	600,000.00	Various 2.75%	593,685.00 594,112.64	94.46 3.35%	566,769.60 918.76	2.15% (27,343.04)	Aaa / AA+ NR	8.95 7.85
<b>Total Agency</b>		<b>10,240,000.00</b>	<b>2.13%</b>	<b>10,236,116.96</b> <b>10,217,288.92</b>	<b>3.00%</b>	<b>9,909,130.75</b> <b>43,667.90</b>	<b>37.69%</b> <b>(308,158.17)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>4.30</b> <b>3.97</b>

## Money Market Fund FI

26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	154,641.62	Various 1.67%	154,641.62 154,641.62	1.00 1.67%	154,641.62 0.00	0.59% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>154,641.62</b>	<b>1.67%</b>	<b>154,641.62</b>	<b>1.67%</b>	<b>154,641.62</b> <b>0.00</b>	<b>0.59%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>

## Supranational

459058ER0	Intl. Bank Recon & Development Note 1.000% Due 10/05/2018	565,000.00	09/30/2015 1.06%	564,039.50 564,996.49	99.99 1.78%	564,937.85 2,762.22	2.15% (58.64)	Aaa / AAA AAA	0.01 0.01
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/09/2020	425,000.00	04/22/2016 1.49%	436,840.50 430,495.59	98.36 2.93%	418,040.63 3,562.33	1.60% (12,454.96)	Aaa / AAA AAA	2.11 2.03
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	190,000.00	01/18/2018 2.35%	189,441.40 189,568.31	98.42 2.96%	186,988.69 783.75	0.71% (2,579.62)	Aaa / AAA NR	2.32 2.23
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	555,000.00	01/10/2017 2.15%	554,317.35 554,549.51	97.15 3.04%	539,189.16 2,391.51	2.05% (15,360.35)	Aaa / NR AAA	3.30 3.14



# Holdings Report

Northern Cal. Cities Self Ins. Fund Long Term - Account #171

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
4581X0CZ9	Inter-American Dev Bank Note 1.750% Due 09/14/2022	300,000.00	09/26/2017 2.01%	296,295.00 297,047.45	95.18 3.05%	285,551.40 247.92	1.08% (11,496.05)	NR / NR AAA	3.96 3.77
<b>Total Supranational</b>		<b>2,035,000.00</b>	<b>1.70%</b>	<b>2,040,933.75</b> <b>2,036,657.35</b>	<b>2.66%</b>	<b>1,994,707.73</b> <b>9,747.73</b>	<b>7.59%</b> <b>(41,949.62)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.12</b> <b>2.03</b>

## US Corporate

74005PBH6	Praxair Note 1.250% Due 11/07/2018	295,000.00	01/08/2015 1.69%	290,262.50 294,874.26	99.85 2.73%	294,548.95 1,475.00	1.12% (325.31)	A2 / A NR	0.10 0.10
46625HJR2	JP Morgan Chase Note 2.350% Due 01/28/2019	340,000.00	Various 2.20%	341,865.90 340,154.73	99.91 2.61%	339,704.88 1,398.25	1.29% (449.85)	A3 / A- AA-	0.33 0.33
17275RAR3	Cisco Systems Note 2.125% Due 03/01/2019	335,000.00	Various 1.90%	338,005.15 335,293.34	99.85 2.48%	334,493.83 593.23	1.27% (799.51)	A1 / AA- NR	0.42 0.42
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019	340,000.00	Various 2.26%	340,381.55 340,085.14	99.52 2.82%	338,354.40 434.44	1.28% (1,730.74)	A1 / A A	0.95 0.93
94974BGF1	Wells Fargo Corp Note 2.150% Due 01/30/2020	400,000.00	Various 2.09%	400,807.55 400,322.15	98.82 3.06%	395,265.21 1,457.22	1.50% (5,056.94)	A2 / A- A+	1.33 1.30
713448CS5	PepsiCo Inc Callable Note Cont 3/30/2020 1.850% Due 04/30/2020	240,000.00	04/27/2015 1.86%	239,863.20 239,956.80	98.41 2.88%	236,185.92 1,862.33	0.90% (3,770.88)	A1 / A+ A	1.58 1.53
747525AD5	Qualcomm Inc Note 2.250% Due 05/20/2020	340,000.00	05/13/2015 2.25%	340,075.30 340,024.60	98.69 3.07%	335,550.08 2,783.76	1.28% (4,474.52)	A2 / A- NR	1.64 1.58
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	345,000.00	02/06/2017 2.16%	346,624.95 345,894.21	98.18 3.21%	338,724.45 3,262.17	1.29% (7,169.76)	A3 / A A	2.10 2.00
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	325,000.00	05/16/2016 1.84%	330,697.25 327,876.34	98.01 3.08%	318,541.93 601.79	1.21% (9,334.41)	Aaa / AA+ NR	2.42 2.33
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	410,000.00	Various 1.98%	409,421.60 409,717.72	96.75 3.25%	396,680.74 2,931.50	1.51% (13,036.98)	A1 / A AA-	2.64 2.52
594918BP8	Microsoft Callable Note Cont 7/8/21 1.550% Due 08/08/2021	400,000.00	Various 1.59%	399,280.20 399,584.12	95.98 3.03%	383,930.40 912.78	1.46% (15,653.72)	Aaa / AAA AA+	2.86 2.76
69371RN44	Paccar Financial Corp Note 1.650% Due 08/11/2021	140,000.00	08/04/2016 1.68%	139,812.40 139,892.64	95.33 3.38%	133,456.54 320.83	0.51% (6,436.10)	A1 / A+ NR	2.87 2.75
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.900% Due 09/15/2021	400,000.00	10/05/2016 1.93%	399,404.00 399,642.40	96.55 3.13%	386,210.00 337.78	1.46% (13,432.40)	A1 / AA- A+	2.96 2.84
89233P5T9	Toyota Motor Credit Corp Note 3.300% Due 01/12/2022	350,000.00	05/16/2018 3.35%	349,450.40 349,506.39	100.00 3.30%	349,984.60 2,534.58	1.33% 478.21	Aa3 / AA- A	3.29 3.07
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 01/24/2022	170,000.00	01/19/2017 2.66%	169,707.60 169,806.08	97.76 3.34%	166,192.85 830.52	0.63% (3,613.23)	A1 / A+ AA-	3.32 3.13
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	325,000.00	06/13/2017 2.35%	328,818.75 327,743.94	97.40 3.44%	316,558.45 1,042.71	1.20% (11,185.49)	A2 / A A+	3.39 3.19
674599CK9	Occidental Petroleum Callable Note Cont 3/15/2022 2.600% Due 04/15/2022	345,000.00	04/25/2017 2.57%	345,472.65 345,334.46	97.30 3.42%	335,673.62 4,136.17	1.29% (9,660.84)	A3 / A A	3.54 3.31
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	315,000.00	11/29/2017 2.58%	309,670.20 310,600.31	95.68 3.38%	301,403.97 442.75	1.14% (9,196.34)	A1 / A+ A+	3.94 3.72



# Holdings Report

Northern Cal. Cities Self Ins. Fund Long Term - Account #171

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
037833DC1	Apple Inc Callable Note Cont 08/12/2022 2.100% Due 09/12/2022	300,000.00	09/12/2017 2.23%	298,179.00 298,560.37	95.79 3.24%	287,362.80 332.50	1.09% (11,197.57)	Aa1 / AA+ NR	3.95 3.74
06051GEU9	Bank of America Corp Note 3.300% Due 01/11/2023	300,000.00	03/09/2018 3.44%	298,173.00 298,382.10	98.61 3.65%	295,834.80 2,200.00	1.13% (2,547.30)	A3 / A- A+	4.28 3.92
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	350,000.00	04/13/2018 3.24%	340,903.50 341,774.55	96.77 3.46%	338,684.50 1,700.42	1.29% (3,090.05)	A2 / A A	4.32 4.02
24422ERT8	John Deere Capital Corp Note 2.800% Due 01/27/2023	350,000.00	05/22/2018 3.47%	339,993.50 340,754.67	97.35 3.46%	340,733.40 1,742.22	1.30% (21.27)	A2 / A A	4.33 4.01
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	300,000.00	07/13/2018 3.23%	293,820.00 294,095.96	97.67 3.32%	292,995.00 366.67	1.11% (1,100.96)	Aa2 / AA A+	4.46 4.15
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	115,000.00	06/20/2018 3.41%	114,968.95 114,970.58	100.44 3.30%	115,500.60 1,020.94	0.44% 530.02	Aa2 / AA AA	4.74 4.24
89114QC48	Toronto Dominion Bank Note 3.500% Due 07/19/2023	325,000.00	07/27/2018 3.56%	324,057.50 324,089.71	99.81 3.54%	324,397.78 2,275.00	1.24% 308.07	Aa1 / AA- AA-	4.80 4.36
<b>Total US Corporate</b>		<b>7,855,000.00</b>	<b>2.44%</b>	<b>7,828,937.57</b>	<b>3.17%</b>	<b>7,696,969.70</b> <b>36,995.56</b>	<b>29.28%</b> <b>(131,967.87)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.74</b> <b>2.58</b>

US Treasury									
912828PC8	US Treasury Note 2.625% Due 11/15/2020	435,000.00	06/27/2011 2.80%	428,578.69 433,545.98	99.54 2.85%	432,995.09 4,313.06	1.66% (550.89)	Aaa / AA+ AAA	2.13 2.03
912828QN3	US Treasury Note 3.125% Due 05/15/2021	430,000.00	Various 1.94%	474,538.05 442,092.82	100.63 2.87%	432,721.04 5,075.58	1.66% (9,371.78)	Aaa / AA+ AAA	2.62 2.48
912828RC6	US Treasury Note 2.125% Due 08/15/2021	485,000.00	08/29/2011 2.28%	478,541.59 483,137.75	97.92 2.88%	474,921.22 1,316.29	1.80% (8,216.53)	Aaa / AA+ AAA	2.88 2.76
912828RR3	US Treasury Note 2.000% Due 11/15/2021	350,000.00	09/26/2017 1.75%	353,473.83 352,624.93	97.35 2.89%	340,716.95 2,644.02	1.30% (11,907.98)	Aaa / AA+ AAA	3.13 2.98
912828SF8	US Treasury Note 2.000% Due 02/15/2022	500,000.00	Various 1.96%	498,809.81 500,645.00	97.11 2.91%	485,527.50 1,277.18	1.84% (15,117.50)	Aaa / AA+ AAA	3.38 3.22
912828SV3	US Treasury Note 1.750% Due 05/15/2022	435,000.00	07/29/2013 2.41%	412,368.15 425,682.25	96.01 2.92%	417,633.93 2,875.37	1.59% (8,048.32)	Aaa / AA+ AAA	3.62 3.45
912828TJ9	US Treasury Note 1.625% Due 08/15/2022	400,000.00	Various 1.68%	396,048.48 399,259.32	95.25 2.93%	380,984.40 830.16	1.45% (18,274.92)	Aaa / AA+ AAA	3.88 3.71
912828TY6	US Treasury Note 1.625% Due 11/15/2022	440,000.00	05/27/2014 2.37%	415,062.70 427,857.88	94.93 2.94%	417,707.84 2,700.68	1.59% (10,150.04)	Aaa / AA+ AAA	4.13 3.92
912828VB3	US Treasury Note 1.750% Due 05/15/2023	410,000.00	Various 1.86%	405,221.75 408,181.47	94.85 2.95%	388,875.58 2,710.12	1.48% (19,305.89)	Aaa / AA+ AAA	4.62 4.36
912828B66	US Treasury Note 2.750% Due 02/15/2024	505,000.00	Various 2.04%	530,347.92 522,648.51	98.93 2.97%	499,614.68 1,773.67	1.90% (23,033.83)	Aaa / AA+ AAA	5.38 4.94
912828J27	US Treasury Note 2.000% Due 02/15/2025	500,000.00	08/31/2015 2.15%	493,634.81 495,710.50	94.18 3.01%	470,898.50 1,277.17	1.79% (24,812.00)	Aaa / AA+ AAA	6.38 5.90



# Holdings Report

## Northern Cal. Cities Self Ins. Fund Long Term - Account #171

For the Month Ending 9/30/2018

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828R36	US Treasury Note 1.625% Due 05/15/2026	500,000.00	Various 2.23%	475,523.49 479,047.58	90.46 3.04%	452,304.50 3,068.96	1.72% (26,743.08)	Aaa / AA+ AAA	7.63 7.02
<b>Total US Treasury</b>		<b>5,390,000.00</b>	<b>2.13%</b>	<b>5,362,149.27</b> <b>5,370,433.99</b>	<b>2.93%</b>	<b>5,194,901.23</b> <b>29,862.26</b>	<b>19.78%</b> <b>(175,532.76)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>4.19</b> <b>3.94</b>
<b>TOTAL PORTFOLIO</b>		<b>27,024,809.89</b>	<b>2.19%</b>	<b>26,965,751.46</b> <b>26,951,277.54</b>	<b>2.99%</b>	<b>26,289,112.58</b> <b>121,375.05</b>	<b>100.00%</b> <b>(662,164.96)</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>3.54</b> <b>3.23</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>26,410,487.63</b>			

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**SECTION 5**

**Transactions**



# Transaction Ledger

Northern CA Cities Self Ins. Fund Short Term - Account #170

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/16/2018	02665WCJ8	100,000.00	American Honda Finance Note 3.45% Due: 07/14/2023	99.827	3.49%	99,827.00	0.00	99,827.00	0.00
Purchase	07/23/2018	3137EAEN5	500,000.00	FHLMC Note 2.75% Due: 06/19/2023	99.498	2.86%	497,490.00	1,604.17	499,094.17	0.00
Purchase	07/25/2018	47788EAC2	255,000.00	John Deere Owner Trust 2018-B A3 3.08% Due: 11/15/2022	99.992	3.10%	254,980.67	0.00	254,980.67	0.00
Purchase	08/09/2018	69371RP59	250,000.00	Paccar Financial Corp Note 3.4% Due: 08/09/2023	99.959	3.41%	249,897.50	0.00	249,897.50	0.00
Purchase	08/28/2018	43815HAC1	220,000.00	Honda Auto Receivables Owner 2018-3 A3 2.95% Due: 08/22/2022	99.986	2.98%	219,969.82	0.00	219,969.82	0.00
Purchase	08/29/2018	3130A3KM5	250,000.00	FHLB Note 2.5% Due: 12/09/2022	98.685	2.83%	246,712.50	1,388.89	248,101.39	0.00
Purchase	09/14/2018	3135G0U43	505,000.00	FNMA Note 2.875% Due: 09/12/2023	99.590	2.96%	502,929.50	0.00	502,929.50	0.00
	<b>Subtotal</b>		<b>2,080,000.00</b>				<b>2,071,806.99</b>	<b>2,993.06</b>	<b>2,074,800.05</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>2,080,000.00</b>				<b>2,071,806.99</b>	<b>2,993.06</b>	<b>2,074,800.05</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/13/2018	3135G0ZG1	50,000.00	FNMA Note 1.75% Due: 09/12/2019	99.121	2.52%	49,560.50	294.10	49,854.60	-507.43
Sale	07/20/2018	3135G0ZG1	100,000.00	FNMA Note 1.75% Due: 09/12/2019	99.120	2.53%	99,120.00	622.22	99,742.22	-1013.64
Sale	07/20/2018	3137EADM8	75,000.00	FHLMC Note 1.25% Due: 10/02/2019	98.469	2.55%	73,851.75	281.25	74,133.00	-730.92
Sale	07/23/2018	3137EADM8	100,000.00	FHLMC Note 1.25% Due: 10/02/2019	98.513	2.52%	98,513.00	385.42	98,898.42	-934.36
Sale	07/23/2018	912828H52	370,000.00	US Treasury Note 1.25% Due: 01/31/2020	98.082	2.54%	362,903.52	2,210.29	365,113.81	-6611.74
Sale	08/09/2018	02665WAC5	145,000.00	American Honda Finance Note 2.125% Due: 10/10/2018	99.969	2.29%	144,955.05	1,018.52	145,973.57	-89.54



# Transaction Ledger

Northern CA Cities Self Ins. Fund Short Term - Account #170

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	09/14/2018	459058ER0	460,000.00	Intl. Bank Recon & Development Note 1% Due: 10/05/2018	99.944	1.95%	459,742.40	2,031.67	461,774.07	-242.59
	<b>Subtotal</b>		<b>1,300,000.00</b>				<b>1,288,646.22</b>	<b>6,843.47</b>	<b>1,295,489.69</b>	<b>-10,130.22</b>
Maturity	08/09/2018	06417GXH6	450,000.00	Bank of Nova Scotia Yankee CD 1.57% Due: 08/09/2018	100.000		450,000.00	7,163.13	457,163.13	0.00
	<b>Subtotal</b>		<b>450,000.00</b>				<b>450,000.00</b>	<b>7,163.13</b>	<b>457,163.13</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>1,995,346.60</b>				<b>1,983,992.82</b>	<b>27,282.99</b>	<b>2,011,275.81</b>	<b>-10,130.22</b>



# Transaction Ledger

Northern Cal. Cities Self Ins. Fund Long Term - Account #171

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/17/2018	084670BR8	300,000.00	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due: 03/15/2023	97.940	3.23%	293,820.00	2,795.83	296,615.83	0.00
Purchase	07/31/2018	3137EAEN5	275,000.00	FHLMC Note 2.75% Due: 06/19/2023	99.124	2.94%	272,591.00	1,050.35	273,641.35	0.00
Purchase	07/31/2018	89114QC48	325,000.00	Toronto Dominion Bank Note 3.5% Due: 07/19/2023	99.710	3.56%	324,057.50	379.17	324,436.67	0.00
Purchase	08/29/2018	3130AEBV1	400,000.00	FHLB Note 3.125% Due: 06/13/2025	100.343	3.07%	401,372.00	3,750.00	405,122.00	0.00
	<b>Subtotal</b>		<b>1,300,000.00</b>				<b>1,291,840.50</b>	<b>7,975.35</b>	<b>1,299,815.85</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>1,300,000.00</b>				<b>1,291,840.50</b>	<b>7,975.35</b>	<b>1,299,815.85</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/17/2018	084670BQ0	275,000.00	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due: 03/15/2021	98.427	2.82%	270,674.25	2,050.28	272,724.53	-4015.41
Sale	07/31/2018	91159HHE3	310,000.00	US Bancorp Callable Note Cont 10/15/2018 1.95% Due: 11/15/2018	99.881	2.36%	309,631.10	1,276.17	310,907.27	-548.18
Sale	08/29/2018	3137EADR7	150,000.00	FHLMC Note 1.375% Due: 05/01/2020	97.929	2.65%	146,893.50	676.04	147,569.54	-1663.28
Sale	08/29/2018	912828NT3	150,000.00	US Treasury Note 2.625% Due: 08/15/2020	99.945	2.65%	149,917.97	149.80	150,067.77	1029.11
	<b>Subtotal</b>		<b>885,000.00</b>				<b>877,116.82</b>	<b>4,152.29</b>	<b>881,269.11</b>	<b>-5,197.76</b>
<b>TOTAL DISPOSITIONS</b>			<b>1,134,434.27</b>				<b>1,126,551.09</b>	<b>10,930.32</b>	<b>1,137,481.41</b>	<b>-5,197.76</b>



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**RESOLUTION 19-01**  
**AUTHORIZING THE TREASURER TO INVEST AND RE-INVEST FUNDS**

**ACTION ITEM**

**ISSUE:** The Board must approve a resolution authorizing the NCCSIF Treasurer to invest or reinvest funds, including the sale or exchange of securities, on an annual basis.

**RECOMMENDATION:** Delegate investment authority to the Treasurer by approving Resolution 19-01.

**FISCAL IMPACT:** None.

**BACKGROUND:** Government Code 53607 provides for delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year, so the Board needs to re-authorize the Treasurer to invest the funds for NCCSIF.

**ATTACHMENT(S):** Proposed NCCSIF Resolution 19-01

**REFERENCE:** Government Code Section:

53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.



**RESOLUTION 19-01**

**RESOLUTION AUTHORIZING THE NCCSIF TREASURER  
TO INVEST AND RE-INVEST FUNDS**

The Northern California Cities Self Insurance Fund (NCCSIF) Board of Directors does resolve as follows:

Pursuant to Section 53607 of the California Government Code, the Board of Directors hereby delegates authority to make all investment decisions for NCCSIF’s investment portfolio to the NCCSIF Treasurer, and to further strengthen safeguards over investment practices, the Treasurer shall act in coordination with NCCSIF’s Investment Advisor and comply with the NCCSIF Investment Policy.

The NCCSIF Board of Directors does hereby delegate its authority to invest and reinvest funds to the NCCSIF Treasurer or successor in office for the period of January 1, 2019 to December 31, 2019.

► NCCSIF Treasurer - Tim Sailsbery

\*\*\*\*\*

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 19-01 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Northern California Cities Self Insurance Fund held on the 25<sup>th</sup> day of October 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
**NCCSIF President**

**ATTEST:**

\_\_\_\_\_  
**NCCSIF Secretary**



**RESOLUTION 19-02**  
**AUTHORIZING SIGNERS FOR THE INVESTMENT OF MONIES IN**  
**THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

**ACTION ITEM**

**ISSUE:** The Board is asked to approve the attached Resolution to add Elizabeth Ehrenstrom, as President of NCCSIF, as an authorized signer for the investment of monies in LAIF.

**RECOMMENDATION:** Approval of Resolution 19-02, authorizing the President, Treasurer and Financial Consultant authority to order deposits or withdrawals of monies in LAIF.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Board of Directors must approve a Resolution to authorize the NCCSIF President, Treasurer and Financial Consultant to order the deposits or withdrawal of monies in the Local Agency Investment Fund (LAIF). Records are updated with the Local Agency Investment Fund (LAIF) *as needed* to reflect the newly elected officers of NCCSIF who have the authority to transfer funds to or from LAIF. The transfers are restricted to/from LAIF and NCCSIF's trust account.

**ATTACHMENT(S):** Proposed NCCSIF Resolution 19-02

**REFERENCE:** Government Code Section:

16429.1.(b) Notwithstanding any other law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.



**RESOLUTION 19-02**

**RESOLUTION AUTHORIZING SIGNERS FOR THE INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

**WHEREAS**, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

**WHEREAS**, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code 16429.1 et. seq. for the purpose of investment as stated therein is in the best interests of the Northern California Cities Self Insurance Fund (NCCSIF).

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby delegates

**BE IT FURTHER RESOLVED**, as follows:

Section 1. The following NCCSIF officers holding the title(s) herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby, effective immediately:

<u>Elizabeth Ehrenstrom</u> (Name)	<u>Tim Sailsbery</u> (Name)	<u>James Marta</u> (Name)	<u>Alana Theiss</u> (Name)
<u>NCCSIF President</u> (Title)	<u>NCCSIF Treasurer</u> (Title)	<u>NCCSIF Financial Consultant</u> (Title)	<u>NCCSIF Financial Consultant</u> (Title)
_____ (Signature)	_____ (Signature)	_____ (Signature)	_____ (Signature)

Section 2. This resolution shall remain in full force and effect until rescinded by the Northern California Cities Self Insurance Fund Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

\*\*\*\*\*



I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 19-02 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Northern California Cities Self Insurance Fund held on the 25<sup>th</sup> day of October 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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**NCCSIF President**

ATTEST:

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**NCCSIF Secretary**



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
October 25, 2018

Agenda Item J.1.

## DECEMBER 2018 BOARD TRAINING DAY AND MEETING AGENDA

### INFORMATION ITEM

**ISSUE:** The Board Training Day and Board Meeting is scheduled for December 13, 2018, at the Rocklin Event Center Garden Room, **beginning at 9:30 a.m.** A draft agenda is attached for review and discussion.

**RECOMMENDATION:** Discuss and provide direction on training topics.

**FISCAL IMPACT:** None. Within current NCCSIF budget for meetings.

**BACKGROUND:** Historically the Board meeting in December alternates between a Training Day and a Long Range Planning session. The planning session must be done at least every three years to meet CAJPA accreditation standards. The last planning session was in December 2017, so the meeting in December 2018 is a training day. All members are encouraged to participate.

**ATTACHMENT(S):** Draft Agenda for the Board Training Day and Meeting on December 13, 2018



**President**  
Mr. Dave Warren  
City of Placerville

**Vice President**  
Ms. Liz Ehrenstrom  
City of Oroville

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**Secretary**  
*Vacant*

## NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND TRAINING & BOARD OF DIRECTORS MEETING AGENDA

**Date:** Thursday, December 13, 2018

**A – Action**  
**I – Information**

**Time:** Continental Breakfast available at 9:00 a.m.  
Orientation begins at 9:15 a.m. (Optional)  
Training begins at 10:00 a.m.  
Board Meeting at 1:30 p.m.

**1 – Attached**  
**2 – Hand Out**  
**3 – Separate Cover**  
**4 – Verbal**

**Location:** Rocklin Event Center – Garden Room  
2650 Sunset Blvd.  
Rocklin, CA 95677

### MISSION STATEMENT

*The Northern California Cities Self Insurance Fund, or NCCSIF, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.*

### PRE-TRAINING ORIENTATION

9:15 a.m. - 10:00 a.m. pg.	<p><b>NCCSIF Orientation and Refresher Training (Optional)</b></p> <p><i>The Program Administrators will provide an orientation for new members and review of NCCSIF programs, policies and services over breakfast. Come to meet your fellow members and get your questions answered about NCCSIF. This session is also open to established Board members who are interested in a refresher course.</i></p>	<b>2</b>
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### TRAINING PRESENTATIONS

10:00 a.m. - 10:45 a.m. pg.	<p><b>1. Litigation and Claims Management</b></p> <p><i>Overview of claims management and best practices by Cameron Dewey, York Risk Services, and Rick Buys, Risky Business Pros.</i></p>	<b>2</b>
10:45 a.m. - 11:30 a.m. pg.	<p><b>2. Legal and Legislative Update</b></p> <p><i>Latest legal developments and legislative updates by Michael Christian from Jackson Lewis.</i></p>	<b>2</b>



**President**  
Mr. Dave Warren  
City of Placerville

**Vice President**  
Ms. Liz Ehrenstrom  
City of Oroville

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**Secretary**  
*Vacant*

<i>11:30 a.m.</i>	<b>LUNCH</b>	
<i>11:45 a.m. - 12:15 p.m.</i>	<b>LUNCHTIME PRESENTATION - State of the Insurance Market</b> <i>Overview of the current insurance market by Marcus Beverly.</i>	<b>2</b>
<i>pg.</i>		
<i>12:15 p.m. - 12:45 p.m.</i>	<b>3. CJPRMA Overview of Services</b> <i>Tony Giles, CJPRMA General Manager, will provide the Board with a presentation on CJPRMA general services.</i>	<b>2</b>
<i>pg.</i>		
<i>12:45 p.m. - 1:30 p.m.</i>	<b>4. Insurance Requirements in Contracts, Special Events Editions</b> <i>Learn the recommended language for contracts.</i>	<b>2</b>
<i>pg.</i>		

<b>BOARD MEETING</b>
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	<b>A. CALL TO ORDER – 1:30 p.m.</b>	
	<b>B. INTRODUCTIONS</b>	
	<b>C. APPROVAL OF AGENDA AS POSTED</b>	<b>A 1</b>
	<b>D. PUBLIC COMMENTS</b> <i>This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.</i>	
	<b>E. CONSENT CALENDAR</b>	<b>A 1</b>
	<i>All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.</i>	
<i>pg.</i>	1. Board of Directors Meeting Minutes - October 25, 2018	
<i>pg.</i>	2. Check Register from September 1, 2018 to November 30, 2018	
<i>pg.</i>	3. Investment Reports	
<i>pg.</i>	a. Chandler Asset Management Short/Long Term - September 2018 to November 2018	
<i>pg.</i>	b. Local Agency Investment Fund (LAIF) Report as of September 30, 2018	
<i>pg.</i>	c. Treasurer’s Report as of September 30, 2018	
	<b>F. ADMINISTRATION REPORTS</b>	<b>I</b>
	1. <b>President’s Report</b>	<b>4</b>
	<i>Dave Warren will address the Board on items pertaining to NCCSIF.</i>	



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City of Placerville

**Vice President**  
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City of Oroville

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**Secretary**  
*Vacant*

- 2. **CJPRMA Update** 4  
*Liz Ehrenstrom will update the Committee on CJPRMA matters pertinent to NCCSIF. Minutes of the last meeting can be found at <http://www.cjprma.org>*
- 3. **Program Administrator’s Report - NCCSIF Annual Report** 2  
*Alliant will present NCCSIF Annual Report.*

**G. FINANCIAL REPORTS**

- pg. 1. **Quarterly Financial Report for Period Ending September 30, 2018** A 1  
*James Marta will present the quarterly financial report ending September 30, 2018 for the Board to Receive and File.*
- pg. 2. **Budget-to-Actual as of September 30, 2018** I 1  
*The Board will receive the Budget to Actual results as of September 30, 2018.*

2:30 p.m. **H. JPA BUSINESS**

- pg. 1. **CAJPA Accreditation Report** A 1  
*Review and approve the Accreditation Report.*
- pg. 2. **Round Table Discussion** I 4  
*The floor will be open to Board members for any topics or ideas that members would like to address.*

pg. **I. INFORMATION ITEMS** I 1

- pg. 1. PARMA 2019 Conference (February 10-13, 2019) in Anaheim, CA
- pg. 2. Glossary of Terms
- pg. 3. NCCSIF Organizational Chart
- pg. 4. NCCSIF 2019 Meeting Calendar
- pg. 5. NCCSIF Resource Contact Guide
- pg. 6. NCCSIF Travel Mileage Reimbursement Form

**J. ADJOURNMENT**

**UPCOMING MEETINGS**

- Police Risk Management Committee Meeting - February 21, 2019
- Executive Committee Meeting - March 14, 2019
- Claims Committee Meeting - March 14, 2019
- Risk Management Committee Meeting - April 25, 2019
- Board of Directors Meeting - April 25, 2019



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City of Placerville

**Vice President**  
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City of Willows

**Secretary**  
*Vacant*

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Raychelle Maranan at Alliant Insurance Services at (916) 643-2712.*

*The Agenda packet will be posted on the NCCSIF website at [www.nccsif.org](http://www.nccsif.org). Documents and material relating to an open session agenda item that are provided to the NCCSIF Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.*

*Access to some buildings and offices may require routine provisions of identification to building security. However, NCCSIF does not require any member of the public to register his or her name or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3*

DRAFT



**REVISION OF POLICY AND PROCEDURE A-6B  
WORKERS' COMP SHARED LAYER SETTLEMENT AUTHORITY**

**ACTION ITEM**

**ISSUE:** Currently the Claims Committee can settle claims up to \$250,000 (\$150,000 above the Member's \$100,000 Banking Layer). Claims in excess of that amount go directly to the Board of Directors for approval up to the current \$500,000 Shared Layer limit. Consideration should be given to grant the Executive Committee the explicit authority to settle claims up to the limit of the Shared Layer.

This would allow the Program and Claims Administrators greater ability to obtain settlement authority as needed from the Executive Committee, with at least five members for a quorum, rather than assembling at least twelve members of the Board to approve settlement. Most of the settlements are approved via teleconference meetings due to the sporadic nature of their timing and the relative infrequency of in-person meetings.

The Program Administrators have drafted revisions to the applicable policy, as seen in the attached red-line version of P&P #A-6B. Some cleanup language is suggested in addition to the authority changes.

**OPTIONS FOR CONSIDERATION**

1. Approve recommended changes as presented.
2. Approve changes as revised.
3. Direct the Program Administrators to take other action.

**RECOMMENDATION:** Review and recommend changes as presented or amended.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Workers' Compensation Shared Risk Layer Claims Settlement Authority was first effective September 17, 1993 and has been revised six times since then. It confirms a member's authority to settle claims within their Banking Layer and lays out a process for approving claims within the Shared Layer. The similar P&P for the Liability Program was revised in 2017 to give the Executive Committee authority to settle those claims up to the Shared Layer limit.

**ATTACHMENT(S):** DRAFT Red-Line version of P&P A-6B: Workers' Compensation Shared Layer Settlement Authority

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## ADMINISTRATIVE POLICY AND PROCEDURE #A-6 b

### **SUBJECT: WORKERS' COMPENSATION SHARED RISK LAYER CLAIMS SETTLEMENT AUTHORITY**

#### Policy Statement:

In accordance with the Memorandum of Coverage, the Northern California Cities Self Insurance Fund (NCCSIF) shall pay promptly when due to those eligible ~~under the agreement~~ the benefits required of the Member by Workers' Compensation law, in excess of the Member ~~Retained limit~~Banking Layer.

~~All claims shall be submitted to the Claims Administrator in accordance with the provisions of the Claims Administration Agreements.~~

It shall be the policy of the NCCSIF to grant the authority to the Executive Committee to act as or appoint members of the Claims Committee. The ~~functions and~~ responsibilities of the Claims Committee ~~shall be~~include:

1. Meet as necessary to review all open reported claims likely to involve the Authority's shared risk portion of the Workers' Compensation program.
2. Resolve claims as outlined in procedure below.

#### Procedure:

1. The claims administrator shall notify the Program Administrator of a need to review potential losses which are likely to involve the ~~shared~~Shared Risk layers.
2. The NCCSIF ~~claims~~Claims administrator~~Administrator~~ shall make recommendations to the Claims Committee.
3. It is the policy of the ~~Northern California Cities Self Insurance Fund~~NCCSIF that Members of the Workers' Compensation Program shall have the opportunity to participate in the final claim settlement process (i.e. Stipulations with Findings and Award or a Compromise & Release with Findings and Award) as provided for by this policy and procedure. Though Workers' Compensation benefits are mandated and established by ~~State~~state law, the amount and actual settlement of a claim is the responsibility of the Claims Administrator upon approval of the Member, Claims Committee and as required the ~~Board of Directors~~Executive Committee.

The NCCSIF Claims Administrator shall review any recommendations for the Claims Committee with the Member Board Representative and either get the written approval of

the Board Representative for the proposed action, or invite the Board Representative to attend or send representation for the City to the Claims Committee meeting to discuss any objections to the action being recommended.

4. Workers' Compensation costs that extend into the Shared Risk Layer will be reviewed ~~at each~~ annually by the Claims Committee ~~meeting~~.

The Workers Compensation Claims Administrator shall have the responsibility and authority to issue checks from the Authority's trust account in satisfaction of legal requirements to pay benefits to industrially injured workers of the member cities. The Administrator will issue checks for state mandated benefits including Indemnity, Medical, Rehabilitation and Expense categories. For checks below \$5,000, one authorized ~~signature or stamp~~ approver from the administrator is required. For checks above \$5,000, two ~~signatures~~ approvers are required.

5. Claims Settlement Authority:

Various levels of settlement authority have been established as NCCSIF policy. ~~These levels are~~ as follows:

\$0 to \$100,000 (or Member's ~~Retained Limit~~ Banking Layer) – City with the Claims Administrator (TPA)

The Claims Administrator with the approval of the City shall have authority to settle claims up to, and including \$100,000 per occurrence. Only the Claims Manager for the Claims Administrator will hold this authority.

\$100,000 to \$250,000– Claims Committee

In the event that an ultimate net loss is likely to be in excess of the Member's ~~Retained Limit~~ Banking Layer either through court judgment or agreement, then NCCSIF will, ~~for that portion which is in excess of the Retained Limit,~~ make ~~such~~ payment to the claimant on behalf of the Member. The NCCSIF Claims Committee has authority to authorize claims settlement up to \$250,000 per occurrence. ~~The excess carrier will be involved in accordance with the carrier policy reporting and settlement requirements.~~

\$250,000 to Shared Risk Layer Limit

Claims settlement recommendations in excess of the Claims Committee's Authority shall be presented by the Claims Committee to be approved by the ~~Board of Directors~~ Executive Committee prior to final settlement. The excess carrier will be involved in accordance with the carrier policy reporting and settlement requirements.

A report of claims settlements will be made to the Board of Directors ~~at each meeting~~ annually.

All of the foregoing notwithstanding, if time is of the essence in a specific ~~claim litigation matter~~, the President and Claims Committee Chairperson, on the advice of the Claims Administrator, shall have the authority to ~~determine terms of~~ approve ~~emergency~~ settlement, subject to \$100,000 limitation within the ~~shared~~ Shared Risk Layer, ~~excess of the Members' retained limit~~. If ~~however~~, the President or ~~Claims Committee~~ Chairperson's City is involved in the claim, then the authority is delegated to two non-involved Members of the Claims Committee. The claim settlement will be reported to the Claims Committee at their next meeting.

**Effective Date:** September 17, 1993

First Revision Date: March 22, 1994

Second Revision Date: June 19, 1998

Third Revision Date: September 18, 1998

Fourth Revision Date: December 17, 1999

Fifth Revision Date: June 15, 2007

Sixth Revision Date: October 16, 2009

Seventh Revision Date: TBD



## NCCSIF UNDERWRITING POLICY

### ACTION ITEM

**ISSUE:** The CAJPA Accreditation Standards now require an Underwriting Policy outlining the pool's overall underwriting objective, function, and process for evaluating new members. The policy references the general requirements found in the Bylaws and the data needed for new member evaluation. It goes on to establish guidelines to evaluate the prospective member's loss rate and commitment to supporting risk management programs. The policy outlines the data used for rate setting and references the application of an experience modification factor. The process for rate setting is detailed in the Policies & Procedures unique to each Program.

This policy will meet the CAJPA standards while providing a summary of the current process for new members. Once approved and NCCSIF is re-accredited the policy will be reviewed as part of the regular strategic planning process and may be expanded upon as needed. The Executive Committee reviewed the draft Policy and made recommendations for revisions that are included in the attached.

**RECOMMENDATION:** Review and approve the Underwriting Policy as presented or revised.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF has established underwriting standards from its inception, beginning with limiting membership to cities and requiring program membership for a minimum of three years. Various governing documents and policies touch on the elements of the underwriting process, and NCCSIF uses excess pool and insurer applications to gather most of the data used in the underwriting process. The Underwriting Policy is a means to review the process from a higher level and will be the subject of further review at Board planning sessions.

**ATTACHMENT(S):** Draft Administrative P&P # A-23: NCCSIF Underwriting Policy

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## **ADMINISTRATIVE POLICY AND PROCEDURE #A-23**

### **SUBJECT: NCCSIF UNDERWRITING POLICY**

#### **Policy:**

Northern California Cities Self Insurance Fund (NCCSIF) has established underwriting criteria for the purpose of evaluating prospective [and current](#) members. Underwriting information is also used for rate and premium calculations and for measuring member risk management programs. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, Bylaws and NCCSIF Policies. This Underwriting Policy provides a summary and highlights much of the criteria utilized to complete the underwriting process.

Establishing underwriting criteria ensures that NCCSIF coverage programs are analyzed for risk exposures, funding requirements, risk retention levels, compatibility between members, and serviceability by staff. Adherence to these Board approved standards and guidelines promotes the continued financial viability and security of NCCSIF.

#### **Procedures:**

The requirements for admittance of new members to NCCSIF are set forth in the Bylaws. Membership is open to any city that the Board of Directors determines, in its sole discretion, has similar exposures and interests to the Members. Approval of membership by two-thirds of the Board is required. Applicants accepted for membership in a coverage program agree to participate as a member for a minimum of three consecutive years.

#### **Application Process**

An applicant for membership must complete an application that solicits specific information to assess the applicant's risk exposures, including the following information:

- a. Current payroll, estimated payroll for the initial Program Year, audited financial statements [for at least three years](#), budget and other financial data as requested;
- b. Payrolls for the previous five years;
- c. Loss history for the previous five years;
- d. Any recent claim audits or actuarial studies.
- e. Assessment of current risk management best practices

In addition, the applicant must complete an actuarial study in the format required by NCCSIF and may pay an application fee as determined by the Board. The application is complete when the Program Director receives a fully executed resolution from the applicant's governing board seeking membership pursuant to NCCSIF's policies.

## Underwriting Guidelines

Any prospective member must meet the following minimum underwriting guidelines:

- a. Have a loss rate calculated for the past three years that does not exceed the average loss rate of the current members;
- b. Demonstrate a commitment to support risk management and safety programs to control or prevent claims;

The Program Director, with the concurrence of the Board, may waive any of these guidelines or require additional terms and conditions for membership if circumstances warrant.

## Annual Rate Setting/Funding Requirements

The Liability and Workers' Compensation programs will be funded each year after completion of an independent actuarial study. Rates are established based upon multiple factors, including:

- Payroll exposure
- Loss rates
- Excess rates
- Administrative expenses
- A margin for contingency as prescribed in NCCSIF's Target Funding Policy

Although NCCSIF's coverage program is based upon risk sharing among its members, to encourage accountability for losses member funding is adjusted after the application of an experience modification factor.

## Periodic Review

This Underwriting Policy will be periodically reviewed by the Board, at least once every three years. This review should consider:

- a. Is the process adequately measuring the risks?
- b. Is the process adequately allocating costs?

The Board may delegate the underwriting function as outlined in this Policy to the Executive Committee or any other committee established for the sole purpose of addressing underwriting issues.

ADOPTED BY BOARD OF DIRECTORS:

Date \_\_\_\_\_



## 2019 MEETING CALENDAR

### ACTION ITEM

**ISSUE:** The proposed NCCSIF 2019 Meeting Calendar is presented for review to determine if any dates should be modified due to conflicts.

**RECOMMENDATION:** Approve the proposed dates and times as presented or revised.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Board annually reviews and approves the meeting calendar for NCCSIF Board, Executive, Risk Management, Claims, Police Risk Management and Finance Committees.

**ATTACHMENT(S):** Preliminary NCCSIF 2019 Meeting Calendar



**PRELIMINARY 2019 MEETING CALENDAR**

Thursday, February 21, 2019 ..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, March 14, 2019 ..... *Executive Committee* at 10:00 a.m.  
**Claims Committee** at 11:30 a.m.

Thursday, April 25, 2019 ..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12 noon

Thursday, May 16, 2019..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.

Thursday, June 13, 2019..... **Board of Directors** at 10:00 a.m.

Thursday, August 1, 2019 ..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, September 26, 2019..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.

Thursday, October 24, 2019..... **Risk Management Committee** at 9:30 a.m.  
**40<sup>th</sup> Anniversary Luncheon** at 11:00 a.m.  
**Board of Directors** at 1:30 p.m.

Thursday, November 7, 2019 ..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, January 16, 2020 ..... Long-Range Planning and **Board of Directors** at 10:00 a.m.

Meeting Location: TBD

Note: Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.



## 2019 SERVICE CALENDAR

### INFORMATION ITEM

**ISSUE:** An annual *Service Calendar* is provided to the Board showing a timeline of the annual activities to be completed on behalf of the organization. The calendar serves several purposes, including notifying members of meetings and typical agenda topics, when to expect requests for information and deadlines for responding, and giving members a fuller understanding of all the “behind the scenes” activities completed by the Program Administrators.

Note this year we have highlighted the *meetings in blue, requests for information in yellow, and training conferences in grey* to make it easier for members to spot the key items that require their participation. Feedback regarding the color highlighting and use of the calendar is appreciated.

**FISCAL IMPACT:** None.

**RECOMMENDATION:** None - Information Only.

**BACKGROUND:** None.

**ATTACHMENT(S):** 2019 NCCSIF Service Calendar



# 2019 SERVICE CALENDAR

<b>AS</b> = Alliant Insurance Services	<b>BD</b> = Board of Directors
<b>JM</b> = James Marta & Company, CPAs	<b>EC</b> = Executive Committee
<b>YORK</b> = York Risk Services Group	<b>RM</b> = Risk Management
<b>BM</b> = Bickmore	<b>PRM</b> = Police Risk Management
<b>CA</b> = Claims Auditor	<b>FC</b> = Finance Committee
<b>FA</b> = Financial Auditor	<b>PA</b> = Property Appraiser

## JANUARY 2019

01/04/19	Request Loss Runs (as of 12/31) from York for Liability and WC (ask to separate 4850) - deadline 1/16/19	AS
N/A	Preparation for CAJPA Accreditation (every 3 years: last accreditation 2018, next 2021)	AS
01/10/19	Form 700 electronic filing through FPCC's eDisclosure system - email reminder to BOD, Board Alternates, RM Committee members and Service Provider Consultants - deadline 03/23/19	AS
01/14/19	Begin working on Preliminary FY 19/20 Budget	AS, BD
01/15/19	Property Program - prepare and send property schedule to members to review/update - deadline 30 days Note: Request Properties under \$5 million to be appraised	AS
01/16/19	Loss and Renewal Instructions - send to Actuary and Marta	AS
01/16/19	Request Quarterly Financial Report (12/31) and Treasurer's Report from James Marta	AS
01/16/19	Obtain LAIF Quarterly Report (12/31) from State Controller website	AS
01/16/19	Liability and WC renewal loss information - deadline for receipt from York	AS
01/16/19	Collect Q4 DE9 (12/31) from members	AS
01/18/19	Input loss data into Budget Spreadsheet	AS
01/18/19	Review service providers/contractors' agreements regarding renewal terms	AS
01/25/19	18/19 APIP Property Policy Notebook (post to AlliantConnect)	AS

## FEBRUARY 2019

02/01/19	Renewal Certificate Holder List - send spreadsheet to members to review/update - due 03/01/19	AS
02/05/19	Submit Q4 (12/31) DE9 reports to CJPRMA	AS
02/06/19	Receive Dividend Calculations and info from CJPRMA Premium Funding	AS, BD
02/06/19	PA to meet to discuss updates to Administrative Costs for Budget	AS
02/06/19	Crime Program - follow up with ACIP for specification, prepare and send renewal applications to Members - due 03/01/19	AS
02/06/19	ID Fraud Renewal Questionnaire - follow up with Travelers for specification, prepare and send to Members - due 03/01/19	AS
02/06/19	EAP - follow up with ACI for specification	
02/06/19	Airport Liability - prepare and send renewal applications to Members - due 03/01/19	AS
02/06/19	Pollution Program - prepare and send renewal applications to Members - due 03/01/19	AS
02/10-13/19	<b>PARMA Annual Risk Management Conference - Anaheim, CA</b>	
02/14/19	PRMC Agenda for 02/21/19 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, BM
02/15/19	Property Schedule Renewal due from Members	AS
02/20/19	Property Program - prepare specifications and input to Oasys	AS
02/20/19	Actuarial Study - receive draft and send to Jim Marta	AS, Actuary
02/20/19	Reminder: Form 700s to BOD, Board Alternates, RM Committee members and Service Provider Consultants	AS



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<b>02/21/19</b>	<b>Police Risk Management Committee Meeting</b>	<b>PRM</b>
02/18/19-	Banking and Shared Risk Layer Program Deposits - prepare preliminary worksheets, and	AS
03/01/19	Shared Risk layer adjustments for FY 19/20	
02/25/19	Request Banking Layer adjustments from Jim Marta	AS

MARCH 2019		
<b>03/01/19</b>	<b>Certificate Holder list due from members</b>	<b>AS</b>
03/07/19	EC & Claims Committee Agendas for 03/14/19 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, York
03/08/19	Crime Renewal App (including Treasurer Crime) - prepare and submit renewal applications to ACIP for quotation	AS
03/08/19	ID Fraud Coverage - prepare and submit renewal applications to Travelers for quotation	AS
03/08/19	EAP - confirm headcount for quotation	AS
03/08/19	Airport Liability - prepare and submit renewal applications	AS
03/08/19	Pollution Program - prepare and submit renewal applications	AS
<b>03/14/19</b>	<b>Executive &amp; Claims Committee Meetings</b>	<b>EC</b>
<b>Mtg</b>	Quarterly Investment Reports (12/31) - submit for review	EC
<b>Mtg</b>	Review and approve actuarial studies	EC
<b>Mtg</b>	Preliminary FY 19/20 Budget - submit for review	EC
<b>Mtg</b>	Liability and WC Banking & Shared Layer - preliminary deposit calculation for review	EC
<b>Mtg</b>	2019 Claims Audit for GL - evaluate and consider RFP for Claims Auditor (GL odd years/WC even years)	EC
03/15/19	Reminder: Form 700s to BOD, Board Alternates, RM Committee members and Service Provider Consultants	AS
<b>TBD</b>	Perform FY 18/19 WC Claims Audit - Farley Consulting Services	CA
03/29/19	Renewal Certificate Holder List updates due to CJPRMA and CSAC-EIA	AS

APRIL 2019		
<b>04/01/19</b>	<b>Form 700s deadline to FPPC</b>	<b>AS</b>
<b>04/16/19</b>	<b>Collect Q1 DE9 (03/31) from members</b>	<b>AS</b>
04/18/19	RMC & BOD Agendas for 04/25/19 meetings - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
<b>04/25/19</b>	<b>Risk Management Committee &amp; Board Meetings</b>	<b>RM, BD</b>
<b>Mtg</b>	Quarterly Investment Reports (12/31) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (12/31) - submit for approval	BD
<b>Mtg</b>	Preliminary FY 19/20 Budget - submit for review	BD
<b>Mtg</b>	Liability and WC Banking & Shared Risk Layers - deposit calculations for review (excess WC & Liability & Admin costs pending)	BD
<b>Mtg</b>	Banking Plan Fund Adjustments - submit for approval	BD
<b>Mtg</b>	Shared Risk Layer Plan Fund Adjustments - submit for approval	BD



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<b>Mtg</b>	Actuarial Study - submit for approval	BD
<b>Mtg</b>	2018 WC Claims Audit Report - for review and approval - Auditor makes presentation	CA, York

MAY 2019		
05/01/19	Banking and Shared Risk Layer Adjustments/Assessments - mail to JM for distribution to members	AS
05/01/19	WC Renewal Quotations - check status	AS
05/03/19	Submit Q1 (03/31) DE9 reports to CJPRMA	AS
05/09/19	EC & Claims Committee Agendas for 05/16/19 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, York
<b>05/16/19</b>	<b>Executive &amp; Claims Committee Meetings</b>	<b>EC</b>
<b>Mtg</b>	Quarterly Investment Reports (03/31) - submit for approval	EC
<b>Mtg</b>	Liability and WC Program Deposits - review 2019 revisions	EC
<b>Mtg</b>	FY 19/20 Budget - submit for review	EC
<b>Mtg</b>	Program Administration Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Safety & Risk Control Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Liability Claims Administration Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	WC Claims Administration Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Accounting Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Legal Services Contract - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	Conflict of Interest Code-submit for approval (every even years)	EC
<b>Mtg</b>	Property renewal status review	EC
<b>Mtg</b>	Crime renewal quotations review	EC
<b>Mtg</b>	ACI renewal quotations - EAP - submit for approval ( <i>as needed</i> )	EC
<b>Mtg</b>	FY 19/20 Liability Memorandum of Coverage - submit for approval	EC
<b>Mtg</b>	FY 19/20 WC Memorandum of Coverage - submit for approval	EC
05/24/19	Obtain necessary signatures to finalize contracts with consultants	AS
05/28/19	Property Program - receive preliminary renewal quotation	AS

JUNE 2019		
06/06/19	RMC & BOD Agendas for 06/13/19 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
<b>06/13/19</b>	<b>Board Meeting</b>	<b>BD</b>
<b>Mtg</b>	Risk Management Budget - submit for approval	RM
<b>Mtg</b>	Quarterly Investment Reports (03/31) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (03/31) - submit for approval	BD
<b>Mtg</b>	FY 19/20 Budget - submit final for approval	BD
<b>Mtg</b>	FY 19/20 Liability and WC Banking & Shared Risk Layer Program Deposits - submit final for approval	BD
<b>Mtg</b>	FY 19/20 Liability Memorandum of Coverage - submit for approval	BD



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<b>Mtg</b>	FY 19/20 WC Memorandum of Coverage - submit for approval	BD
<b>Mtg</b>	Conflict of Interest Code - submit for approval (every even years)	BD
<b>Mtg</b>	APIP Property Program - provide report and allocations on renewal quotes	BD
<b>Mtg</b>	ACIP Crime Program - provide report and allocations on renewal quotes	AS
06/17/19	Generate and email Auto ID Cards to Members	AS
06/24/19	Generate Certificate Holder Renewal Certificates	AS
06/28/19	Mail Renewal Certificates to Certificate Holders and email scan copy to Members	AS

### JULY 2019

07/01/19	NCCSIF Joint Powers Authority – <b>40<sup>th</sup> ANNIVERSARY</b>	ALL
07/02/19	Send Program Invoices to James Marta & Company for payment	AS
07/05/19	Email Renewal Binders to Members including: GL, WC, Property, Crime <ul style="list-style-type: none"> <li>• GL (NCCSIF &amp; CJPRMA) - MOC, Dec Page &amp; Summary</li> <li>• WC (NCCSIF &amp; CSAC EIA) - MOC, Dec Page &amp; Summary</li> <li>• Property (APIP) - Summary of Insurance</li> <li>• Crime (ACIP) - Summary of Insurance</li> </ul> (Upload binders to AlliantConnect pending receipt of the Policy)	AS
07/10/19	Request Certificate of Insurance from Service Providers and Contractors: Bickmore, York, Marta	AS
07/10/19	Obtain LAIF Quarterly Report (6/30) from State Controller website	AS
07/10/19	Request Quarterly Financial Report (6/30) and Treasurer’s Report from James Marta	AS
07/16/19	Collect Q2 DE9 (6/30) from members	AS
07/25/19	PRMC Agenda for 8/1/19 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, BM

### AUGUST 2019

08/01/19	NCCSIF Financial Audit - begin preparation of documents	AS, JM, FA
08/01/19	<b>Police Risk Management Committee Meeting</b>	<b>PRM</b>
08/02/19	Send CSAC EIA 20/21 WC Renewal application to Members - due 09/06/19	AS
08/05/19	Finance Committee Meeting (determine need)	AS
08/06/19	Submit Q2 (6/30) DE9 reports to CJPRMA	AS
08/21/19	Begin Public Self-Insurer’s Annual Report on DIR OSIP website (need total employee count and payroll)	AS

### SEPTEMBER 2019

09/04/19	Investment Policy - review and update	JM
09/04/19	Financial Audit - review and update	JM
Mtg	Finance Committee Meeting ( <i>if needed</i> )	FC
Mtg	Review audit or DRAFT	FC
Mtg	Investment portfolio - review	FC



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Mtg	Investment policy - review	FC
09/06/19	CSAC EIA WC Renewal Application deadline from Members	AS
09/13/19	WC Payroll Audit due to CSAC EIA	AS
09/13/19	1 <sup>st</sup> Installment of Assessments - begin collecting as needed	JM
09/9-12/19	CAJPA 2019 Fall Conference - South Lake Tahoe, CA	
09/19/19	EC & Claims Committee Agendas for 09/26/19 meetings - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, York
09/26/19	EC & Claims Committee Meetings	EC
N/A	Status of CAJPA Accreditation (every 3 years: last accreditation 2018, next 2021)	EC
Mtg	Quarterly Investment Report (06/30) - submit for approval	EC
Mtg	Review financial audit or DRAFT	FC, EC
Mtg	Investment policy - review	FC, EC
Mtg	2020 Nominating Committee - select & nominate	EC
Mtg	2020 Officers - select & recommend to BOD	EC
Mtg	2020 EC Rotation Schedule - submit for approval	EC
Mtg	Preliminary 2020 Meeting Calendar - submit for approval and recommend to BOD	EC
Mtg	2019 GL Claims Auditor Proposal - submit for approval (GL odd years/WC even years)	EC
09/20/19	Compile and complete CSAC EIA Renewal Application on CSAC EIA website	AS

OCTOBER 2019		
10/01/19	Annual Report of Financial Transactions - deadline	JM
10/01/19	Public Self Insurer's Annual Report for JPA & Members - deadline to file	AS, York
N/A	Multi-County Agency Biennial Notice (Conflict of Interest Code) - deadline to FPPC on even years	AS
10/08/19	APIP Pre-Renewal - trending of Property Schedules	AS
10/15/19	File Controller's Report with the State of California	AS, JM
10/16/19	Collect Q3 DE9 (9/30) from members	AS
10/10/19	Obtain LAIF Quarterly Report (9/30) from State Controller website	AS
10/10/19	Request Quarterly Financial Report (9/30) and Treasurer's Report from James Marta	AS
10/17/19	RMC & BOD Agendas for 10/24/19 meeting - email to Board and Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS
TBD	WC Claims Audit - perform audit (GL odd years/WC even years)	CA
10/24/19	Risk Management Committee (Claims Analysis Focus) & BOARD (Finance Focus) Meetings 40 <sup>th</sup> ANNIVERSARY LUNCHEON	ALL
Mtg	Quarterly Investment Reports (06/30) - submit for approval	BD
Mtg	Quarterly Financial Report (06/30) - submit for approval	BD
Mtg	FY 18/19 Financial Audit - submit for approval	BD
Mtg	LAIF Report - submit for approval	BD
Mtg	Investment portfolio - review	FC, EC
Mtg	EC Rotation Schedule - submit for approval	BD



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<b>Mtg</b>	2020 Officers - submit for election	BD
<b>Mtg</b>	2020 Meeting Calendar - submit for approval	BD
<b>Mtg</b>	2020 Service Calendar - information	BD
<b>Mtg</b>	ALL Service Providers Performance Evaluation	BD
<b>Mtg</b>	Target Equity Presentation	BD
<b>Mtg</b>	Loss Analysis charts (as of 06/30)	RM
<b>Mtg</b>	Alliant Commission Disclosure Letter and Facts Retail vs. Wholesale Commissions	BD
10/31/19	PRMC Agenda for 11/07/19 meeting - email to Committee members and upload agenda packet to AlliantConnect and NCCSIF website	AS, BM

NOVEMBER 2019		
11/01/19	Service Provider Performance Evaluation - send to members -reviewed by BOD President (as needed)	AS
11/01/19	Prepare NCCSIF Annual Report	AS
11/07/19	Police Risk Management Committee Meeting	PRM
11/05/19	Submit Q3 (9/30) DE9 reports to CJPRMA	AS
11/18-22/19	CalPELRA 2019 Annual Conference - Monterey, CA	

DECEMBER 2018		
12/2/19	Mail out Christmas Cards to Members	AS
12/2/19	2 <sup>nd</sup> Installment of Assessments - begin collecting (as needed)	JM
12/13/19	Financial Audit – Confirm with Marta’s office the date they filed to State Controller’s office and members’ County Auditors	JM
12/20/19	Statement of Facts - Roster of Public Agencies - file with State and County	AS
12/20/19	Determine WCIRB Class Codes Rates from WCIRB.com (update Member Payroll Allocations spreadsheet)	AS

JANUARY 2020		
01/09/20	BOD Agenda for 01/16/19 meeting - email to Board members and upload agenda packet to AlliantConnect and NCCSIF website	AS
01/16/20	Long Range Planning and BOD Meeting (Long Range Planning as needed or every 3 years: last one 12/2017)	RM, BD
<b>Mtg</b>	Quarterly Investment Reports (09/30) - submit for approval	BD
<b>Mtg</b>	Quarterly Financial Report (as of 09/30) - submit for approval	BD
<b>Mtg</b>	CAJPA Final Accreditation report (every 3 years: last accreditation 2018, next 2021)	BD
<b>Mtg</b>	FY 19/20 Marketing Plan & Renewal Timeline - submit for approval	BD
<b>Mtg</b>	Liability Claims Administration Audit (GL odd years/WC even years) - submit for approval: Auditor makes presentation	BD



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
October 25, 2018

Agenda Item J.6.a.

**YORK RISK SERVICES WORKERS' COMPENSATION  
CLAIMS ADMINISTRATION - QUARTERLY REPORT**

**INFORMATION ITEM**

**ISSUE:** York has provided the attached Quarterly Report to update members on their recent activities and progress to date in meeting claims management benchmarks. The Report is one aspect of the attached Performance Plan that was agreed-upon with York as a result of feedback from the members.

**RECOMMENDATION:** Review and comment on report contents.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF's regular Service Provider Survey revealed concerns with the Workers' Compensation (WC) claims management provided by York. A subsequent survey and Board discussion regarding the WC claims administration led to a meeting with York and select Executive Committee members to agree on a Performance Plan to address member concerns. Part of that plan is a quarterly report that York will prepare for the Board to update members on progress in reaching the goals set out in the Plan.

**ATTACHMENT(S):** York Quarterly Report



**Workers' Compensation Updates for the Quarter:**

- File reviews conducted with City of Anderson, City of Galt, City of Elk Grove, City of Folsom, City of Marysville, City of Red Bluff, City of Rocklin, and City of Yuba City. If you would like a file review, please contact me (dorienne.zumwalt@yorkrsg.com).
- Workers' Compensation training available. Please contact Dori Zumwalt to schedule the training with your city.
- Trending reports with an overview of the last five fiscal years available upon request.
- 136 new claims received June-September with August 2018 setting a new record high of 45 claims received during the month! Next quarter goal is to attain 100% closing ratio.
- Rachelle Duesing out on medical leave. Valerie Kizer is temporarily covering her desk. Rachelle's return date is pending.

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<http://www.yorkrsg.com>



**Workers' Compensation Program Results:**

Item	Measurement	Jun-18	Jul-18	Aug-18	Sep-18
<b>Total Open Claims</b>		510	523	531	536
<b>1.</b>	<b>Closing Ratio</b>	118.5%	72.5%	80.9%	88.6%
<b>a. Cases Entered During the Period</b>					
i.	Medical Only	18	20	28	19
ii.	Indemnity	7	15	17	12
iv.	<b>Total opened</b>	25	35	45	31
<b>b. Cases Closed During the Period</b>					
i.	Medical Only	16	15	20	16
ii.	Indemnity	16	14	18	15
iv.	<b>Total closed</b>	32	29	38	31
<b>c. Reopened Claims</b>					
i.	Medical Only	-	-	-	-
ii.	Indemnity	2	5	2	4
iii.	<b>Total Reopened Claims</b>	2	5	2	4
iv.	<b>Reopened Claims as % of Open</b>	0.4%	1.0%	0.4%	0.7%
<b>2.</b>	<b>Conversions</b>				
a.	MO to Indemnity	2	1	5	6
b.	Indemnity to Future Medical	-	-	-	-
<b>3.</b>	<b>Open Claims Inventory</b>				
a.	Medical Only	45	49	54	52
b.	Indemnity	220	225	227	228
c.	Future Medical	245	247	250	255
d.	<b>Total</b>	510	521	531	535
e.	First Aid	-	2	-	1

YORK RISK SERVICES GROUP



**Workers' Compensation Program Results:**

Item	Measurement	Jun-18	Jul-18	Aug-18	Sep-18
<b>4.</b>	<b>Settlements/Closures in Period</b>				
a.	via Compromise & Release	5	1	2	1
b.	via Stipulated Awards	5	1	5	2
c.	<b>Avg. Incurred Value of Indemnity Closures</b>	\$41,466	\$41,547	\$36,384	\$13,023
<b>5.</b>	<b>Litigation</b>				
a.	Number of open litigated cases	240	242	243	242
b.	<b>Percentage of OPEN Litigation/ OPEN Indemnity</b>	52%	51%	51%	50%
c.	Newly Litigated Cases	7	4	6	2
d.	<b>Total Cumulative Litigated Cases</b>	1,739	1,743	1,749	1,751
e.	<b>Percentage of OPEN Litigation/ TOTAL Litigation</b>	14%	14%	14%	14%
f.	<b>Average incurred per litigated claim</b>	\$83,970	\$83,904	\$83,520	\$83,785
<b>6.</b>	<b>Late Reported Cases</b>				
a.	<b>New Claims reported &gt;5 days from DOI</b>	17	18	20	9
b.	<b>as % of total new reported claims</b>	68.0%	51.4%	44.4%	29.0%
<b>7.</b>	<b>Paid this Period</b>				
a.	Medical	\$228,001	\$299,884	\$236,740	\$134,467
b.	Indemnity	\$329,780	\$230,701	\$237,991	\$164,723
c.	Expense	\$97,974	\$83,877	\$95,487	\$95,669
d.	<b>Total</b>	\$655,756	\$614,462	\$570,219	\$394,859
	<b>Medical as % of total</b>	34.8%	48.8%	41.5%	34.1%
<b>8.</b>	<b>Medical Control</b>				
a.	Open Claims treating in MPN	288	302	306	308
b.	<b>Claims Treating in MPN as % of Total Open Claims</b>	56%	58%	58%	57%

YORK RISK SERVICES GROUP

**Goals and Objectives**

Focus	Measurement	Objective
Inventory Reduction	Files closed from Critical Listing *	2 per month
Settlements	Number of Settlements	5 per month
Salvage	Salvage as % of incurred on Closed Files	10% on prior incurred value
Temporary Disability	Average Duration of TD on active TD files	24 weeks of TD on current TD files
Litigation	Newly Litigated Files as % of Newly Opened files	20% of newly opened claim files
Reserve Development	Annualized development of reserves on files DOI > 1 year	10% Annual Development

\* Critical Listing claims have the following criteria:  
 Total Incurred > \$100k, and/or DOI prior to 1/1/2010, and/or Initially denied and currently litigated,  
 and/or Litigated with \$0 in indemnity reserves

<b>Performance vs Objectives</b>	7/31/2018	8/31/2018	9/30/2018
<b>Inventory Reduction</b>			
Claims Closed from Critical Listing	4	4	-
<b>Settlements</b>			
Compromise and Release	1	2	1
Stipulations	1	5	2
New Settlements in Period	2	7	3
<b>Salvage on Closures</b>			
Incurred Value of Closed Ind Files	\$581,656	\$654,920	\$195,342
Salvage on Closed Files	\$163,413	\$273,455	\$140,280
Salvage as % of Incurred Value	21.9%	29.5%	41.8%
<b>Average Duration of Active TD Files</b>			
Num of Claims Paying TD in Period	24	31	29
Average Duration of TD (weeks)	18.56	17.23	18.99
<b>Litigated Inventory</b>			
Newly Litigated Files	4	6	2
Open Litigated Files	242	243	242
Newly Litigated Files, 6 Months Rolling	30	33	29
Newly Opened Files, 6 Months Rolling	165	186	188
Newly Litigated as % of Newly Opened	18.2%	17.7%	15.4%



**WORKERS' COMPENSATION CLAIMS ADMINISTRATION  
PERFORMANCE PLAN FOLLOW-UP SURVEY RESULTS**

**ACTION ITEM**

**ISSUE:** At the June 2016 Board meeting, York Risk Services was placed on a Performance Improvement Plan (PIP) for their Management of Workers' Compensation Claims Administration. A follow-up survey was recently sent to the members to gauge the progress made to date by York.

Members are asked to review and discuss the survey results and provide direction or recommendations as needed. The Executive Committee reviewed the results at their last meeting and given the sustained improved results made a recommendation to relieve York from the Performance Improvement Plan while still requesting the quarterly updates that have been part of Yorks' reporting requirements.

**RECOMMENDATION:** Review and accept survey results and provide feedback as needed.

**FISCAL IMPACT:** TBD.

**BACKGROUND:** NCCSIF regularly surveys members regarding service provider performance and the Committee uses that feedback to make changes as needed when working with service providers or considering contract renewal terms. The results of NCCSIF's regular Service Provider Survey conducted in December 2015 revealed some concerns with York Risk Services Workers' Compensation Claims Management. A follow-up survey was conducted in May 2016 with additional questions to gather more feedback to address the comments received during the April 2016 Board meeting. As a result, York Risk Services and NCCSIF developed a Performance Plan to address members concerns.

A follow-up survey was sent to the members in March 2017 to gauge York's progress. The survey showed positive results though only 15 of the members responded and they may not represent the underlying concerns of some members. The Board's direction at the April 2017 Board meeting to send a follow-up survey in September 2017 where all members must respond in order to get feedback of the entire membership. The survey was repeated in September, 2018 to compare results.

**ATTACHMENT(S):** Follow-up Workers' Compensation Claims Administration Performance Plan Survey Results

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

**Survey Results as of 9/25/2018**

**Survey Results from 9/26/2017**

**Q1. Controls the claims management process well.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	57.14%	12
Good (Meets Expectations)	42.86%	9
Fair (Below Expectations)	0.00%	0
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
57.14%	12
38.10%	8
4.76%	1
0.00%	0
0.00%	1
<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),*

Response Date	Comments
1 Aug 21 2018 01:25 PM	Our regular meetings are very helpful.

**Q2. Have you had a claims review with York in the past year?**

Answer Choices	Response Percent	Response Count
Yes	77.27%	17
No	22.73%	5
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
72.73%	16
27.27%	6
<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),*

Response Date	Comments
1 Sep 10 2018 01:19 PM	This is by our choice. It has been offered.
2 Sep 10 2018 11:21 AM	We've had two claim review meetings and is scheduled for one more before the end of the year
3 Aug 21 2018 01:25 PM	Meeting with York regularly makes us a team and better able to manage claims
4 Aug 17 2018 10:07 AM	We need to schedule again now that we have been assigned a new adjuster.
5 Aug 17 2018 07:55 AM	Believe it has bee 13-14 months. Will be scheduling one soon.

**Q3. Are the reserves set on claims reasonable?**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	20.00%	4
Good (Meets Expectations)	80.00%	16
Fair (Below Expectations)	0.00%	0
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	2
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
10.00%	2
85.00%	17
5.00%	1
0.00%	0
0.00%	2
<b>Answered</b>	<b>22</b>

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

**Survey Results as of 9/25/2018**

**Survey Results from 9/26/2017**

**Q4. Submits timely written status reports.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	57.14%	12
Good (Meets Expectations)	38.10%	8
Fair (Below Expectations)	4.76%	1
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
57.14%	12
38.10%	8
4.76%	1
0.00%	0
0.00%	1
<b>Answered</b>	<b>22</b>

**Q5. Recommendations concerning claims settlement or denial are clear and generally accepted.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	52.38%	11
Good (Meets Expectations)	42.86%	9
Fair (Below Expectations)	4.76%	1
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
52.38%	11
42.86%	9
4.76%	1
0.00%	0
0.00%	1
<b>Answered</b>	<b>22</b>

**Q6. Maintains good contact and keeps member apprised on all important matters.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	47.62%	10
Good (Meets Expectations)	52.38%	11
Fair (Below Expectations)	0.00%	0
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
45.45%	10
40.91%	9
13.64%	3
0.00%	0
0.00%	0
<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),*

Response Date	Comments
1 Sep 07 2018 04:04 PM	We receive weekly telephone updates on open claims.

1

**Q7. Provides high quality advice and assistance.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	61.90%	13
Good (Meets Expectations)	33.33%	7
Fair (Below Expectations)	4.76%	1
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
47.62%	10
42.86%	9
9.52%	2
0.00%	0
0.00%	1
<b>Answered</b>	<b>22</b>

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

**Survey Results as of 9/25/2018**

**Survey Results from 9/26/2017**

**Q8. Communicates well both orally and in writing.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	57.14%	12
Good (Meets Expectations)	42.86%	9
Fair (Below Expectations)	0.00%	0
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
59.09%	13
36.36%	8
4.55%	1
0.00%	0
0.00%	0
<b>Answered</b>	<b>22</b>

**Q9. Accomplishes goals and objectives and also provides additional value.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	42.86%	9
Good (Meets Expectations)	52.38%	11
Fair (Below Expectations)	4.76%	1
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
25.00%	5
70.00%	14
5.00%	1
0.00%	0
0.00%	2
<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),*

Response Date	Comments
1 Sep 10 2018 11:31 AM	the goal is to get people back to work as soon as possible. Too many employees stay out for up to 1 year without progress toward returning to work.

**Q10. Provides feedback and suggestions for mitigating claims.**

Answer Choices	Response Percent	Response Count
Very Good (Above Expectations)	42.86%	9
Good (Meets Expectations)	47.62%	10
Fair (Below Expectations)	9.52%	2
Poor (Does Not Meet Expectations)	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1
<b>Answered</b>		<b>22</b>

Response Percent	Response Count
47.62%	10
42.86%	9
9.52%	2
0.00%	0
0.00%	1
<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),*

Response Date	Comments
1 Sep 10 2018 11:31 AM	How can we mitigate claims in a more timely manner. Letting these things run on and on seems to be a poor mitigation plan

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

**Survey Results as of 9/25/2018**

**Survey Results from 9/26/2017**

**Q11. Overall level of satisfaction.**

Answer Choices	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	52.38%	11	47.62%	10
Good (Meets Expectations)	42.86%	9	47.62%	10
Fair (Below Expectations)	4.76%	1	4.76%	1
Poor (Does Not Meet Expectations)	0.00%	0	0.00%	0
N/A (Don't have sufficient experience to evaluate)	0.00%	1	0.00%	1
	<b>Answered</b>	<b>22</b>	<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),* 2

Response Date	Comments
1 Sep 10 2018 01:19 PM	Much of what keeps this from being very good is the WC process in general, not specific deficiencies of York.
2 Sep 10 2018 11:31 AM	We would expect to move claims forward more quickly and efficiently.

**Q12. Should NCCSIF issue an RFP for Workers' Compensation TPA services in the near future?**

Answer Choices	Response Percent	Response Count	Response Percent	Response Count
Yes	22.73%	5	27.27%	6
No	77.27%	17	72.73%	16
	<b>Answered</b>	<b>22</b>	<b>Answered</b>	<b>22</b>

*Comment (please provide specific example where appropriate),* 8

Response Date	Comments
1 Sep 11 2018 11:02 AM	I don't have sufficient experience to evaluate
2 Sep 10 2018 11:31 AM	Issuing an RFP for this service is a responsible thing to do
3 Sep 10 2018 11:24 AM	Greatly appreciate the services provided by York and don't want to see it change.
4 Sep 07 2018 04:04 PM	We are very satisfied with York's service at this time.
5 Sep 06 2018 03:20 PM	I enjoy working with York and feel they are doing a good job.
6 Aug 31 2018 10:16 AM	just for market analysis purposes
7 Aug 21 2018 01:25 PM	Please do not make a change at this time.
8 Aug 17 2018 07:55 AM	City of Jackson is happy with York's performance, would like to continue working with them.

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

Survey Results as of 9/25/2018

Survey Results from 9/26/2017

**Q13. Who is your Workers' Compensation Claims Examiner?**

<b>Answered</b> <i>Response Date</i>	<b>Response Count</b> 22	<b>Answered</b>	<b>Response Count</b> 22
1 Sep 25 2018 09:09 AM		Catherin Clark	
2 Sep 11 2018 11:02 AM		Rachelle Duesing	
3 Sep 11 2018 08:27 AM		Kara Kennedy	
4 Sep 10 2018 01:19 PM		Cristal Rhea	
5 Sep 10 2018 11:31 AM		Catherine Clark and Rachelle Duesing	
6 Sep 10 2018 11:24 AM		At York Risk Services Group: Catherine Clark, Assoc. Claims Examiner. City of Corning: Lisa Linnet.	
7 Sep 10 2018 11:21 AM		Kara Kennedy	
8 Sep 10 2018 10:54 AM		Cristal Rhea Andrew Fredricksen Kristin Farley	
9 Sep 07 2018 05:12 PM		Kara Kennedy	
10 Sep 07 2018 04:04 PM		Rachelle Duesing	
11 Sep 06 2018 03:20 PM		Rachelle Duesing	
12 Aug 31 2018 10:16 AM		Rachelle Duesing	
13 Aug 30 2018 07:57 AM		Catherine Clark	
14 Aug 21 2018 01:25 PM		Kara Kennedy & Catherine Clark	
15 Aug 21 2018 07:56 AM		No response	
16 Aug 20 2018 03:08 PM		We have has several over the last few years.	
17 Aug 20 2018 10:28 AM		Jennifer Gorqen	
18 Aug 20 2018 09:54 AM		Catherine Clark	
19 Aug 17 2018 01:37 PM		Rachelle Duesing, she is amazing	
20 Aug 17 2018 10:07 AM		Catherine Clark	
21 Aug 17 2018 07:55 AM		Catherine Clark	
22 Aug 16 2018 04:29 PM		Rachelle Duesing	

**Q14. Please provide any comments on what York is doing well and/or needs to improve on?**

<b>Answered</b> <i>Response Date</i>	<b>Response Count</b> 22	<b>Answered</b>	<b>Response Count</b> 22
1 Sep 25 2018 09:09 AM		Everything seems to be working fine.	
2 Sep 11 2018 11:02 AM		I have only been in my current role with the City of Lincoln for 3 months and do not have the experience at this point to provide any valuable input.	
3 Sep 11 2018 08:27 AM		Kara and Dori have been great assets to our City.	

NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey

Survey Results as of 9/25/2018

Survey Results from 9/26/2017

- |                         |   |
|-------------------------|---|
| 4 Sep 10 2018 01:19 PM  | <p>The City of Willows appreciates that stability and consistency has been maintained by keeping Cristal as our claims rep. Also, Dori's periodic "checking in" with us is greatly appreciated.</p> <p>We do ask that, going forward, whenever a case is transferred away from Cristal , for any reason, that we be notified up front.</p>  |
| 5 Sep 10 2018 11:31 AM  | <p>York does a decent job with overall communication, but could improve on follow through in getting an employee back to work and off the WC system sooner. We currently have two employees that have been off work for over six months with no resolve and no real P &amp; S date. That's a little disconcerting.</p>  |
| 6 Sep 10 2018 11:24 AM  | <p>Working with York Risk Services has been a pleasure. They quickly respond to my questions and are always helpful. My only concern is the constant turn over in Claims Examiners, however they have all been great.</p>   |
| 7 Sep 10 2018 11:21 AM  | <p>York is doing well. Kara Kennedy's knowledge and expertise in Workers' Comp and customer service is exceptional. We collaborate quite often, sometimes more than once a day depending on the case. She's always kind and patient. On another topic is her business phone. It seems that York recently changed their phone system. There has been numerous occasions we were unable to talk due to technical phone difficulties. Hopefully, it's resolved soon! Thanks.</p> |
| 8 Sep 10 2018 10:54 AM  | <p>When we get an incorrect voucher, it takes over a week to get a corrected one. By that time, we have guessed what the correct amount is and paid payroll based on our estimate.</p>  |
| 9 Sep 07 2018 05:12 PM  | N/A   |
| 10 Sep 07 2018 04:04 PM | Keep up the good work!  |
| 11 Sep 06 2018 03:20 PM | I feel York in providing quality service and is responsive. I don't have any items that they would need to improve on at this time.   |
| 12 Aug 31 2018 10:16 AM | Very helpful, provide immediate responses and answers all questions concerning claims and any issues that arise   |
| 13 Aug 30 2018 07:57 AM | All is good.  |

**NCCSIF Workers' Compensation Claims Management Performance Plan Follow-up Survey**

**Survey Results as of 9/25/2018**

**Survey Results from 9/26/2017**

14 Aug 21 2018 01:25 PM	Our goal is to get employee injuries remedied and to mitigate costs. We all work well together to achieve this goal -- whether managing claims, reviewing stats to improve safety, and/or navigating legal issues -- we work as a team with York and our attorneys.
15 Aug 21 2018 07:56 AM	No Response
16 Aug 20 2018 03:08 PM	York usually responds in a timely manner to emails & phone calls.
17 Aug 20 2018 10:28 AM	I have had no problems with York or their staff. If I have a problem it is quickly resolved. Phone conference are used to communicate and discuss problems.
18 Aug 20 2018 09:54 AM	We feel that York has done a very good job for us. They are not perfect, but have been very proactive and worked well with the City to address any issues we may have.
19 Aug 17 2018 01:37 PM	All aspects of Workers Comp is good. I have zero complaints.
20 Aug 17 2018 10:07 AM	Communication is mostly through email and responses have been replied to quickly. Would like more follow-up when someone is on 4850 and how we can work with doctors quickly to get them back to light duty or full duty.
21 Aug 17 2018 07:55 AM	Responds in a timely manner, provides feedback and suggestions, listens to concerns and follows through regarding claim issues.
22 Aug 16 2018 04:29 PM	Whenever I have a question I receive timely, professional and specialized answers that meet our needs. Thank you!

**Q15. Would you like to speak to an Alliant Representative regarding the service you're receiving from York?**

Answer Choices	Response Percent	Response Count	Response Percent	Response Count
Yes	0.00%	0	4.55%	1
No	100.00%	22	95.45%	21
	<b>Answered</b>	<b>22</b>	<b>Answered</b>	<b>22</b>

If yes, please contact Marcus Beverly via email at [Marcus.Beverly@alliant.com](mailto:Marcus.Beverly@alliant.com) or by phone at 916-643-2704.



## SERVICE PROVIDERS CONTRACT RENEWAL STRATEGY

### INFORMATION ITEM

**ISSUE:** The Program Managers provide an update regarding the approved strategy for reviewing and recommending terms for the four major service provider contracts that expire on June 30, 2019. An overview of the current plan for the new terms of each contract is provided below:

- York Workers' Compensation – *Extend* for one-year. We have survey results and two different claim audits in the near future to evaluate their performance. We expect York to provide renewal terms for both contracts by the time of the Claims Committee meeting in March of 2019.
- York Liability – *Renew* existing Agreement for a two-year term. York will provide a flat pricing option instead of the time and expense pricing currently in place.
- Bickmore – *Draft a new contract* with a three-year term and two optional years. The Program Managers met with Bickmore to provide feedback and suggestions for revising the scope of work. These suggestions will be provided to the Risk Management Committee at their meeting on October 25, 2018.
- Alliant – *Draft a new contract* with a five-year term and two optional years. An internal review of the Service Plan and hours per colleague is under way, with the goal to be prepared to negotiate renewal terms prior to the December Board meeting.

It was previously decided that, given the number of contracts and the timing of the York pricing terms, it makes sense to stagger the negotiations and deal with the Alliant and Bickmore contracts first. The Executive Committee agreed and a Special Meeting is scheduled for November 19 to negotiate the Bickmore and Alliant Contracts. The York contracts will be reviewed and negotiated as part of the agenda for the March, 2019 Claims and Executive Committee meetings.

**RECOMMENDATION:** None. Information only.

**FISCAL IMPACT:** None

**BACKGROUND:** The Board approved the Committee's recommendations for extending the terms of the four contracts that expire on June 30, 2019. The Executive Committee recommended extending the current terms to stagger the renewal dates to better achieve long-term management of these service agreements, pending pricing negotiations and the results of a September survey updating member satisfaction with Workers' Compensation claims management.

**ATTACHMENT(S):** NCCSIF Schedule of Contracts Expiring June 30, 2019

NCCSIF SCHEDULE OF CONTRACTS

SERVICE PROVIDER	TYPE OF SERVICE	CURRENT DURATION	TERM & EXPIRATION	FEE IN FY 18/19	EC Recommendation at 5/17/2018 Meeting	Proposed Expiration Date	Proposed Committee Review
Alliant Insurance Services	Brokerage, Risk Management and Program Administration	5-Year with option for two additional one-year terms	7/1/2014 to 6/30/2019	\$309,576	extend 5 years with 2 optional one-year terms	6/30/2026	Prior to BOD on 12/13/18
Bickmore Risk Services	Safety & Risk Control	3-Year	7/1/2016 - 6/30/2019	\$176,720	extend 3 years with 2 optional one-year terms	6/30/2024	Prior to BOD on 12/13/18
York Risk Services	Claims Administration - Liability*	3-Year	7/1/2016 - 6/30/2019	Reg \$89.00 OT \$111.25 DT \$33.50 (Annual Fee \$20,900)	extend 2 years	6/30/2021	EC Meeting 3/14/19
York Risk Services	Claims Administration - WC	3-Year	7/1/2016 - 6/30/2019	2% increase to \$48,224/mo. (Annual Fee \$29,700)	extend 1 year with follow-up survey to occur in September 2018	6/30/2020	EC Meeting 3/14/19



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
October 25, 2018

Agenda Item J.8.

## ROUND TABLE DISCUSSION

### INFORMATION ITEM

**ISSUE:** The floor will be open to the Board for discussion.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** This is an opportunity for Board members to ask questions or raise issue on risk exposures common to the members.

**ATTACHMENT(S):** None.



## INFORMATION ITEMS

**ISSUE:** The following items are being presented as information for NCCSIF members.

**RECOMMENDATION:** None. This item is offered as information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** None

### ATTACHMENT(S):

1. CalPELRA 2018 Conference (December 3-7, 2018) in Monterey, CA
2. PARMA 2019 Conference (February 10-13, 2019) in Anaheim, CA
3. Glossary of Terms
4. NCCSIF Organizational Chart
5. NCCSIF 2018 Meeting Calendar
6. York Who's Who in Claims WC Contacts
7. York Who's Who in Claims Liability Contacts
8. NCCSIF Resource Contact Guide
9. NCCSIF Travel Mileage Reimbursement Form

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## Annual Training Conference: Together Toward Tomorrow

Join us at **#CALPELRA2018T<sup>3</sup>** as we launch toward tomorrow. Together we'll learn how to navigate accelerating change, successfully face complex and uncertain challenges, and create sustainable solutions.

CALPELRA's 43rd Annual Training Conference will be held the week of **December 3 - 7, 2018, in Monterey.** CALPELRA's Annual Conference Program Committee is already working to create another great Conference week.

### What's Included In Your Registration

Registration fees include: All Conference general and concurrent sessions; all networking events (including Tuesday, Wednesday, and Thursday night receptions; Wednesday and Thursday lunches; Wednesday, Thursday, and Friday breakfasts, coffee, and breaks). The Thursday night reception is held at the amazing **Monterey Bay Aquarium**, and includes a full dinner, casino, dancing, and exclusive, CALPELRA-only access to the Aquarium exhibits. (**Note:** Conference registration does **not** include registration for the Academy programs on December 3 and December 4; separate registration for those programs is required.)

### 2018 Conference Member Registration Rates

Register for CALPELRA's 2018 Annual Conference [here](#).

2018 Conference Member registration rates apply to 2018-2019 CALPELRA members.

- Register before July 1: **\$1,045**  
(payment received no later than July 31) *(includes 2018-2019 CALPELRA membership\*)*
- Already a 2018-2019 member? Register before July 1: **\$695**  
(payment received no later than July 31)
- Register on or before September 30: **\$782**  
(payment received no later than September 30)
- Register on or after October 1: **\$1,030**

\*Friends are not eligible for combined membership/Conference registration. Please see member definitions [here](#).

### 2018 Conference Non-Member Registration Rates

Register for CALPELRA's 2018 Annual Conference [here](#).

- Register before July 1: **\$1,045**  
(payment received no later than July 31) *(includes 2018-2019 CALPELRA membership\*)*
- Register on or before September 30: **\$1,060**  
(payment received no later than September 30)
- Register on or after October 1: **\$1,123**

\*Friends are not eligible for combined membership/Conference registration. Please see member definitions [here](#).

### Conference Guide/Conference Program

CALPELRA's free digital Conference guide is available now for your smart phone, tablet, or web browser. The Conference guide allows you to access the entire Conference program. Create your own personalized schedule of Conference sessions from your computer, and that schedule will appear on your smartphone and/or tablet. Create Conference to-do lists of the exhibitors and sponsors you want to visit at the Conference. Message other Conference participants from within the guide. Join in Conference-related conversations through the in-guide links to Twitter and Facebook. Access maps of the venue and area, evaluate sessions, and do much more through the guide.

Visit [this page](#) to find out how to download the 2018 Conference guide to your device. Learn how to use the 2018 Conference guide [here](#).

You can also view the Web browser version of the guide [here](#). The Web browser version of the guide does not include all the features or functionality as the app on your mobile device, but you can sign into Guidebook from the Web browser version and start creating your schedule, to-do list, etc., and those items will then be available to you when you sign into the app on your mobile device.



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9h

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Zone 7 Water Agency posted an opening - Human Resources Officer I, Zone 7 - on CALPELRA's Job Board.  
[#CAJobs #HRJobs](#)  
[bit.ly/JobBoardZone7W...](http://bit.ly/JobBoardZone7W...)



## Conference Session Handouts

CALPELRA provides speakers' handout materials on CALPELRA's Web site and on through the Conference guide before, during, and after the Annual Conference, along with audio recordings of the sessions, for all Conference registrants. To download the handouts and listen to the audio recordings, you must sign into CALPELRA's Web site with your user ID and password, provided to you in your e-mailed Conference registration confirmation.

## Registration Fees / Cancellations / Refund Policy / Restrictions

CALPELRA will **not** refund Annual Conference registration fees for cancellations. Registration fees paid may be applied to another CALPELRA event or activity held within one year of the Conference for which the individual was registered; all requests for transfer of registration fees must be made in writing within 10 calendar days of the last day of the Annual Conference for which the individual was registered.

**Please note:** Individuals employed by a union, a union-side law firm, or a union-side consulting firm that, in labor relations matters, exclusively represents unions and employees, may not register for CALPELRA's Annual Conference.

## Recommended Dress

Casual, comfortable clothing is encouraged. Please leave business attire behind. Jeans, sneakers, and sweaters are appropriate for this Conference.

## Venue Tour

Join Conference Program Committee members for a short walking tour of the Conference venues before the Welcome Reception begins on Tuesday. The tour will depart from AskMe sign just outside the Conference registration area.

## Exhibitors/Sponsors

Are you interested in participating in the Annual Conference as an exhibitor and/or sponsor? Please visit our [exhibitor/sponsor pages](#) or download our [2018 exhibitor/sponsor brochure](#) for complete details.

## Training Certification And Credits

- MCLE credit for California attorneys.
- SHRM certification for selected concurrent sessions.  
*CALPELRA is recognized by SHRM to offer Professional Development Credits (PDCs) for the SHRM-CP or SHRM-SCP.*
- HRCI certification for selected concurrent sessions.  
*CALPELRA is an approved HRCI provider. CALPELRA's programs have met HRCI's criteria to be pre-approved for recertification credit; CALPELRA's use of HRCI's name/seal does not constitute HRCI's endorsement of the quality of the program.*
- Conference sessions may be used toward IPMA-HR recertification.

## Guests

Family members, children, and/or guests are welcome to attend receptions. Tickets for the Wednesday and Thursday night receptions are *only* available through on-line registration, and *will not* be available on-site at the Conference. Tickets must be purchased by November 14, and tickets may only be purchased by paid Conference registrants.

As you plan your stay in Monterey this December, visit [See Monterey](#) for information about Monterey-area attractions and activities. And visit the [Monterey Peninsula dining guide](#) for information about Monterey's restaurants.

## Accessibility And Special Needs

This Conference is accessible to people with disabilities. Please let us know of any specific requests that would make your experience more comfortable. CALPELRA will do whatever it can to reasonably accommodate special dietary requests or other needs. If you wish to discuss reasonable accommodations, please contact CALPELRA before the Conference at 925-400-6320.

\*Friends are not eligible for combined membership/Conference registration. Please see member definitions [here](#).

**RISK**  
**THE**  
**AGENCY**  
**STRIKES BACK**  
**WAR**



**FEBRUARY 10 - 13, 2019**  
**DISNEYLAND® HOTEL • ANAHEIM, CA**

**45th Conference & Expo • Attendee Brochure**



# How to Register

## Three Ways to Register!

ONLINE:  
www.PARMA.com

MAIL TO:  
PARMA  
One Capitol Mall, Suite 800  
Sacramento, CA 95814

FACSIMILE:  
(916) 444-7462

## Registration Pricing

	MBR EARLY	MBR REGULAR	MBR ONSITE	NON MBR EARLY	NON MBR REGULAR	NON MBR ONSITE
Public Entity Registration - 1st Person	\$350.00	\$450.00	\$550.00	\$500.00*	\$600.00*	\$700.00*
Public Entity Registration - 2nd and Additional Registrations	\$320.00	\$420.00	\$520.00	\$380.00	\$480.00	\$580.00
Associate Registration	\$800.00	\$900.00	\$1,000.00	\$1,000.00	\$1,100.00	\$1,200.00
Sponsor Additional Registrants	\$425.00	\$425.00	\$525.00	\$425.00	\$425.00	\$525.00
Guest	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Exhibitor Registration ( <i>Additional Registrations After First Two Comps</i> )	\$425.00	\$425.00	\$525.00	\$425.00	\$425.00	\$525.00

### Attendee Pricing for Non-PARMA Members

\*Registration includes non-refundable membership through June 30, 2019 for public entities only. Only one person from each entity needs to register at the nonmember rate. All others from the same entity can use the additional member pricing above.

### Important Deadlines

12/3/2018 Early Bird Pricing End Date (register on or before this date)  
12/4/2018 Regular Pricing Start Date  
2/4/2019 Onsite Registration Fees Apply

### Refund Policy

Requests for refunds must be received in writing. Cancellations postmarked on or before December 3, 2018 will receive a full refund. Membership dues will not be refunded if registering as a nonmember. Cancellations postmarked after December 3, 2018 will be subject to a \$100 service charge. No reimbursement will be given after January 16, 2019 but substitutions will be accepted. Please allow 60 days after the close of the conference for refund processing.

No refunds on golf fees or membership dues.

If PARMA must cancel this conference for any reason, liability is limited to the registration fees paid only. PARMA is not responsible for any other expenses incurred, including travel and accommodation fees.

### Special Needs

If for any reason, you require assistance or special accommodations, please indicate so on the registration form. PARMA conference management will contact you to ensure proper accommodations are made.

When registering online, please check the appropriate box to indicate the requirement of vegetarian meals.

## PARMA Social Media Links

 Facebook page: <https://www.facebook.com/PublicAgencyRiskManagementAssociation/>

 LinkedIn: <https://www.linkedin.com/in/parma2762>

 Twitter: <https://twitter.com/PARMA2762>

PARMA 2019 Conference Hashtag: #PARMAConf2019

 Vimeo: <https://vimeo.com/parmavideos>

 Instagram: <https://www.instagram.com/parma2762/>

# Conference Location & Accommodations

## Conference Location

Disneyland® Hotel Conference Center  
1150 West Magic Way  
Anaheim, California 92802

## Hotel Reservations

Upon completion of and payment of your registration, you will receive a confirmation email with details on reserving a hotel room.

## Room Rates

Disney's Grand Californian Hotel® & Spa

\$254.00 / night

Disneyland® Hotel

\$194.00 / night

Disney's Paradise Pier® Hotel

\$174.00 / night

Prices do not include room fees and Taxes.

Cancellation Policy: 14 Days Prior to Arrival.

Final day to book hotel is January 16, 2019.

PARMA requires a one-night nonrefundable deposit.

## Parking

Self-parking \$10.00 / night    Valet parking \$22.00 / night



## Discounted Special Group Theme Park Tickets Available

You may purchase discount special group rate theme park tickets when making your hotel reservation by using the hotel link provided in your PARMA registration email confirmation. Theme park tickets must be purchased through the link before February 5, 2019 at 9:00pm.

You will not be able to purchase discounted theme park tickets after this date or onsite.

# Surprise Keynote Speaker



Our surprise presenter will show us how to maintain confidence under pressure. Confidence is the ground of effective action, constructive dialogue, and innovative solutions when stressful circumstances arise. Attendees of this session will learn how to stay connected to clients and colleagues when conflict arises.

Our surprise guest speaker has presented more than 2,500 times over the last 30 years to audiences that have included such dignitaries as Bill Gates, President Clinton, the Prime Minister of Canada and to hundreds of Fortune 500 companies. The speaker will address how to succeed in challenging circumstances and achieve best outcomes while navigating difficult conversations.

He attributes his success to years of practice with challenging circumstances and his experience consulting with both non-profits and private sector corporations.

## PARMA Social Media Links

 Facebook page: <https://www.facebook.com/PublicAgencyRiskManagementAssociation/>

 LinkedIn: <https://www.linkedin.com/in/parma2762>

 Twitter: <https://twitter.com/PARMA2762>

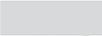
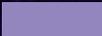
PARMA 2019 Conference Hashtag: #PARMAConf2019

 Vimeo: <https://vimeo.com/parmavideos>

 Instagram: <https://www.instagram.com/parma2762/>

# Conference at a Glance

## Session Color Codes

 General	 Risk Management	 Liability	 Insurance
 Wellness/Safety	 Workers' Compensation	 Leadership	

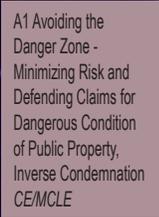
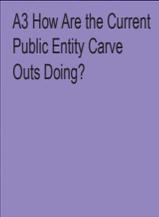
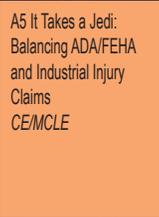
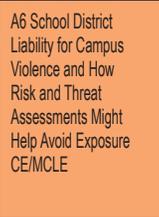
Sessions are color coded by their educational focus.

### Sunday, February 10, 2019

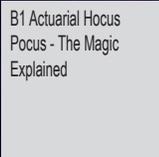
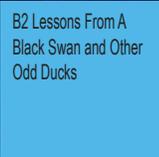
8:00 am - 1:00 pm	2019 PARMA Annual Golf Tournament (Separate Fee \$150.00)
1:00 pm - 6:00 pm	Conference Registration

### Monday, February 11, 2019

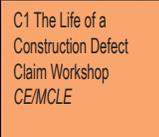
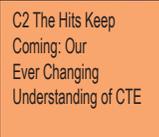
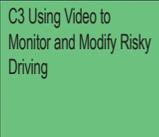
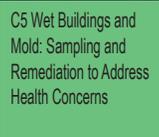
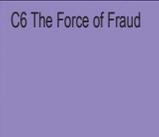
6:30 am - 7:15 am	Morning Walk
7:00 am - 5:00 pm	Conference Registration
7:00 am - 8:30 am	Chapter Officer Training
8:30 am - 10:00 am	Welcome Breakfast (Plated) and Surprise Keynote Speaker (Exhibit Hall to be Closed)
10:00 am - 5:00 pm	Exhibit Hall Open
10:00 am - 10:30 am	Networking Break and Dedicated Exhibit Time

10:30 am - Noon	 A1 Avoiding the Danger Zone - Minimizing Risk and Defending Claims for Dangerous Condition of Public Property, Inverse Condemnation CE/MCLE	 A2 Insurance 101 - "Am I Covered?" CE/MCLE	 A3 How Are the Current Public Entity Carve Outs Doing?	 A4 Spin the Wheel, Permanent Disability Edition!!!	 A5 It Takes a Jedi: Balancing ADA/FEHA and Industrial Injury Claims CE/MCLE	 A6 School District Liability for Campus Violence and How Risk and Threat Assessments Might Help Avoid Exposure CE/MCLE
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12:00 pm - 1:15 pm	Lunch, PARMA Annual Membership Meeting and Sponsor Appreciation
1:15 pm - 1:45 pm	Dessert in the Exhibit Hall

2:00 pm - 3:15 pm	 B1 Actuarial Hocus Pocus - The Magic Explained	 B2 Lessons From A Black Swan and Other Odd Ducks	 B3 What Happens When The Service Dog Eats The Comfort Hamster: Managing Mental Illness In The Workplace CE/MCLE	 B4 Pulling at the Heart Strings of Safety - Making the Emotional Connection	 B5 Let's Talk About Sexual Harassment CE/MCLE	 B6 Best Practices for Vacant Building Protection
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3:15 pm - 3:45 pm	Networking Break and Dedicated Exhibit Time
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4:00 pm - 4:45 pm	 C1 The Life of a Construction Defect Claim Workshop CE/MCLE	 C2 The Hits Keep Coming: Our Ever Changing Understanding of CTE	 C3 Using Video to Monitor and Modify Risky Driving	 C4 The Evolution of Vocational Rehabilitation Experts in Workers Compensation Claims	 C5 Wet Buildings and Mold: Sampling and Remediation to Address Health Concerns	 C6 The Force of Fraud
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9:00 pm - 11:00 pm	Star Wars Launch Bay – Risk Wars: The Agency Strikes Back Reception - At Disneyland® Theme Park.
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### Tuesday, February 12, 2019

6:30 am - 7:15 am	Morning Walk
7:30 am - 8:30 am	Breakfast, Please Sit with Your Chapter Affiliate
8:00 am - 5:00 pm	Conference Registration
8:00 am - 2:00 pm	Exhibit Hall Open

# Conference at a Glance

## Tuesday, February 12, 2019 continued

8:30 am - 10:00 am	D1 Complexity	D2 The Art of Non-Submission	D3 Out Front Ideas Live: Biggest Risk Management Challenges Facing Public Entity Employers	D4 Cal/OSHA, Surviving an Inspection CE/MCLE	D5 The ABCs of Cyber - Assessing Vulnerabilities, Balanced Responses and Coverage Pitfalls CE/MCLE	D6 Gimme Shelter: The Homeless Dilemma for Cities
10:00 am - 10:30 am	Networking Break and Dedicated Exhibit Time					
10:45 am - 12:15 pm	E1 Early Resolution ~ Sorry InWorks	E2 Workers' Comp Bingo 2019	E3 Contractual Risk Transfer Overview	E4 Cal/OSHA, Top Citations and Why They Stick CE/MCLE	E5 Student Rights, Safety and Responsibilities CE/MCLE	E6 Collaboration Workshop: Mining the Experience of Your Peers to Solve Real Problems
12:15 pm - 1:45 pm	Lunch in the Exhibit Hall and Exhibitor Prize Drawings					
2:00 pm - 3:15 pm	F1 How FEMA Grants and Property Insurance Can Maximize Recovery for the Public Agency	F2 Defending A Public Entity Case At Trial - Analyzing Trial Issues and Explaining The Trial Process Step-by-Step	F3 Contractual Risk Transfer Indemnity & Additional Insured Issues	F4 Settlement and Closure of Safety Officer Claims - Analysis and Solutions	F5 The Education Code v. Workers Compensation CE/MCLE	F6 Natural Disasters and Risk Management
3:15 pm - 3:30 pm	Refreshment Break					
3:30 pm - 4:45 pm	G1 Advanced Technology - Levels of Autonomous Vehicles and Collision Avoidance	G2 Going Cold Turkey: Opioids, Prop 215 and Other Drugs - Strategies to Manage and Minimize Abuse	G3 Contractual Risk Transfer Hot Button Issues	G4 Active Shooter and Workplace Violence on Campus - Preparedness, Response and Recovery	G5 The Benefits of Structured Settlements - (Are They Still Relevant as a Negotiation Tool?)	G6 Winning a Public Agency's Risk Culture War: ISO 31000 Strikes Back!
6:30 pm - 7:30 pm	PARMA Reception					

## Wednesday, February 13, 2019

6:30 am - 7:15 am	Morning Walk					
8:00 am - 8:45 am	Continental Breakfast					
9:00 am - 10:00 am	H1 Schools Interchange	H2 Psychiatric and Stress Claims How Not To Go Crazy Just Because Your Employee Did	H3 Third-party Negligence, Subrogation, and Workers Compensation	H4 Accident Reconstruction - How Can it Help You? CE/MCLE	H5 From Start to Finish: Implementing Effective Workplace Wellness Programs Citywide	
10:00 am - 10:15 am	Refreshment Break					
10:15 am - 11:30 am	Ed Rush, Closing Speaker					

## Top Gun Success and Fighter Pilot Precision for Risk Management



In this fast-paced, energetic presentation, former F-18 Top Gun pilot Ed Rush will show you how to get more done in less time, and with less waste.

With principles learned in his 13-year Marine Corps career, Ed will demonstrate the 3 keys to speed and success as a leader.

In fact, Ed will show you how he went from failing Kindergarten to flying \$40 Million-

dollar supersonic fighters in combat. The principles come from "in the trenches" experience and will be carefully tailored to your community.

Ed will demonstrate the principles for getting more done in less time with less waste, thereby increasing productivity and decreasing error.

He will also show the secrets to seamless, effective communication. Drawn from his fighter pilot career and extensive business experience, this principle alone will dramatically increase your communication skills and effectiveness.

In final, he will show your team & leadership the 3 keys to success and how to implement them to experience more speed & fulfillment in their work.

# Registration Form

2019 PARMA Conference - February 11-13  
Disneyland Hotel, Anaheim, CA

## Registrant Information

Company/Public Entity \_\_\_\_\_

Main Contact \_\_\_\_\_

Contact Address \_\_\_\_\_

City / State / Zip \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

Email \_\_\_\_\_

## Three Ways to Register!

**ONLINE:**  
www.PARMA.com

**MAIL TO:**  
PARMA  
One Capitol Mall  
Suite 800  
Sacramento, CA, 95814

**FACSIMILE:**  
(916) 444-7462

## Hotel Reservations

Upon completion of and payment of your registration you will receive a confirmation email with details on reserving a hotel room.

## Important Deadlines

12/3/2018 Early Bird Pricing Last Date  
12/4/2018 Regular Pricing Start Date  
2/4/2019 Onsite Registration Only

## Attendee Pricing for Non-PARMA Members

\*Registration includes a one-year, non-refundable membership to PARMA.

**Only one person from each company needs to register at the nonmember rate.**

All others from the same company/entity can use the additional member pricing.

Check here to opt-out of the PARMA membership.

## Registration Pricing

	MEMBER EARLY	MEMBER REGULAR	NON MBR EARLY*	NON MBR REGULAR*
Public Entity (1st Person)	\$350.00	\$450.00	\$500.00	\$600.00
Public Entity (2nd and Further Registrations)	\$320.00	\$420.00	\$380.00	\$480.00
Associate Registration	\$800.00	\$900.00	\$1,000.00	\$1,100.00
Sponsor Additional Registrants	\$425.00	\$425.00	\$425.00	\$425.00
Guest	\$350.00	\$350.00	\$350.00	\$350.00
Exhibitor Registration (Additional Registrations After First Two Comps)	\$425.00	\$425.00	\$425.00	\$425.00

## Attendees

Type (see chart above)	Fee (see chart above)	Name	Email
<b>Total \$</b>	Upon completion of and payment of your registration you will receive a confirmation email with details on reserving a hotel room.		

## Payment Information

Credit Card     Check (Check Number \_\_\_\_\_)

Credit Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_ Security Code \_\_\_\_\_ Billing Address (include postal code) \_\_\_\_\_

Name on Card \_\_\_\_\_ Signature \_\_\_\_\_

## Refund Policy

Requests for refunds must be received in writing. Cancellations postmarked on or before December 5, 2018, will receive a full refund. Membership dues will not be refunded if registering as a nonmember. Cancellations postmarked after December 5, 2018, will be subject to a \$100 service charge. No reimbursement will be given after January 16, 2019 but substitutions will be accepted. Please allow 60 days after the close of the conference for refund processing.

## Special Needs? Diet Restrictions? Let us know:

\_\_\_\_\_

\_\_\_\_\_

# GLOSSARY OF TERMS

Term	Definition
4850	Labor Code Section 4850 provide a special benefit for certain public employees who are essentially in safety and law enforcement positions.
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
<b>ACV</b> (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it.
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party --the insurer. The other party the insured does not take part in the preparation of the contract).
<b>ATD</b> (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route.
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would "drop down" and pay losses within the JPIA's SIR, or pooled layer.
<b>AME</b> (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties.
<b>ACIP</b> (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
<b>APIP</b> (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities.
<b>ADA</b> (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669- 4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
<b>AIS</b> (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance.
<b>AGRIP</b> (Association of Governmental Risk Pools)	A national organization of JPA's and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA

## GLOSSARY OF TERMS

<b>ALCM</b> (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
<b>ARM</b> (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss.
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages.
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better.
<b>BOD/BD</b> (Board of Directors)	Body of elected or appointed members who jointly oversee the activities of a company or organization.
<b>BI</b> (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
<b>CAJPA</b> (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.
<b>CIPRA</b> (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
<b>CJPRMA</b> (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to NCCSIF's Liability Program
<b>CSAC</b> (California State Association of Governments)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
<b>CSAC-EIA</b> (California State Association of Governments - Excess Insurance Authority)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures.  CSAC-EIA provides excess coverage to NCCSIF's workers' compensation pool.
<b>CalTIP</b> (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987.
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members.
<b>CIC</b> (Certified Insurance Counselor)	An insurance agent professional certification designation

## GLOSSARY OF TERMS

<b>CIH</b> (Certified Industrial Hygienist)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them.
<b>CPCU</b> (Chartered Property Casualty Underwriter)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another.
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
<b>C&amp;R</b> (Compromise and Release)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	An insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	Describe the responsibilities and the obligations of both the insured and the insurance company.
<b>CL</b> (Confidence Level)	An estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL.
Contract	A legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration.
Contract of Utmost Good Faith	As the insurance company relies on the truthfulness and integrity of the applicant when issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims.
<b>CSP</b> (Certified Safety Professional)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	Contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action

## GLOSSARY OF TERMS

Definitions	Clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
<b>DIC</b> (Difference In Conditions)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.
<b>D&amp;O</b> (Directors and Officers)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
<b>DOL</b> (Date of Loss)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
<b>EQ</b> (Earthquake)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
<b>EPL</b> (Employment Practices Liability)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.
Endorsement	Any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
<b>E&amp;O</b> (Errors and Omissions Insurance)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the "misfeasance, malfeasance or non-feasance" of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	Describe the losses for which the insured is not covered
<b>EC</b> (Executive Committee)	Committee within that organization which has the authority to make decisions and ensures that these decisions are carried out.

## GLOSSARY OF TERMS

Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL).
Exposure	A condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage).
<b>FASB</b> (Financial Accounting Standards Board)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission.
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.
<b>GAAP</b> (Generally Accepted Accounting Principles)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
<b>GASB</b> (Governmental Accounting Standards Board)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non- governmental organization.
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).
Hazard	Anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard).
<b>HIPAA</b> (Health Insurance Portability and Accountability Act)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and
<b>IBNR</b> (Incurred But Not Reported)	It is that part of the total claims that is unknown at any point in time. At any time, NCCSIF has claims that have not been reported or recognized by NCCSIF or has claims recognized by NCCSIF but without knowledge of the cost when such claim is finally closed. NCCSIF uses an actuary to project the costs of these unknown liabilities to NCCSIF - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or NCCSIF and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
<b>IIPP</b> (Injury Illness Prevention Program)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	Before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	A contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
<b>IRIC</b> (Insurance Requirements in Contracts)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.

## GLOSSARY OF TERMS

<b>ISO</b> (Insurance Services Office, Inc.)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	State in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.
Limit	The most that will be paid in a loss
<b>LRP</b> (Long Range Planning)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short- term (operational or tactical plans) for achieving interim goals.
<b>LAE</b> (Loss Adjustment Expense)	Administrative expense to manage a claim to conclusion - Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees - Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values.
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
<b>MMI</b> (Maximum Medical Improvement)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
<b>MOC</b> (Memorandum of Coverage)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	A person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new).
Morale Hazard	An individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs).
Mutual interest company	The insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

## GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	A total contribution for losses less excess insurance costs
Non Vacant land	Refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches).
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation.
Occurrence	A) In order for NCCSIF to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in.
Peril	Cause of a loss
<b>P&amp;S</b> (Permanent and Stationary)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
<b>PD</b> (Permanent Disability)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached.
<b>PPE</b> (Personal Protective Equipment)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.
Physical Hazard	A hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps).
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. NCCSIF's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance.
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised.
Principle of Indemnity	When a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less.
Property Insurance	This covers the member for damage to its own property, sometimes called first- party coverage.
<b>PARMA</b> (Public Agency Risk Managers Association)	A statewide association for risk managers in the public sector. Educational and lobbying activities.

## GLOSSARY OF TERMS

<b>PRIMA</b> (Public Risk Management Association)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.
Pure Risk	Involves only the possibility of loss
<b>QME</b> (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal.
<b>RC</b> (Replacement Cost)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, NCCSIF estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, NCCSIF collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	The chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
<b>RIMS</b> (Risk and Insurance Management Society)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
<b>SIR</b> (Self-Insured Retention)	The maximum amount of exposure to a single loss retained by NCCSIF

## GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	Risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	The greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	Sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages.
<b>TD</b> (Temporary Disability Benefits)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering.
<b>TPA</b> (Third Party Administrator)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits.
<b>TIV</b> (Total Insured Values)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.
<b>TRIA</b> (Terrorism Risk Insurance Act)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal “backstop” for insurance claims related to acts of terrorism.
Vacant land	Refers to land that is unoccupied and unused, and/or has no structures on it.
<b>VIN</b> (Vehicle Identification Number)	Unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833.

## NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

### 2018 Organizational Chart

Updated as of 10/11/18

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	<b>EC / CC</b> Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN	Cristina Shafer	<i>Vacant</i>	Shari Harris	Interim Chief Victor Pecoraro
City of COLUSA	Toni Benson	<i>Vacant</i>	Toni Benson	Chief Josh Fitch
City of CORNING	<b>EC</b> Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	Rachel Ancheta	Kim Stalie	Rachel Ancheta	Chief Robert Thompson
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey Julie Rucker - Alternate Rep.	Lieutenant Jeff Scott
City of FOLSOM	Jim Francis	Kristine Haile	Kristine Haile	<i>Vacant</i>
City of GALT	Cora Hall	Eugene Palazzo	Cora Hall	Chief Tod Sockman
City of GRIDLEY	<b>EC</b> Juan Solis	Elisa Arteaga	Juan Solis	Chief Dean Price
City of IONE	Jon Hanken	Lori McGraw	Jon Hanken	Chief Tracy Busby
City of JACKSON	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Chief Scott Morrison
City of LINCOLN	<i>Vacant</i>	Ruthann Codina	<i>Vacant</i>	Chief Doug Lee
City of MARYSVILLE	Joyce Starosciak	Jennifer Styczynski	Joyce Starosciak	Chief Chris Sachs
City of NEVADA CITY	Loree' McCay	Catrina Olson	Loree' McCay	<i>Vacant</i>
City of OROVILLE	<b>VP / EC / CC</b> Liz Ehrenstrom (Vice-Chair)	<i>Vacant</i>	Liz Ehrenstrom (Chair)	Lt. Chris Nicodemus
Town of PARADISE	<b>EC / CC</b> Gina Will	Crystal Peters	Crystal Peters	Chief Eric Reinbold
City of PLACERVILLE	<b>P / EC / CC</b> Dave Warren (Chair)	Cleve Morris	Dave Warren	Chief James Ortega
City of RED BLUFF	<b>EC</b> Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Vice-Chair)
City of RIO VISTA	<i>Vacant</i>	Robert Hickey	<i>Vacant</i>	Chief Dan Dailey
City of ROCKLIN	Kimberly Sarkovich	Andrew Schiltz, CPA	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS	<b>T / EC / CC</b> Tim Sailsbery, CPA	<i>Vacant</i>	Wayne Peabody	N/A
City of YUBA CITY	Natalie Springer	Robin Bertagna, CPA	Sheleen Loza	Chief Robert Landon

OFFICERS		
		Term of Office
<b>President (P)</b>	Dave Warren	1/1/2017 - 12/31/2018
<b>Vice President (VP)</b>	Liz Ehrenstrom	1/1/2018 - 12/31/2019
<b>Treasurer (T)</b>	Tim Sailsbery	1/1/2018 - 12/31/2018
<b>Secretary (S)</b>	<i>Vacant</i>	1/1/2018 - 12/31/2019
<b>CJPRMA Board Representative</b>	<i>Vacant</i>	indefinite/as-needed

**Executive Committee (EC)** - membership on the EC rotates annually based on a rotation schedule and each member serves for a two-year term, with the President serving as Chair of the Committee.

**Claims Committee (CC)** - members of the CC are annually selected by the EC. CC is traditionally made up of at least five members of the EC, with the Vice President serving as Chair of the Committee.

PROGRAM ADMINISTRATORS (Alliant Insurance Services)
Marcus Beverly
Michael Simmons
Raychelle Maranan

CLAIMS ADMINISTRATORS (York Risk Services)
Dorienne Zumwalt
Cameron Dewey (Liability)
Steven Scott (Workers' Comp)

RISK CONTROL CONSULTANTS (Bickmore)
Gail Zeigler
Tom Kline
Enriqueta (Henri) Castro

ADVISORS
Byrne Conley (Board Counsel)
James Marta, CPA (Accounting)
Alana Theiss, CPA (Accounting)



**2018 MEETING CALENDAR**

- Thursday, February 1, 2018 ..... **Police Risk Management Committee** at 10:00 a.m.
  
- Thursday, March 22, 2018 ..... *Executive Committee* at 10:00 a.m.  
**Claims Committee** at 11:30 a.m.
  
- Thursday, April 26, 2018 ..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12 noon
  
- Wednesday, May 2, 2018 ..... **Police Risk Management Committee** - 10:00 a.m.
  
- Thursday, May 17, 2018 ..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.
  
- Thursday, June 14, 2018 ..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12 noon
  
- Thursday, August 2, 2018 ..... **Police Risk Management Committee** at 10:00 a.m.
  
- Thursday, September 27, 2018 ..... **Claims Committee** at 10:00 a.m.  
*Executive Committee* at 11:30 a.m.
  
- Thursday, October 25, 2018 ..... **Risk Management Committee** at 10:00 a.m.  
**Board of Directors** at 12:30 p.m.
  
- Thursday, November 1, 2018 ..... **Police Risk Management Committee** at 10:00 a.m.
  
- Thursday, November 19, 2018 ..... *Executive Committee Special* at 10:00 a.m.
  
- Thursday, December 13, 2018 ..... **Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room (except February - Ballroom)  
 2650 Sunset Boulevard, Rocklin, CA 95677

Note: *Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.*



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## NCCSIF RESOURCE CONTACT GUIDE

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<p><b>SUBJECT</b></p>		<p><b>MAIN CONTACT</b></p>
<p><b>JPA MANAGEMENT ISSUES</b></p> <ul style="list-style-type: none"> <li>➤ <b>Governance</b> - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants.</li> <li>➤ <b>Coverage</b> - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development.</li> <li>➤ <b>Risk Management</b> - Insurance Requirements in Contracts (IRIC), third party contract review, hold harmless and indemnification clauses, risk management program planning, RFPs for JPA payment approval of budgeted funds.</li> </ul>		<p><b>Marcus Beverly</b>                  Michael Simmons                  Raychelle Maranan</p>
<p><b>JPA ADMINISTRATIVE ISSUES</b></p> <ul style="list-style-type: none"> <li>➤ <b>Meetings &amp; Compliance</b> - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies &amp; procedures, JPA state compliance, Form 700, changes in Board members, website updates.</li> <li>➤ <b>Certificates</b> - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs.</li> </ul>		<p><b>Raychelle Maranan</b>                  Michelle Minnick                  Marcus Beverly</p>
<p style="text-align: center;"><u>ACCOUNTING SERVICES</u>  <b>James Marta &amp; Company CPAs</b>                  701 Howe Avenue, Suite E3, Sacramento, CA 95825                  Main: (916) 993-9494 · Fax: (916) 993-9489  <a href="http://www.jpmpca.com">www.jpmpca.com</a></p> <p><b>Jim Marta, CPA</b> - <a href="mailto:jmarta@jpmpca.com">jmarta@jpmpca.com</a>  <b>Alana Theiss, CPA</b> - <a href="mailto:atheiss@jpmpca.com">atheiss@jpmpca.com</a> - ext. 12</p>	<p style="text-align: center;"><u>SAFETY &amp; RISK CONTROL SERVICES</u>  <b>Bickmore</b>                  1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833                  Main: (800) 541-4591 Fax: (855) 242-8919  <a href="http://www.bickmore.net">www.bickmore.net</a></p> <p><b>Gail Zeigler</b> - <a href="mailto:gzeigler@bickmore.net">gzeigler@bickmore.net</a> - (916) 244-1108  <b>Tom Kline</b> - <a href="mailto:tkline@bickmore.net">tkline@bickmore.net</a> - (916) 244-1121</p>	
<p style="text-align: center;"><u>CLAIMS ADMINISTRATION</u>  <b>York Risk Services Group, Inc.</b>                  P.O. Box 619079, Roseville, CA 95661-9058                  Main: (916) 783-0100 · Fax (866) 548-2637  <a href="http://www.yorkrsg.com">www.yorkrsg.com</a></p> <p style="text-align: center;"><b>CLAIMS LIABILITY CONTACTS</b>                  Report Claims to: <a href="mailto:NCalYorkLiabilityClaims@yorkrsg.com">NCalYorkLiabilityClaims@yorkrsg.com</a></p>	<p style="text-align: center;"><u>EMPLOYEE ASSISTANCE PROGRAM</u>  <b>ACI Specialty Benefits Corporation</b>                  6480 Weathers Place, Suite 300                  San Diego, CA 92121                  Main: (800) 932-0034 · Fax: (858) 452-7819  <a href="http://www.acispecialtybenefits.com">www.acispecialtybenefits.com</a>                  Colleen Shuster, Account Manager  <a href="mailto:cshuster@acispecialtybenefits.com">cshuster@acispecialtybenefits.com</a> (858) 529-0171 Direct</p>	

# Northern California Cities Self Insurance Fund

## Travel Reimbursement Expense Form

Member Representative: \_\_\_\_\_

Entity: \_\_\_\_\_

Payee Address: \_\_\_\_\_

Meeting or Committee: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Location of Meeting: \_\_\_\_\_

Total Mileage: \_\_\_\_\_

Payment Made to: 


 \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_