



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

**NCCSIF  
 BOARD OF DIRECTORS  
 MEETING**

**Vice President**  
 Mr. Russell Hildebrand  
 City of Rocklin

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

**Secretary**  
 Ms. Gina Will  
 Town of Paradise

**Date:** Thursday, April 24, 2014  
**Time:** 11:00 a.m.

**A – Action**  
**I – Information**

**Location:** Lincoln City Hall (Third Floor Conference Room)  
 600 Sixth Street  
 Lincoln, CA  
 (530) 894-6699

**1 – Attached**  
**2 – Hand Out**  
**3 – Separate Cover**  
**4 – Verbal**  
**5 – Previously Mailed**

**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.*

**AGENDA**

**A. CALL TO ORDER**

**B. 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.*

**C. APPROVAL OF AGENDA AS POSTED**

**A 1**

pg. 01 **D. 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. 02 1. Training Day/Board of Directors Meeting Minutes – December 12, 2013

pg. 10 2. Check Register at March 31, 2014

3. Investment Report

pg. 12 a. Treasurer’s Report as of December 31, 2014

pg. 13 b. Chandler Asset management Short/Long Term – March 2014

pg. 21 c. LAIF Report as of March 31, 2014

pg. 22 4. Utilization Report for Safety Grant Funds as of February 28, 2014



pg. 25	<b>E. MINUTES AND COMMITTEE REPORTS</b>	<b>I</b>	<b>1</b>
pg. 26	Executive Committee Meeting Minutes – March 13, 2014 (Draft)		
pg. 33	Executive Committee Meeting Minutes – April 10, 2014 (Draft)		
pg. 39	Risk Management Committee Meeting Minutes – January 16, 2014 (Draft)		
	<b>F. ADMINISTRATION REPORTS</b>	<b>I</b>	
	1. <b>President’s Report</b>		<b>4</b>
	<i>Liz Ehrenstrom will address the Board on items pertaining to NCCSIF.</i>		
	2. <b>Program Administrator’s Report</b>		<b>4</b>
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>		
pg. 43	3. <b>Executive Committee Reportable Actions</b>		<b>1</b>
	<i>The Board will receive an update of the actions taken at the March 13 and April 10, 2014 Executive Committee meetings.</i>		
	<b>G. FINANCIAL REPORTS</b>		
Time Certain 11:30 a.m. pg. 44	1. <b>NCCSIF Investment Portfolio Review</b>	<b>I</b>	<b>1</b>
	<i>Mr. Ted Piorkowski will provide the Board with a presentation on the current economic overview and NCCSIF’s Investment Portfolio.</i>		
Time Certain 12:15 p.m. pg. 87 pg. 94	2. <b>FY 2014/15 Actuarial Studies</b>	<b>A</b>	<b>2</b>
	a. <i>The Committee will be asked to review and approve the Draft 2014/15 Actuarial Study for the Workers’ Compensation program.</i>		
	b. <i>The Committee will be asked to review and approve the Draft 2014/15 Actuarial Study for the Liability program.</i>		
pg. 101	3. <b>Quarterly Financial Report for Period Ending December 31, 2013</b>	<b>A</b>	<b>1</b>
	<i>James Marta Company will review the quarterly financial report ending December 31, 2013 and the Board should take action to Receive and File or give direction as necessary.</i>		
pg. 120	4. <b>NCCSIF Budget to Actual Report as of December 31, 2013</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update of the Budget to Actual Report as of December 31, 2013 to be received and filed.</i>		
	<b>H. JPA BUSINESS</b>		
pg. 126	1. <b>Distribution of CJPRMA Refund</b>	<b>A</b>	<b>1</b>
	<i>The Committee will be asked to review and approve the Distribution of the CJPRMA Refund to be applied to the Liability Program as a credit.</i>		



	<b>2. Review and Approval of the 2013/14 Banking Plan Adjustment Calculation Sheets</b>	<b>A</b>	<b>1</b>
pg. 127	<i>a. The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Workers' Compensation program.</i>		
pg. 132	<i>b. The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Liability program.</i>		
	<b>3. Review and Approval of the 2013/14 Shared Risk layer Plan Fund Adjustments</b>	<b>A</b>	<b>1</b>
pg. 135	<i>a. The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Workers' Compensation program.</i>		
pg. 142	<i>b. The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Liability program.</i>		
pg. 144	<b>4. Preliminary 2014/15 NCCSIF Budget</b> <i>The Committee will be asked to review and approve the preliminary 2014/15 NCCSIF Budget.</i>	<b>A</b>	<b>1</b>
	<b>5. Preliminary 2014/15 Deposit Calculations – Ms. Marilyn Kelley will provide the Board with a presentation on NCCSIF's Rating Mechanisms.</b>	<b>I</b>	<b>1</b>
pg. 147	<i>a. The Committee will be asked to review the Preliminary 2014/15 Deposit Premium Calculations for the Workers' Compensation program.</i>	<b>A</b>	
pg. 157	<i>b. The Committee will be asked to review the Preliminary 2014/15 Deposit Premium Calculations for the Liability program.</i>	<b>A</b>	
pg. 168	<b>6. 2014/15 Property Renewal Update</b> <i>The Committee will receive an update on the 2014/15 Property Premiums.</i>	<b>I</b>	<b>1</b>
pg. 169	<b>7. Property Appraisals Update</b> <i>The Committee will receive and update on the NCCSIF Property Appraisals to be completed this year.</i>	<b>I</b>	<b>1</b>
pg. 170	<b>8. NCCSIF JPA Crime Policy Renewal</b> <i>The Committee will receive an update on NCCSIF's Crime Program Renewal.</i>	<b>I</b>	<b>1</b>
pg. 171	<b>9. Recommended Hold Harmless Language and Insurance Requirements</b> <i>The Committee will be asked to review and approve the recommended Hold Harmless Indemnification Clause.</i>	<b>I</b>	<b>1</b>
pg. 173	<b>10. Round Table Discussion</b> <i>The floor will be open to Executive Committee members for any topics or ideas that members would like to address.</i>	<b>A</b>	<b>4</b>



## **I. INFORMATION ITEMS**

pg. 174	1. NCCSIF Program Manual (Handout)
pg. 175	2. NCCSIF Organizational Chart
pg. 176	3. NCCSIF 2014 Meeting Calendar
pg. 177	4. NCCSIF Travel Reimbursement Form
pg. 177	5. NCCSIF Resource Contact Guide

## **J. ADJOURNMENT**

### **UPCOMING MEETINGS**

- Police Risk Management Committee Meeting – May 15, 2014
- Executive Committee Meeting – May 29, 2014
- Claims Committee Meeting – May 29, 2014
- Risk Management Committee Meeting – June 12, 2014
- Board of Directors Meeting – June 12, 2014

*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 Johnny Yang at Alliant Insurance 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 Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, 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*



## CONSENT CALENDAR

### ACTION ITEM

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

**FISCAL IMPACT:** Unknown.

**RECOMMENDATION:** It is the recommendation of Program Administrators to approve the Consent Calendar after review by the Board of Directors.

**BACKGROUND:** The following items are placed on the Consent Calendar for approval. The Board may approve the Consent Calendar items as presented, or any individual may request that an item be pulled for discussion and separate action may be taken during the meeting. Remaining items would then be approved by action of the Board.

### ATTACHMENT(S):

1. Training Day/Board of Directors Meeting Minutes – December 12, 2013
2. Check Register at March 31, 2014
3. Investment Reports
  - a. Treasurer’s Report as of December 31, 2013
  - b. Chandler Asset Management Short/Long Term – March 2014
  - c. LAIF Report as of March 31, 2014
4. Utilization Report for Safety Grant Funds as of February 28, 2014



**MINUTES OF THE  
NCCSIF TRAINING DAY/BOARD OF DIRECTORS MEETING  
THE WESTIN, SACRAMENTO, CA  
DECEMBER 12, 2013**

**MEMBERS PRESENT**

Jeff Kiser, City of Anderson  
Brad Koehn, City of Elk Grove  
Paula Islas, City of Galt  
Elisa Arteaga, City of Gridley  
Ed Pattison, City of Ione  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Matt Michaelis, City of Marysville  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Dave Warren, City of Placerville  
Russell Hildebrand, City of Rocklin (left at 11:52 a.m.)  
Natalie Walter, City of Yuba City  
Gina Will, Town of Paradise

**MEMBERS ABSENT**

Shari Conley, City of Auburn  
Shelly Kittle, City of Colusa  
John Brewer, City of Corning  
Steve Johnson, City of Dixon  
Bruce Cline, City of Folsom  
Sandy Ryan, City of Red Bluff  
Joe Tanner, City of Rio Vista

**GUESTS & CONSULTANTS**

George Silva, City of Dixon  
Catrina Olson, City of Nevada City  
CarolAnn Whiteman, City of Rocklin  
Ronda Rivera, City of Citrus Heights  
Stefani Daniell, City of Citrus Heights  
Michael Simmons, Alliant Insurance Services, Inc.  
Johnny Yang, Alliant Insurance Services, Inc.  
James Marta, James Marta & Company  
Marcus Beverly, York Risk Services  
Jennifer Nogosek, York Risk Services



**A. CALL TO ORDER**

The meeting was called to order at 8 a.m.

**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

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

**MOTION:** Tim Sailsbery    **SECOND:** Steve Johnson    **MOTION CARRIED**

**D. TRAINING DAY PRESENTATIONS**

**D1. Introductions/Expectations**

Mr. Liz Ehrenstrom asked that all in attendance introduce themselves.

**D2. History of NCCSIF**

Mr. Michael Simmons hosted the NCCSIF Family Feud.

**D3. Board Governance and Leadership**

Mr. Marcus Beverly provided a presentation on Board Governance and Leadership.

**D4. NCCSIF Program Services and Resources**

Mr. Johnny Yang provided a presentation on NCCSIF Program Services and Resources.

**D5. The Importance of Risk Pool Policies and Procedures**

Mr. Yang provided a presentation on The Importance of Risk Pool Policies and Procedures.

**D6. Understanding Pool Equity and Funding**

Mr. James Marta provided a presentation on Understand Pool Equity and Funding.

**D7. Volunteer Programs (City of Rocklin Portal Demo)**

Ms. CarolAnn Whiteman provided a demonstration of the City of Rocklin's Volunteer web portal.



**D7. Rating Plan Options – To CAP or Not to CAP’**

Mr. Simmons provided a presentation on Rating Plan Options – To CAP or Not to CAP.

**D8. General Discussion**

Ms. Ehrenstrom explained that during the Police Risk Management Committee meeting they discussed the severity and frequency of Civil Rights/Excessive Force and False Arrest. She suggested the funding for cameras for the police department. Ms. Islas agreed and explained that the use of cameras for the Police department has been helpful with respects to the losses. There was further discussion on the process of having the records securely saved which amounts to an added cost.

Mr. Beverly advised that Police departments tend to dislike settling nuisance claims for a low amount. He then added that as a risk management standpoint, cameras have a great value to help avoid frequency and severity of claims.

Ms. Ehrenstrom also advised that Auto claims are also a frequency cause of loss for the police department. This led to the discussion of driver training and the different vehicle development of standard police vehicles.

Ms. Ehrenstrom then reminded members to take advantage of the Training Matrix provided by Bickmore as it is a great resource to NCCSIF. She also mentioned the My Safety Officer service provided by David Patzer which keeps track of the training needed for Safety Officers.

There was discussion on assessing which members needs more risk management consultation from Bickmore. Mr. Simmons suggested that during the budgeting process, NCCSIF discuss how much more NCCSIF is willing to pay for additional consultation from Henri Castro as Bickmore.

Members expressed satisfaction with a round table item to be included on the Agenda and staff was advised to continue adding a round table discussion item of Agendas going forward.

**E. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes – October 13, 2013
2. Check Register at September 30, 2013
3. Investment Report
  - a. Chandler Asset Management Short/Long Term – November 2013
  - b. Treasurer’s Report as of September 30, 2013
4. Utilization Report for Safety Grant Funds as of September 30, 2013

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

**MOTION:** Gina Will      **SECOND:** Dave Warren      **MOTION CARRIED**





## **F. MINUTES AND COMMITTEE REPORTS**

1. Executive Committee Meeting Minutes – November 13, 2013 (Draft)
2. Claims Committee Meeting Minutes – November 13, 2013 (Draft)
3. Risk Management Committee Meeting Minutes – October 10, 2013 (Draft)
4. Police Risk Management Committee Meeting Minutes – August 15, 2013

This item was provided as information only. There was no discussion on these items.

## **G. ADMINISTRATION REPORTS**

### **G1. President's Report**

Ms. Ehrenstrom had no items to report.

### **G2. Program Administration's Report**

Program Administration had no items to report.

### **G3. CJPRMA Report**

Ms. Paula Islas asked for direction regarding two items being addressed by CJPRMA which are Fireworks and Settlement recommendations as described in the agenda packet. CJPRMA is planning to amend the Memorandum of Coverage to require \$5 million minimum in coverage with respects to fireworks. CJPRMA is also is looking to amend language in the bylaws allowing members to litigate a claim but CJPRMA will only pay the amount of their recommended settlement amount. Currently CJPRMA can take control of claims if a determination is made that the member is handling a claim in such a manner that would pose an adverse financial impact to the organization.

The Board agrees to direct Ms. Islas to vote no on both the items and Mr. Simmons agrees to attend the upcoming CJPRMA meeting to address NCCSIF's concerns.

### **G4. Executive Committee Reportable Actions**

Ms. Ehrenstrom advised that at the last Executive Committee meeting the Committee discussed the a new MPN service provider through WellComp which is a subsidiary of York.

Mr. Simmons advised that program administration is recommending a one year agreement with WellComp. Ms. Ehrenstrom also advised it is not mandatory that members utilize the new Medical Provider Network through WellComp.

Mr. Beverly advised that the biggest benefit to an MPN is the exclusion of a "problem doctors". Members are also able to request certain physicians be added to the MPN as well.



## **H. FINANCIAL REPORT**

### **H1. Quarterly Financial Report for Period Ending September 30, 2013**

Mr. Michael Simmons provided an update on the Quarterly Financial Report for Period Ending September 30, 2013.

**A motion was made to accept and file the Quarterly Financial Report for Period Ending September 30, 2013.**

**MOTION:** Michael Daly      **SECOND:** Dave Warren      **MOTION CARRIED:**

### **H2. NCCSIF Budget to Actual Report as of September 30, 2013**

Mr. Simmons provided an update on the Budget to Actual explaining that nothing is out of the ordinary.

**A motion was made to approve the NCCSIF Budget to Actual Report as of September 30, 2013.**

**MOTION:** Gina Will      **SECOND:** Michael Daly      **MOTION CARRIED**

## **I. JPA BUSINESS**

### **I1. 2013 Liability Claims Audit**

Mr. Simmons explained that every other year a claims audit is done. A workers' compensation claims audit is performed on even years and a liability claims audit is performed on odd years. The claims audit was completed by Mr. Ken Maiolini and there were no outstanding recommendations found from the audit.

**A motion was made to approve the 2013 Liability Claims Audit.**

**MOTION:** Dave Warren      **SECOND:** Corey Shaver      **MOTION CARRIED**

### **I2. Terms of Officers and Executive Committee Rotation Schedule**

Mr. Simmons provide a brief explanation of the Executive Committee Rotation schedule and advised the recommended amendments to eliminate the office of Past President and the extension of terms of office for President, Vice President and Secretary from one year to two years.

Mr. Dave Warren brought up, on behalf of Mr. Bruce Cline, a concern regarding the City of Rio Vista's lack of attendance and how that may affect the Executive Committee as they would be



rotating onto the Committee. Ms. Islas advised that Mr. Tim Chapa is now the new City Manager for the City of Rio Vista. Staff will reach out to Mr. Chapa on behalf of NCCSIF.

**A motion was made to approve the proposed changes to the Terms of Officers and Executive Committee Rotation Schedule.**

**MOTION:** Michael Daly      **SECOND:** Jeff Kiser      **MOTION CARRIED**

**I3. Resolution 14-02 Amendment to the NCCSIF Bylaws**

Mr. Simmons explained that Resolution 14-02 is needed to amend the NCCSIF Bylaws reflecting the language to the Terms of Officers section.

**A motion was made to approve Resolution 14-02 Amendment to the NCCSIF Bylaws.**

**MOTION:** Gina Will      **SECOND:** Dave Warren      **MOTION CARRIED**

**I4. 2014 Slate of Officers**

Ms. Gina Will explained an error on the item as she will be coming off as NCCSIF Secretary. Ms. Catrina Olson advised that Ms. Corey Shaver will now be the Board member on behalf of the City of Nevada City and will also sit on the Executive Committee instead of Ms. Olson.

**A motion was made to approve the 2014 Slate of Officers with the correction of the removal of Gina Will and correction of Paula Islas as Secretary.**

**MOTION:** Jeff Kiser      **SECOND:** Gina Will      **MOTION CARRIED**

**I5. Resolution 14-01 Authorizing Investment of Monies in LAIF**

Mr. Simmons advised that annually the Board is asked to approve Resolution 14-01 allowing the officers and the financial consultant the ability to move monies within NCCSIF's LAIF account.

**A motion was made to approve Resolution 14-01 Authorizing Investment of Monies in LAIF.**

**MOTION:** Gina Will      **SECOND:** Robin Bertagna      **MOTION CARRIED**



**I6. NCCSIF Administrative Surplus**

Mr. Simmons explained that the 2012-2013 year-end report advises that the year-end administrative equity of \$477,525. A potential credit of up to \$238,763 could be applied to next year's budget to offset some of the administrative budget costs. The administrative surplus would be reduced by 50% leaving \$238,763 of unrestricted equity.

**A motion was made to approve to use 50% the Administrative Surplus to offset next year's administrative budget costs.**

**MOTION:** Michael Daly     **SECOND:** Dave Warren     **MOTION CARRIED**

**I7. 2014 NCCSIF Meeting Calendar**

Mr. Simmons explained that the Executive Committee has reviewed the 2014 NCCSIF Meeting Calendar.

**A motion was made to approve the 2014 NCCSIF Meeting Calendar.**

**I8. 2014 NCCSIF Service Calendar**

Mr. Simmons advised that NCCSIF Service Calendar is provided to members for their information showing the ongoing deadlines and project throughout the year. The service calendar will be made available on the NCCSIF website.

**A motion was made to approve the 2014 NCCSIF Service Calendar.**

**MOTION:** Michael Daly     **SECOND:** Gina Will     **MOTION CARRIED**

**I9. 2014/15 Insurance Market Update and Renewal Marketing Plan**

Mr. Simmons explained that the Board of Directors annually review the insurance market update and approves or amends the renewal marketing plan for the coming fiscal year. He then provided a presentation on the State of Marketplace for 2014. He advised that staff recommends that NCCSIF renew coverage with CSAC-EIA for excess Workers' Compensation coverage as traditional Excess WC Insurance care in California are still not competitive with CSAC-EIA's program. With respects to Liability staff recommends continued participation in CJPRMA who has been a strong partner and a valuable alternative to traditional excess insurance.

He then explained that two years ago Alliant marketed the Property program and found that the current program provided members with the broadest coverages and the lowest cost which continues in today's environment.



And for Crime, NCCSIF has remained with AIG, in part, because the Alliant Crime program (ACIP), would not provide an alternative. Staff will approach CSAC EIA this year for competitive pricing and higher limits.

**I10. 2013 NCCSIF Annual Report**

Mr. Simmons advised that the NCCSIF Annual Report is provided to members as a resource showing NCCSIF's financial stability of the programs ending June 30, 2013. Copies are made available via electronic copies or hardcopies if requested.

**I11. CAPPING EXPERIENCE MODIFICATION FACTORS OR CONTRIBUTIONS**

Mr. Simmons explained that at the last Board of Directors meeting, no formal action was ever taken on this item. He then proceeded to provide a presentation on Rating Plan Options. He advised that staff recommends formal action be taken to stay with status quo, continuing to use Five Years of Losses and Total Incurred to determine the calculations. He noted that staff will continue to examine capping the experience medication rather than the final deposit.

**A motion was made to approve using Five Years of Losses, Total Incurred Losses and continue examining capping the experience modification rather than the final deposit.**

**MOTION:** Jeff Kiser                      **SECOND:** Dave Warren                      **MOTION CARRIED**

This meeting was adjourned at 3:43 p.m.

Northern California Cities Self Insurance Fund  
 Check/Voucher Register - Check Register - Last Quarter  
 From 1/1/2014 Through 3/31/2014

11010 - Cash - General

Check Number	Vendor Name	Effective Date	Check Amount
8266	City of Dixon	1/3/2014	213.18
8267	Professional Dynamics Inc.	1/3/2014	1,000.00
8268#	Michael Simmons	1/3/2014	2,193.56
8270#	Chandler Asset Management, Inc.	1/20/2014	4,256.00
8271	York	1/20/2014	43,682.50
8272	York Risk Services Group, Inc.	1/20/2014	26,008.78
8273	James Marta	1/20/2014	5,185.10
8274	Alliant Insurance Services	1/20/2014	54.95
8275	Occu-Med Inc.	1/20/2014	1,500.00
8276	Bickmore Risk Services Inc.	1/20/2014	13,806.34
8277	City of Folsom	1/20/2014	19,543.28
8278	MICHAEL DALY	1/20/2014	68.32
8279	DKF Solutions Group, LLC	1/20/2014	1,850.00
8280	Gina Will	1/20/2014	101.70
8281	Vi Cobb	1/20/2014	126.56
8282	AssetWORKS	1/20/2014	40,000.00
8283	Liz Ehrenstrom	1/20/2014	58.24
8284	Natalie Walter	1/20/2014	50.85
8285	Tom Watson	1/20/2014	78.40
8286	York Risk Services Group, Inc.	2/6/2014	31,878.64
8287	Alliant Insurance Services	2/6/2014	22,500.00
8288	Occu-Med Inc.	2/6/2014	1,500.00
8289	Bickmore Risk Services Inc.	2/6/2014	13,806.33
8290	PDI	2/6/2014	1,000.00
8291	James Marta	2/6/2014	5,199.95
8292	Chandler Asset Management, Inc.	2/13/2014	4,258.00
8293	York	2/13/2014	43,682.50
8294	Occu-Med Inc.	2/13/2014	1,500.00
8295	DKF Solutions Group, LLC	2/13/2014	1,050.00
8296	Simple Pleasures	2/13/2014	753.54
8297	Bickmore Risk Services Inc.	2/20/2014	3,600.00
8298	City of Dixon	2/20/2014	606.26
8299	City of Elk Grove	2/20/2014	3,900.00
8300^	George Silva	2/20/2014	0.00
8301	Liz Ehrenstrom	2/20/2014	1,434.11
8302	York Risk Services Group, Inc.	3/6/2014	31,065.46
8303	James Marta	3/6/2014	5,175.00
8304	Bickmore Risk Services Inc.	3/6/2014	13,806.33
8305	PDI	3/6/2014	1,000.00
8306	DKF Solutions Group, LLC	3/6/2014	1,050.00
8307	Occu-Med Inc.	3/11/2014	1,500.00
8308	Michael Simmons	3/11/2014	1,208.90
8309*	Simple Pleasures	3/11/2014	0.00
8310	Chandler Asset Management, Inc.	3/27/2014	4,275.00
8311	City of Red Bluff	3/27/2014	247.37
8312	Amber Darrach	3/27/2014	809.92
8313	George Silva	3/27/2014	125.40
8314	Liz Ehrenstrom	3/27/2014	57.68

Northern California Cities Self Insurance Fund  
Check/Voucher Register - Check Register - Last Quarter  
From 1/1/2014 Through 3/31/2014

8315	Simple Pleasures	3/27/2014	374.18
8316	Natalie Walter	3/27/2014	872.56
8317	York	3/27/2014	43,682.50
8318	Alliant Insurance Services	3/27/2014	22,500.00
8319	Champion Awards Enterprises	3/27/2014	59.07
8320	Corey Shaver	3/27/2014	<u>45.82</u>
Report Total			<u>420,402.28</u>

NOTES

#Gap in check sequence. Check 8269 was released to James Marta for payment of board meeting catering. Written and cleared in April 2014.

^Check 8300 was voided and reissued at check 8313. Original check was lost, per recipient.

\*Check 8309 voided, amount of catering was more than the check amount. Vendor paid with check 8315 instead.

# NCCSIF Northern California Cities Self Insurance Fund

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

*Main Location: 1792 Tribute Road, Suite 450, 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 DECEMBER 31, 2013**

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 179,923.46
(2) Local Agency Inv Fund (LAIF)	<u>3,215,494.25</u>
Total Cash	<u>3,395,417.71</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	20,195,049.00
Account no. 171	<u>20,546,064.00</u>
Total Unrestricted Investments	<u>40,741,113.00</u>
<b>TOTAL CASH AND INVESTMENTS</b>	<u><u>\$44,136,530.71</u></u>

- (1) This consists of one interest-bearing checking account and two pass-thru accounts (liability and workers comp claims). The rate of interest is 0.10%
- (2) The LAIF rate of return as of quarter ended December 31, 2013 0.26%
- (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 Sailsbery, Treasurer

\_\_\_\_\_  
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.*



# Monthly Account Statement

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

March 1, 2014 through March 31, 2014

### Chandler Team

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

### Custodian

Bank of New York Mellon Trust  
Company  
Gaby Rodriguez  
213-630-6461

*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.*



PORTFOLIO CHARACTERISTICS

Average Duration	3.68
Average Coupon	2.53 %
Average Purchase YTM	2.08 %
Average Market YTM	1.44 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.03 yrs
Average Life	3.92 yrs

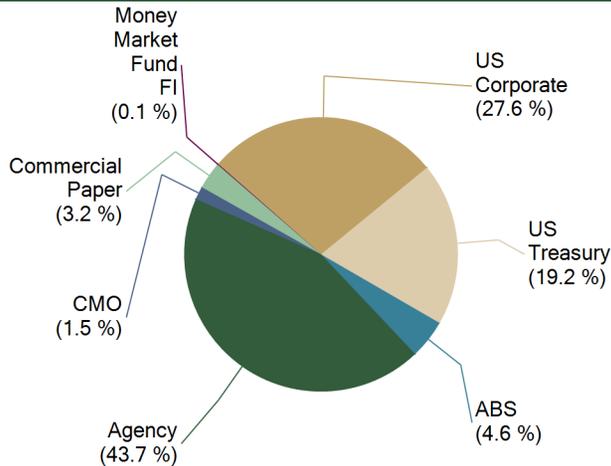
ACCOUNT SUMMARY

	Beg. Values as of 2/28/14	End Values as of 3/31/14
<b>Market Value</b>	20,834,863	20,732,679
<b>Accrued Interest</b>	107,230	129,975
<b>Total Market Value</b>	<b>20,942,093</b>	<b>20,862,653</b>
<b>Income Earned</b>	36,799	35,505
<b>Cont/WD</b>		0
<b>Par</b>	20,270,635	20,372,954
<b>Book Value</b>	20,475,744	20,533,439
<b>Cost Value</b>	20,859,864	20,881,908

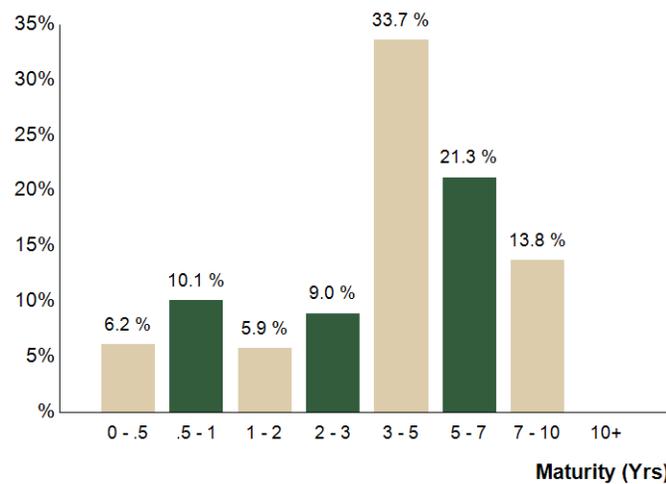
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.2 %
Federal Home Loan Mortgage Corp	11.8 %
Federal National Mortgage Assoc	10.1 %
Tennessee Valley Authority	10.1 %
Federal Home Loan Bank	6.9 %
Federal Farm Credit Bank	6.3 %
JP Morgan Chase & Co	2.9 %
Wal-Mart Stores	2.4 %
<b>Total</b>	<b>69.8 %</b>

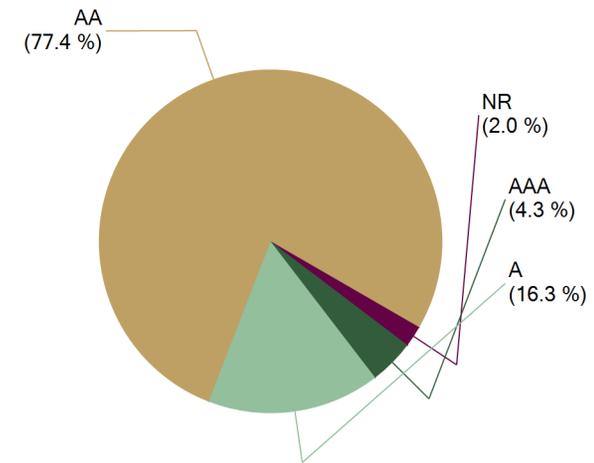
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2014	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	-0.39 %	0.90 %	0.90 %	-0.77 %	2.62 %	3.09 %	N/A	4.76 %	43.98 %
1-10 yr Govt	-0.43 %	0.72 %	0.72 %	-0.99 %	2.40 %	2.35 %	N/A	4.38 %	39.91 %
1-10 Year Govt/A Rated or better Corporate	-0.38 %	0.88 %	0.88 %	-0.55 %	2.82 %	3.51 %	N/A	4.47 %	40.87 %



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

March 31, 2014

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the Authority's investment policy.*

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies*
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
LAIF	\$50 million	Complies
Medium Term Notes	30% max; A; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	Complies
Mutual Funds	15% maximum; AAA	Complies
Negotiable CDs	30% overall; 3-year maximum	Complies
Repurchase Agreements	10% overall; 30 days	Complies
Time CDs	3 year maximum	Complies
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies

\*Please note that the FHMS K704 A2 Due 08/25/18 is rated AAA by Fitch.



### Reconciliation Summary

As of 3/31/2014

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,475,743.79</b>
<b>Acquisition</b>	
+ Security Purchases	\$1,179,234.10
+ Money Market Fund Purchases	\$509,938.77
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,689,172.87</b>
<b>Dispositions</b>	
- Security Sales	\$901,434.68
- Money Market Fund Sales	\$767,619.60
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
<b>Total Dispositions</b>	<b>\$1,669,054.28</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$7,358.69)
	(\$7,358.69)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$44,935.06
	\$44,935.06
<b>Ending Book Value</b>	<b>\$20,533,438.75</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$275,634.75</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$901,434.68
Accrued Interest Received	\$7,313.40
Interest Received	\$15,043.22
Dividend Received	\$0.00
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
<b>Total Acquisitions</b>	<b>\$923,791.30</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$1,179,234.10
Accrued Interest Paid	\$2,238.03
<b>Total Dispositions</b>	<b>\$1,181,472.13</b>
<b>Ending Book Value</b>	<b>\$17,953.92</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

March 1, 2014 through March 31, 2014

### Chandler Team

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Email [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

Bank of New York Mellon Trust  
Company  
Gaby Rodriguez  
213-630-6461

*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.*



**PORTFOLIO CHARACTERISTICS**

Average Duration	2.44
Average Coupon	1.50 %
Average Purchase YTM	1.27 %
Average Market YTM	0.91 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.62 yrs
Average Life	2.48 yrs

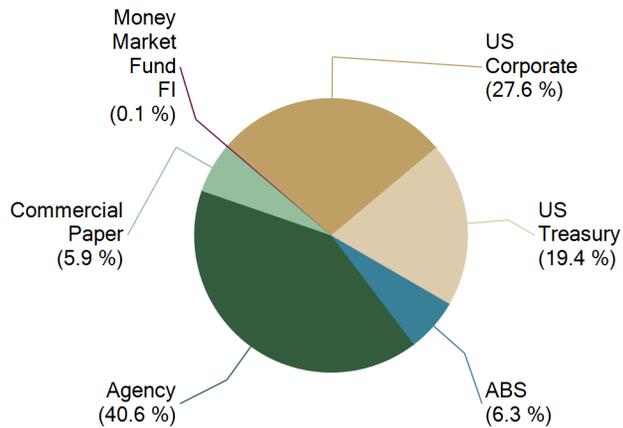
**ACCOUNT SUMMARY**

	Beg. Values as of 2/28/14	End Values as of 3/31/14
<b>Market Value</b>	20,333,001	20,284,380
<b>Accrued Interest</b>	74,101	66,826
<b>Total Market Value</b>	<b>20,407,102</b>	<b>20,351,207</b>
<b>Income Earned</b>	21,134	21,431
<b>Cont/WD</b>		0
<b>Par</b>	20,169,454	20,215,641
<b>Book Value</b>	20,210,303	20,250,214
<b>Cost Value</b>	20,359,449	20,400,031

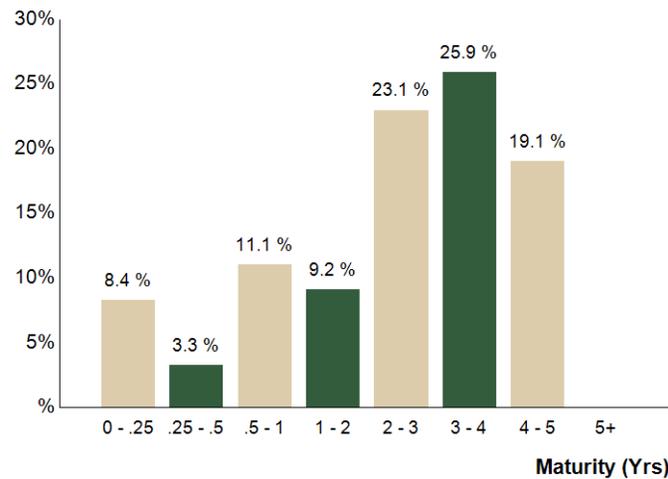
**TOP ISSUERS**

Issuer	% Portfolio
Government of United States	19.4 %
Federal National Mortgage Assoc	11.9 %
Federal Home Loan Bank	10.9 %
Federal Home Loan Mortgage Corp	8.3 %
Federal Farm Credit Bank	7.6 %
JP Morgan Chase & Co	2.5 %
Honda Motor Corporation	2.2 %
General Electric Co	2.0 %
<b>Total</b>	<b>64.9 %</b>

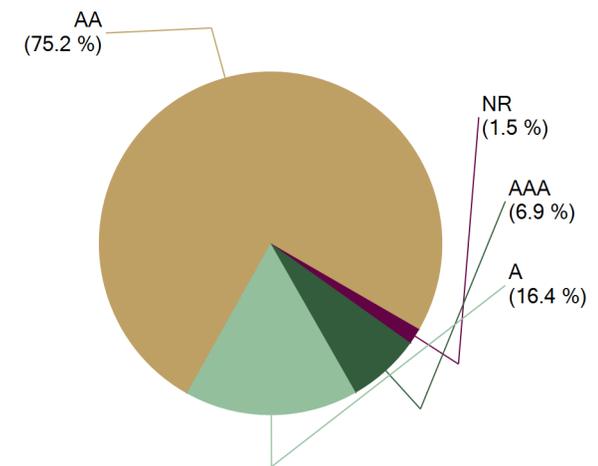
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

Total Rate of Return As of 3/31/2014	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	-0.27 %	0.41 %	0.41 %	0.29 %	1.66 %	2.23 %	3.33 %	4.54 %	105.78 %
1-5 yr Govt	-0.31 %	0.26 %	0.26 %	-0.06 %	1.40 %	1.69 %	2.99 %	4.19 %	94.78 %
1-5 Year Govt/A Rated or better Corporate	-0.29 %	0.36 %	0.36 %	0.23 %	1.75 %	2.49 %	3.12 %	4.37 %	100.37 %



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

March 31, 2014

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the Authority's investment policy.*

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
LAIF	\$50 million	Complies
Medium Term Notes	30% max; A; 5 year maximum	Complies
Money Market Acct	15% maximum; AAA	Complies
Mutual Funds	15% maximum; AAA	Complies
Negotiable CDs	30% overall; 3-year maximum	Complies
Repurchase Agreements	10% overall; 30 days	Complies
Time CDs	3 year maximum	Complies
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies



### Reconciliation Summary

As of 3/31/2014

BOOK VALUE RECONCILIATION		
<b>Beginning Book Value</b>		<b>\$20,210,302.92</b>
<b>Acquisition</b>		
+ Security Purchases	\$1,030,472.19	
+ Money Market Fund Purchases	\$367,954.57	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$1,398,426.76</b>
<b>Dispositions</b>		
- Security Sales	\$734,152.87	
- Money Market Fund Sales	\$631,767.82	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$1,365,920.69</b>
<b>Amortization/Acretion</b>		
+/- Net Accretion	(\$3,800.66)	
		(\$3,800.66)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$11,205.21	
		\$11,205.21
<b>Ending Book Value</b>		<b>\$20,250,213.54</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$289,454.48</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$734,152.87	
Accrued Interest Received	\$3,518.36	
Interest Received	\$30,557.26	
Dividend Received	\$0.00	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$768,228.49</b>	
<b>Disposition</b>		
Withdrawals	\$0.00	
Security Purchase	\$1,030,472.19	
Accrued Interest Paid	\$1,569.55	
<b>Total Dispositions</b>	<b>\$1,032,041.74</b>	
<b>Ending Book Value</b>		<b>\$25,641.23</b>





JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

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

As of 04/15/2014, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2014.

Earnings Ratio		.00000631639966506
Interest Rate		0.23%
Dollar Day Total	\$	304,982,144.38
Quarter End Principal Balance	\$	3,515,871.38
Quarterly Interest Earned	\$	1,926.39

**NCCSIF**

**ADA and Safety Grant Fund Reimbursements History**

Last Update: 2/28/2014

By: TRV

<b>Member</b>	<b>ADA Grants Declared in FY 2009 Board Meeting 4/24/2009</b>	<b>Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2010</b>	<b>Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2011</b>	<b>Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2012</b>	<b>Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2013</b>	<b>Total funds available FY 2009 - FY 2013 for ADA grants and Risk Management Grants</b>	<b>Total Disbursements Paid through Last Update</b>	<b>Funds Available</b>
Anderson	\$ 6,496.00	8,039.00	7,650.00	7,540.00	7,451.00	37,176.00	22,185.00	14,991.00
Auburn	6,397.00	-	-	8,098.00	-	14,495.00	6,397.00	8,098.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	17,737.00	12,075.00	5,662.00
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	16,971.00	11,762.47	5,208.53
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	203,012.00	100,852.89	102,159.11
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	64,447.00	50,294.00	14,153.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	25,518.00	6,144.00	19,374.00
Ione	-	-	-	-	-	-	-	-
Jackson	5,627.00	3,510.00	3,487.00	-	-	12,624.00	5,500.00	7,124.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	35,823.00	24,969.00	10,854.00
Marysville	6,758.00	-	-	-	-	6,758.00	-	6,758.00
Nevada City	5,665.00	-	-	-	3,618.00	9,283.00	5,665.00	3,618.00
Oroville	7,633.00	-	-	-	-	7,633.00	7,633.00	-
Placerville	6,883.00	-	-	-	-	6,883.00	6,883.00	-
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	-	15,354.00	5,818.00	9,536.00
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	109,346.00	58,451.00	50,895.00
Willows	5,856.00	4,618.00	4,412.00	-	-	14,886.00	14,886.00	-
Yuba City	8,607.00	-	-	22,184.00	-	30,791.00	30,791.00	-
<b>\$</b>	<b>145,238.00</b>	<b>151,576.00</b>	<b>88,017.00</b>	<b>174,207.00</b>	<b>145,635.00</b>	<b>704,673.00</b>	<b>446,242.36</b>	<b>258,430.64</b>

\*\*\*SEE DETAIL BELOW\*\*\*

**Detail of Total Disbursements to Last Update:**

**Anderson**

6/10/2010 Check no. 7418	6,496.00
7/1/2011 Check no. 7727	8,039.00
10/19/2012 Check no. 7978	7,650.00

**Auburn**

7/13/2011 Check no. 6397	6,397.00
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**Colusa**

2/9/2010 Check no. 7339	6,258.00
6/6/2013 Check no. 8130	5,817.00

**Corning**

5/6/2010 Check no. 7399	6,157.00
8/22/2011 Check no. 7728	12,000.00
6/20/2012 Check no. 7898	5,615.00

**Dixon**

8/26/2009 Check no. 7258	6,592.00
7/17/2013 Check no. 8166	5,170.47

**Folsom**

8/21/2009 Check no. 7268	9,000.00
3/26/2010 Check no. 7371	7,700.00
3/17/2011 Check no. 7602	- <--Voided 4/26/12 - never cashed by city, per Loo Ng @ Folsom: do not reissue
6/7/2011 Check no. 7653	9,137.35 <--Paid directly to "The Training Network"
6/5/2012 Check no. 7875	1,200.00
4/8/2013 Check no. 8084	2,922.35
6/20/2013 Check no. 8159	25,008.94 <--Paid in July 2013, invoice booked in June 2013
10/4/2013 Check no. 8198	10,000.00
11/5/2013 Check no. 8227	15,840.97
11/5/2013 Check no. 8227	500.00
1/20/2014 Check no. 8277	19,543.28 Tables \$6,727.06, ADA Access \$500.00, PD Equip \$12,316.22

**Galt**

11/20/2009 Check no. 7292	4,943.50
12/7/2010 Check no. 7530	14,375.00
12/7/2010 Check no. 7530	20,000.00 <--Paid from banking layer funds, does not reduce available balance above
8/16/2011 Check no. 7726	10,480.55
3/21/2012 Check no. 7825	6,323.95
6/6/2013 Check no. 8129	14,171.00

**Gridley**

10/23/2009 Check no. 7282	6,144.00
---------------------------	----------

**Ione**

No payments located

**Jackson**

8/9/2010 Check no. 7460	5,500.00
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<b>Lincoln</b>		
3/18/2010 Check no. 7368		6,303.00
9/5/2012 Check no. 7952		18,666.00
<b>Marysville</b>		
No payments found		
<b>Nevada City</b>		
6/10/2010 Check no. 7420		5,665.00
<b>Oroville</b>		
5/6/2010 Check no. 7394		7,633.00
<b>Paradise</b>		
2/9/2010 Check no. 7338		7,182.00
<b>Placerville</b>		
9/4/2009 Check no. 7259		6,883.00
<b>Red Bluff</b>		
1/5/2011 Check no. 7539		10,500.00
1/20/2012 Check no. 7798		22,192.00
2/5/2013 Check no. 8039		12,290.00
<b>Rio Vista</b>		
3/26/2010 Check no. 7372		5,818.00
<b>Rocklin</b>		
3/26/2010 Check no. 7373		9,120.00
7/8/2011 Check no. 7672		24,000.00
12/5/2011 Check no. 7772		25,331.00
<b>Willows</b>		
9/25/2009 Check no. 7269		5,856.00
1/5/2011 Check no. 7540		2,800.00
8/22/2013 Check no. 8178		6,230.00
<b>Yuba City</b>		
3/12/2010 Check no. 7379		8,607.00
9/20/2012 Check no. 7959		22,184.00



## MINUTES AND COMMITTEE REPORTS

### INFORMATION ITEM

**ISSUE:** Minutes and Committee Reports are provided to the Board of Directors for their information.

**FISCAL IMPACT:** None.

**RECOMMENDATION:** None. This item is presented as information only.

**BACKGROUND:** Minutes and Committee Reports are provided to the Board of Directors for their information on other committees and excess providers meetings.

#### ATTACHMENT(S):

1. Executive Committee Meeting Minutes – March 13, 2014 (Draft)
2. Executive Committee Meeting Minutes – April 10, 2014 (Draft)
3. Risk Management Committee Meeting Minutes – January 16, 2014 (Draft)



**MINUTES OF THE  
NCCSIF EXECUTIVE COMMITTEE MEETING  
MARCH 13, 2014**

**MEMBERS PRESENT**

John Lee, City of Lincoln  
Liz Ehrenstrom, City of Oroville  
Corey Shaver, City of Nevada City  
Russell Hildebrand, City of Rocklin  
Tim Chapa, City of Rio Vista  
Tim Sailsbery, City of Willows

**MEMBERS ABSENT**

Steve Johnson, City of Dixon  
Paula Islas, City of Galt

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marylin Kelley, Alliant Insurance Services (arrived at 11:00 a.m.)  
Marcus Beverly, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
James Marta, James Marta & Company  
Ben Burg, York Risk Services  
Lela Casey, York Risk Services  
Sara Ramirez, York Risk Services  
Jennifer Nogosek, York Risk Services

**A. CALL TO ORDER**

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

**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the Agenda as posted.

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

**MOTION CARRIED  
UNANIMOUSLY**



**D. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – November 14, 2013
2. Executive Committee Teleconference Meeting Minutes – February 18, 2014
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term – February 2014
  - b. LAIF Report as of December 31, 2013

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

**MOTION:** John Lee                      **SECOND:** Tim Chapa                      **MOTION CARRIED  
UNANIMOUSLY**

**E. COMMITTEE REPORTS**

1. Training Day/Board of Directors Meeting Minutes – December 12, 2013 (Draft)
2. Risk Management Committee Meeting Minutes – January 16, 2014 (Draft)

There was no discussion on the Committee Reports.

**F. FINANCIAL REPORTS**

**F1. Quarterly Financial Report for Period Ending December 31, 2013**

Mr. James Marta provided the Executive Committee with presentation on the Quarterly Financial Report for Period Ending December 31, 2013.

**MOTION:** Russell Hildebrand                      **SECOND:** John Lee                      **MOTION CARRIED  
UNANIMOUSLY**

**A motion was made to receive and file the Quarterly Financial Report for Period Ending December 31, 2013 and the Financial Reports provided by James Marta & Company.**

**F2. Budget to Actual as of December 31, 2013 Update**

Mr. Marta explained that these are provided to show that Budget to Actual is provided at the end of the Quarterly Financial Reports. He noted that there will always be expenses that will not add up and advised that at the end of the Budget to Actual a “Highlights” section has been included.

**G. JPA BUSINESS**

Mr. Marcus Beverly requested to address items G.9. through G.13. first and come back to G.1. afterwards.



## **G1. FY 2014/15 Actuarial Studies – Draft financial pages only**

### **G1a. FY 2014/15 Liability Actuarial Studies**

Mr. Mike Simmons explained that staff has just received the actuarial studies shortly prior to sending out the Executive Committee Agenda and apologizes for any discrepancies that may be found in the Agenda Items.

Ms. Marilyn Kelley advised that Mr. Mike Harrington is currently updating the Outstanding Liabilities pages and the Total Assets per the Quarterly Financial Report. She explained that with respects to Liability the actuary estimates that NCCSIF will have combined assets of \$9,474,000 as of June 30, 2014. Actual Assets from the financial audit were \$10,237,879. The estimated combined outstanding liabilities are at \$10,274,000 at the 90% Confidence Level which results in an \$800,000 deficit in anticipated assets below the 90% Confidence Level.

Mr. Marta then explained that the actuary's estimate came out more favorable than Quarterly Financial Report as of December 31, 2013.

**No action was taken on this item and will be brought to an Executive Committee meeting scheduled on April 3, 2014.**

### **G1b. FY 2014/15 Workers' Compensation Actuarial Studies**

Mr. Beverly explained that the 2014/15 estimated combined funding rate is \$4.092 which is the same rate as last year. However, last year's rate included the 4850 TD benefits. In addition, due to bad data in the loss run used for last year's funding, the rate should have been \$4.623. The apples-to-apples comparison using the corrected rate for 2013-14 is \$4.623 to \$4.541, 2% lower than the corrected rate but 11% higher than the rate used.

Mr. Marta noted that the claims are developing a little better in the banking layer and even better in the shared layer.

**No action was taken on this item and will be brought to an Executive Committee meeting scheduled on April 3, 2014.**

## **G2. 4850 Compensation Options Discussion**

Mr. Simmons advised that this item will be brought to the Board of Directors for direction in September or October as the Executive Committee expressed that they did not want to address this item at this time. Mr. Beverly recommended that NCCSIF find a place in the governing documents to cover how the pool handles 4850 benefits. Ms. Kelley explained that the confusion was brought about by what portion of the 4850 benefits is excluded. Mr. Simmons then gave a brief history on how 4850 benefits originated and how it is currently handled by NCCSIF.





### **G3. Review and Approval of the 2013 Banking Plan Adjustment Calculation Sheets**

Mr. Marta explained how the Banking Plan Fund Adjustments are calculated. He then advised that the banking layer, as a whole, is in a deficit position above the 90% Confidence and 10 times the Self Insured Retention. Mr. Marta noted that there are some members in a deficit and some members who are funded above the benchmark. He then proposed assessing the Liability Banking Layer as a whole which would include a total assessment of \$369,774. With respects to the Workers' Compensation program the total proposed assessment is \$508,779. Mr. Tim Sailsbery confirmed that assessing the banking layer as a whole would mean that even members whose banking layer is well funded are also receiving an assessment due to those members are in a deficit position.

Ms. Kelley explained that Mar. Marta is proposing two options to help fund the banking layer needed for working capital in the event of a severe event. The first is that no member is allowed to take a refund and an assessment is approved and applied to the total deposit. The second is to assess only those members in a deficit position. Or as an alternative, the JPA can increase their Confidence Level Funding.

Mr. Simmons suggested the Executive Committee schedule another meeting prior to the Board of Directors meeting to allow more time to review and discuss the funding options discussed today.

Upon further discussion the Executive Committee decided to hold an Executive Committee meeting on April 3, 2014 at 10:30 a.m. located at 600 Sixth Street, Lincoln, CA to address the funding items in need of approval. Staff was directed to provide preliminary calculations with all of the proposed assessments and refunds for each member for approval.

### **G4. Review and Approval of the 2013 Shared Risk Layer Plan Fund Adjustments**

This item was not discussed and will be brought to the next EC meeting on April 24, 2014.

### **G5. 2013/14 Safety Grant Funds Utilization and Consideration of 2014/15 Safety Grant Funds Program Continuation**

Ms. Kelley explained that the Shared Risk Workers' Compensation refund available is \$931,758 of which \$600,000 will be moved to the Banking layer. This leaves \$331,758 of which staff recommends retaining \$200,000 for the Safety Grant Funds to continue the Safety Grant Funds Program.

**A motion was made to approve the continuation of the 2014/15 Safety Grant Funds Program.**

**MOTION:** John Lee

**SECOND:** Russell Hildebrand

**MOTION CARRIED  
UNANIMOUSLY**



**G6. Distribution of CJPRMA Refund**

Ms. Kelley advised the NCCSIF has received the CJPRMA refund of \$399,360 of which staff recommends 2/3<sup>rd</sup> of the refund be applied to the Liability Shared Risk Layer and 1/3<sup>rd</sup> be applied to the deposit calculation.

**A motion was made to approve the Distribution of CJPRMA Refund.**

**MOTION:** John Lee                      **SECOND:** Russell Hildebrand                      **MOTION CARRIED UNANIMOUSLY**

**G7. Preliminary 2014/15 NCCSIF Budget**

This item was not discussed and will be brought to the next EC meeting on April 3, 2014.

**G8. Preliminary 2014/15 Deposit Calculations**

This item was not discussed and will be brought to the next EC meeting on April 3, 2014.

**G9. 2014/15 Property Renewal Update**

Mr. Johnny Yang explained that staff is currently working on the 2014/15 Property Renewal for NCCSIF. Property updates have been sent to members for review. Mr. Simmons advised that the property rates are estimated to increase by less than 5% over the past year depending on NCCSIF's losses. Mr. Simmons also reminded members that rates may also increase due to the approval of the appraised values. Mr. Yang explained that Preliminary Property Appraisals will be sent out to members for their review and acceptance.

**G10. Property Appraisals Update**

Mr. Simmons explained that whenever an appraisal is completed, members usually see an increase in Total Values.

**G11. 2014 Workers' Compensation Claims Auditor Selection**

Mr. Yang explained that every year NCCSIF conducts a claims audit for either Workers' Compensation or for Liability. This year NCCSIF is due to conduct a Workers' Compensation Claims Audit. The past three Workers' Compensation claims audit were performed by the same auditor. This year the Committee should decide whether to perform a formal RFP or to contact the previous Claims Auditor and request their availability and pricing for performance of the audit this fall for presentation at the December Board of Directors meeting.

**A motion was made to perform a formal RFP for the 2014 Workers' Compensation Claims Auditor Selection.**

**MOTION:** Russell Hildebrand                      **SECOND:** John Lee                      **MOTION CARRIED UNANIMOUSLY**

## **G12. NCCSIF JPA Crime Policy Renewal**

Mr. Yang advised that Alliant's Crime Insurance Program has decided not to quote NCCSIF's Crime coverage. Staff will attempt to obtain a quote from CSAC-EIA but expect renewing NCCSIF's current crime program provided by AIG at a slight increase if any. There has not been any significant crime losses reported and indications should be received in mid to late May.

Mr. Simmons explained that there has been an increase in Crime related losses recently and provided examples of recent crime losses.

## **G13. Recommended Hold Harmless Indemnification Clause**

Mr. Beverly explained that there have been changes to the insurance policies. He noted that ISO recently made changes to their forms and Alliant has released a new Insurance Requirements in Contracts Manual which provides updated insurance requirements required for contracts. Mr. Beverly explained that Alliant is recommending specific change to language which requires entitlement to entire limits of a contractor's insurance.

Mr. Beverly said that in January of 2013, SB 474 was passed that limits Public Entities contracts with construction contractors. Indemnification of the Public Agency willful or active negligence is not allowed. Similarly the general contractor is likewise limited to the same extent in its indemnity agreement with its sub-contractors.

Mr. Beverly then mentioned suggested terms to include in the insurance requirements section of any contract as follows:

- To the fullest extent allowable by law;
- Any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees;
- Excluding, however, such liability claims losses, damages or expenses arising from City's sole negligence or willful acts;
- If the contractor maintains additional coverage or higher limits than those required within the Insurance Requirements section, then City shall be entitled to additional coverage or higher limits maintained by contractor. (This should also be added to the Insurance Requirements section.)

Mr. Russell Hildebrand advised that he would suggest different verbiage for the additional limits requirements. Mr. Hildebrand was asked to provide his recommendations to staff which will be recommended to the Board of Directors.

## **G14. Round Table Discussion**

Ms. Marilyn Kelley advised that she has received a preliminary quote from Travelers for ID Fraud Coverage for all of the NCCSIF members' employees. This item will be brought back to the next meeting for discussion.



**H. INFORMATION ITEMS**

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

**I. ADJOURNMENT**

The meeting was adjourned at 2:15 p.m.

DRAFT



**MINUTES OF THE  
NCCSIF EXECUTIVE COMMITTEE MEETING  
APRIL 3, 2014**

**MEMBERS PRESENT**

Russell Hildebrand, City of Rocklin  
Elizabeth Ehrenstrom, City of Oroville  
John Lee, City of Lincoln  
Paula Islas, City of Galt  
Tim Sailsbery, City of Willows  
Jim Lindley, City of Dixon  
Corey Shaver, City of Nevada City

**MEMBERS ABSENT**

Tim Chapa, City of Rio Vista

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marylin Kelley, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
James Marta, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:39 a.m.

**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the Agenda as posted.

**MOTION:** Jim Lindley      **SECOND:** Russell Hildebrand      **MOTION CARRIED  
UNANIMOUSLY**

**D. JPA BUSINESS**

Ms. Marilyn Kelley provided the Committee with a presentation on NCCSIF's 10 year historical deposits and dividends information.

Mr. Michael Simmons also introduced Mr. Jim Lindley who will be serving as the new representative for the City of Dixon.



**D1a. Review and Approval of the 2013 Banking Plan Fund Adjustment Calculation Sheets – Workers’ Compensation**

Mr. Marcus Beverly advised that staff recommends that there are no refunds made available to members from the banking layer and those in a deficit are assessed according to the Policies and Procedures in the amount of \$403,527. A chart was provided in the Agenda packet showing members’ individual 20% assessment. Mr. Beverly explained that no refunds are available to members at this time.

**D1a. Review and Approval of the 2013 Banking Plan Fund Adjustment Calculation Sheets – Liability**

Mr. Marcus Beverly explained there are members who are eligible for a refund and members who are due for an assessment. Staff recommends approval of distribution of refunds and assessments according to the Policies and Procedures. A chart showing members’ refunds and assessments are also included in the Agenda packet.

A motion was put on hold upon review of all funding items.

**D2a. Review and Approval of the 2013 Shared Risk Layer Plan Fund Adjustments – Workers’ Compensation**

Mr. Beverly explained that staff recommends releasing 35% of the funds available for refund in the amount of \$931,758. Of this amount staff recommends that NCCSIF continue to fund the Risk Management Grants in the amount of \$200,000. Finally, it is recommended that \$600,000 be contributed from the refund to the Workers’ Compensation Banking Layer members’ equity, as that fund is in a negative position at the 90% confidence level. The remaining \$131,758 would be distributed to Members using an allocation based on their historical contributions to the Shared Risk Layer.

A motion was put on hold upon review of all funding items.

**D2b. Review and Approval of the 2013 Shared Risk Layer Plan Fund Adjustments - Liability**

Mr. Beverly explained that staff recommends approval of an Assessment of \$600,000 for the Liability Shared Risk Layer. Staff also recommends applying 2/3<sup>rd</sup> of the CJPRMA refund, in the amount of \$267,571, to the Assessment, leaving \$332,429 to be assessed to Members.

A motion was put on hold upon review of all funding items.

**D3. Preliminary 2014/15 NCCSIF Budget**

Mr. Beverly advised that the budget remain relatively flat for the administrative budget. Ms. Marilyn Kelley advised that this item is provided as information only as all the vendors have not submitted their costs for the renewal. This information is usually provided in May.

#### **D4a. Preliminary 2014/15 Deposit Calculations – Workers’ Compensation**

Mr. Beverly explained that, currently, the program is funding at a Confidence Level of 65% and a Discount Rate of 1.5%. For the 2014/15 year the rate remains flat. Significantly this year’s rate does not include the 4850 TD portion as opposed to last year which did include the 4850 TD portion. Staff has provided funding numbers at a Confidence Level of 60%, 65%, 70% and 75%.

Mr. Beverly recommends funding at a 65% or 70%. 65% results in a deposit increase of 8.9% and 70% results in a deposit increase of 11.94%. He then went over the different funding options at different Confidence Levels noting that the estimated CSAC-EIA premium is at \$988,000 and the Admin expense is at \$552,330. The options include a total recommended Shared Risk Refund of \$131,757 and a Banking Layer Assessment of \$377,636 for every option. Total funding at the Confidence Level of 60% is \$9,346,854, 65% is \$9,605,275, 70% is \$9,869,233 and 75% is \$10,327,007. The total deposits are calculated using a cap of 40%

Mr. James Marta recommends funding at a Confidence Level of either 65% or 70% to assist in the Banking Layer deficit.

#### **D4b. Preliminary 2014/15 Deposit Calculations – Liability**

Mr. Beverly explained that, currently, the program is funding at a Confidence Level of 65% and a Discount Rate of 1.5%. For the 2014/15 year the rate increased by \$0.15 from the prior year. Staff has provided funding numbers at a Confidence Level of 60%, 65%, 70% and 75%.

Mr. Beverly recommends funding at a 65% or 70% with respects to liability as well. 65% results in a deposit increase of 7.9% and 70% results in a deposit increase of 12.54%. He then went over the different funding options at different Confidence Levels noting that the estimated CJPRMA premium is at \$969,778 and the Admin expense is at \$501,470. The options include a total recommended Shared Risk Assessment of \$332,429 and a Banking Layer Refund of \$167,128 for every option. Total funding at the Confidence Level of 60% is \$4,484,748, 65% is \$4,672,731, 70% is \$4,860,714 and 75% is \$5,112,836. The total deposits are calculated using a cap of 25%

The following recommendations were made:

- Mr. Marta recommends funding at a Confidence Level of 70% for the Banking Layer and 65% for the Shared Risk Layer.
- Ms. Kelley recommends funding at a Confidence Level of 70% for the Banking Layer and 60% for the Shared Risk Layer.
- Mr. Simmons recommends funding at a Confidence Level of 65% for both the Banking Layer and Shared Risk Layer for the Liability program. He also recommended a Confidence Level of 70% for the Workers’ Compensation program.
- Mr. Tim Sailsbery recommends funding at a Confidence Level of 65% across the board.



Mr. Simmons explained that as a best practices most organizations fund at a Confidence level of 70% as programs need to be funded above the 90% Confidence Level to receive dividends. He suggested that NCCSIF should make a goal to get to 70% Confidence Level in the future but not for this renewal.

**The following motions were made with respects to the funding items.**

**Workers' Compensation Funding**

**A motion was made to approve a 65% Confidence Level Funding including the Assessments and Refunds as recommended by staff.**

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

**Liability Funding**

**A motion was made to approve a 65% Confidence Level Funding including the Assessments and Refunds as recommended by staff.**

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

Staff was directed to send the recommended preliminary calculations to NCCSIF members.

**D5. Alliant Service Agreement Amendment (City of Elk Grove) Effective July 1, 2013**

Mr. Simmons explained that an Ad Hoc Committee was appointed consisting of Tim Sailsbery, Paula Islas, Bruce Cline, Liz Ehrenstrom and Steve Kroeger to review the recommended Alliant Service Agreement Amendment for the addition of the City of Elk Grove effective July 1, 2013 which would increase the Contract Maximum by \$8,766 to Alliant's income. The Ad Hoc Committee recommends approval of the Alliant Service Agreement Amendment effective July 1, 2013.

**A motion was made to approve the Alliant Service Agreement Amendment effective July 1, 2013.**

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

**D6. Alliant Services Agreement Five Year Renewal**

Mr. Simmons advised that the staff met with the Ad Hoc Committee and was offered a 5 year agreement at a 2% increase each year. He explained significant additions as follows:

- Modification of Disclosure Language
- Insertion of sections dealing with:





- Waivers
- Ownership of Books and Records
- Disaster Recovery; Continuity
- Non-Solicitation

Byrne Conley has reviewed, and signed off on this Agreement.

The Ad Hoc Committee also asked that Alliant continue providing account time tracking for each program. Staff is currently meeting with Russell Hildebrand to clean up the agreement. Mr. Hildebrand advised that clarifications of the contract is being discussed and addressed.

**A motion was made to approve the Alliant Service Agreement Five Year Renewal upon review of any substantial items that may be made today to be subject to review by the Ad Hoc Committee with a final sign off by the NCCSIF President.**

**MOTION:** Russell Hildebrand      **SECOND:** Corey Shaver      **MOTION CARRIED UNANIMOUSLY**

#### **D7. Accounting and Financial Services Agreement**

Mr. Marcus Beverly explained that staff has met with Mr. Marta who is proposing an increase from his current contract of \$62,100. Mr. Simmons advised that staff recommends the Executive Committee authorizes Alliant to enter into negotiates with James Marta and Company to renew a 3 year agreement for Accounting and Financial Services with fee of \$64,362 for the 14/15 program year with a 2% increase for the following 2 years. Mr. Marta then provided a brief background on James Marta and Company.

**A motion was made to approve a 3 year Agreement for Accounting and Financial Services.**

**MOTION:** Jim Lindley      **SECOND:** Paula Islas      **MOTION CARRIED UNANIMOUSLY**

#### **D8. Round Table Discussion**

Mr. Simmons advised that staff has received an indication for Fraud Coverage to be provided to all NCCSIF member employees at an estimated price of \$9,500 and \$10,500. Staff was directed to firm the quote with Travelers and bring it back to the Board of Directors.

Ms. Ehrenstrom explained that the Police Risk Management Committee is discussing the possibility of a police budget for body cameras for NCCSIF members. Mr. Jim Lindley advised that the City of Dixon is currently using the body cameras which have helped in deterring some claims and improved the behavior of the officers. This has, however, resulted in an increase in Pitchess motions but has not been successful.



**E. INFORMATION ITEMS**

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

**F. ADJOURNMENT**

The meeting was adjourned at 12:36 p.m.

DRAFT



**MINUTES OF THE  
NCCSIF RISK MANAGEMENT COMMITTEE MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
JANUARY 16, 2014**

**MEMBERS PRESENT**

George Silva, City of Dixon  
Jim Ramsey, City of Elk Grove  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Matt Michaelis, City of Marysville  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Crystal Peters, Town of Paradise  
Tom Watson, City of Placerville  
Sandy Ryan, City of Red Bluff  
Russell Hildebrand, City of Rocklin

**MEMBERS ABSENT**

City of Anderson  
City of Auburn  
City of Colusa  
City of Corning  
City of Folsom  
City of Galt  
City of Ione  
City of Jackson  
City of Rio Vista  
City of Willows  
City of Yuba City

**GUESTS & CONSULTANTS**

Johnny Yang, Alliant Insurance Services, Inc.  
Henri Castro, Bickmore

**A. CALL TO ORDER**

The meeting was called to order at 10:37 a.m.



**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

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

**MOTION:** Michael Daly    **SECOND:** Russell Hildebrand    **MOTION CARRIED UNANIMOUSLY**

**D. CONSENT CALENDAR**

1. Minutes of the Risk Management Committee Meeting – October 10, 2013

**A motion was made to approve the consent calendar.**

**MOTION:** Russell Hildebrand    **SECOND:** Jim Ramsey    **MOTION CARRIED UNANIMOUSLY**

**E. RISK MANAGEMENT BUSINESS**

**E1. Risk Control Service as of December 31, 2013**

Ms. Henri Castro provided the Committee with an update on the services Bickmore has provided NCCSIF members during the 2013/2014 program year to date. She explained that this year has been very busy with many IIPP reviews and great process with respects to the Member Assessments and Action Plans being implemented. She noted that Bickmore has hired additional staff to assist in the increased projects received from all pools they service and asked the feedback be provided with respects to their additional staff. Bickmore currently has seven total trainers to assist their pools.

Ms. Castro advised that there is an upcoming Confined Space Rescue Training being scheduled which is an eight hour class and if any members have interest in this training to contact her for a copy of the flyer. She is also working to host a Regional Training on February 24<sup>th</sup>, 2014 regarding Flagger Safety which will most likely be held at Lincoln and/or Red Bluff.

Another project she is working on is a safety communication on electronic cigarettes. Some counties have drafted their own laws on electronic cigarettes. She advised that California Senate Bill 648 is attempting to include electronic cigarettes within the existing tobacco law. There has been no progress as the FDA has still not made a decision on this item. There has been no study suggesting second hand exposure contains nicotine so CalOSHA has still not yet made any suggestions regarding the use of electronic cigarettes in the workplace.

## **E2. Police Risk Management Committee Meeting Summary**

Ms. Liz Ehrenstrom provided the Committee with a summary of the August 15, 2013 Police Risk Management Committee meeting. She explained that the Police Risk Management Committee had an officer involved shootings training session with discussion on lessons learned from cases in the past. The Police Risk Management Committee also requested to have training on a Physical Fitness for Duty. She advised there was also discussion on the most frequent causes of losses within the Police Department which were Civil Rights Violations, False Arrest and Officer Involved Shootings. This led to the discussion of the purchasing cameras for members' police departments. She also advised that there has been an increase in small property loss claims and mentioned that auto liability was also a large loss leader.

Mr. Jim Ramsey expressed his interest in obtaining cameras for members' police departments. Ms. Ehrenstrom advised that staff was directed to look into the costs of cameras which will be brought back to the Police Risk Management Committee for discussion. Mr. George Silva advised that the City of Dixon has some cameras being utilized and their officers have expressed a lot of satisfaction in the usage of these cameras.

Henri discussion regarding CalOSHA has sent out enforcement officers to review ATD regulations.

## **E3. Discussion of Police Risk Management Budget for 2014/2015**

Mr. Johnny Yang explained that the Police Risk Management Committee did address the idea of the purchase of cameras in the past but the item was never brought to the Board of Directors for approval. Mr. Yang suggested the appointment of an Ad Hoc committee to discuss and draft a budget for approval by the Risk Management Committee.

Ms. Ehrenstrom then recommended that the Risk Management Committee appoint an ad hoc committee to discuss, review and submit a Budget for the Police Risk Management committee for 2014/2015. Ms. Liz Ehrenstrom and Mr. John Lee volunteered to be on the Ad Hoc committee. Ms. Ehrenstrom suggested Mr. John Ruffcorn, Chair of the Police Risk Management Committee, is asked to participate in the Ad Hoc committee as well as Mr. Tom Kline.

Ms. Castro explained that Bickmore is currently working on an analysis for all the pools serviced by Bickmore which will be compared to one another relative to their size. Bickmore is also working on a series of best practices specific to the police department exposure.

**A motion was made to appoint those mentioned above on an Ad Hoc committee to discuss and develop a Police Risk Management Committee budget to be brought back to the Risk Management Committee for approval.**

**MOTION:** Russell Hildebrand      **SECOND:** George Silva      **MOTION CARRIED UNANIMOUSLY**

**E4. Use of Risk Management Training Funds Request**

Ms. Castro explained that in prior years NCCSIF had funds to assist individual members for training. There have been three members requesting reimbursement for CPR training for their city. Mr. Yang explained that there has been \$25,000 remaining in a Risk Management Fund designed for Regional Training Sessions for NCCSIF members. As there was not a plan to include individual member trainings, staff wanted to reach out to the Risk Management Committee for direction. Mr. Yang explained that with respects to Training Sessions which are opened up to all members, the expenses of the training session are reimbursements through the Risk Management Fund. Ms. Ehrenstrom expressed concern that in approving these reimbursements it will open up the floor for other cities to request reimbursement for their individual trainings.

Mr. Hildebrand suggested the idea of a training fund going towards a trainer that will be made available to all NCCSIF members. Ms. Ehrenstrom also suggested sending an e-mail out to members requesting if they have specific trainers they would like.

Mr. Hildebrand also suggested the idea of training trainers for the NCCSIF organization that can made available upon member requests.

Staff was directed to deny the reimbursement of the use of Risk Management Funds for individual member training sessions and to research the ideas discussed above.

**F. INFORMATION ITEMS**

**F1. Parma Conference**

**F2. NCCSIF Travel Reimbursement Form**

**G. ADJOURNMENT**

The meeting was adjourned at 11:45 p.m.



**EXECUTIVE COMMITTEE REPORTABLE ACTIONS FROM THE  
FEBRUARY 18, 2014, MARCH 13, 2014 & APRIL 10, 2014 EXECUTIVE  
COMMITTEE MEETINGS**

**INFORMATION ITEM**

**ACTIONS TAKEN:**

- 1. Selection of the 2014 Claims Committee Members** – *The Committee selected the following members to serve on the 2014 Claims Committee: Russell Hildebrand, Liz Ehrenstrom, Corey Shaver, John Lee and Tim Chapa.*
- 2. City of San Luis Obispo Potential Interest in NCCSIF membership** – *The Committee elected not to consider the City of San Luis Obispo for potential NCCSIF membership due to geographical reasons (and likely lack of participation).*
- 3. Workers' Compensation Claims Auditor Selection** – *The Committee approved the Request for Proposal for the Workers' Compensation Claims Auditor Selection.*
- 4. Approval of the Program Administration & Brokerage Services Agreement Amendment (Addition of Elk Grove)** – *The Committee approved the Amendment to the Program Administration & Brokerage Services Agreement to include the additional administration fees for the addition of the City of Elk Grove.*
- 5. Approval of the 5 year Renewal of the Program Administration & Brokerage Services Agreement** – *The Committee approved the renewal of the Program Administration & Brokerage Services Agreement with a 5-year term.*
- 6. Approval of the 3 year Renewal of the Accounting Services Agreement** – *The Committee approved the renewal of the Accounting Services Agreement with a 3-year term.*



## NCCSIF INVESTMENT PORTFOLIO REVIEW

### INFORMATION ITEM

**ISSUE:** 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.

**FISCAL IMPACT:** Unknown.

**RECOMMENDATION:** None. This item is presented as information only.

**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



# Northern California Cities Self Insurance Fund

Period Ending  
March 31, 2014



<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>



## SECTION 1

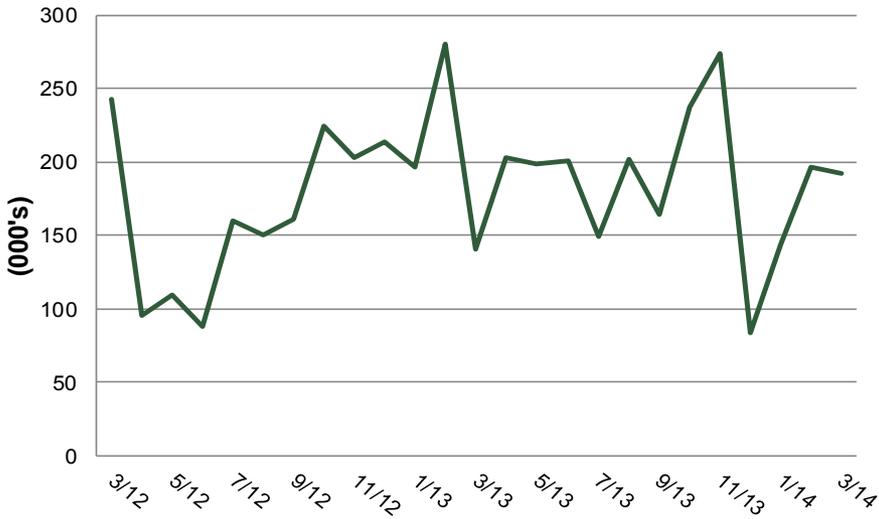
# Economic Update



- The March employment report was slightly weaker than expected, but overall the labor market seems to be improving gradually. Nonfarm payroll jobs grew by 192,000 in March, versus expectations of 200,000. Private payrolls grew by 192,000 and government jobs were flat. The unemployment rate was unchanged at 6.7%, and wage growth was flat. For the first quarter of 2014, payrolls rose by 178,000 per month on average, which compares to average growth of 198,000 per month during the fourth quarter of last year. We believe this deceleration is at least partially explained by the severe winter weather that continued into March. Meanwhile manufacturing, housing, and consumer data remains mixed.
- The FOMC left policy rates unchanged at its March 18-19 meeting, and announced another \$10 billion reduction in asset purchases beginning in April, as expected. We believe the process of unwinding QE will likely continue at a steady pace throughout 2014. The Committee made some changes to its forward guidance on monetary policy. Rather than pointing to 6.5% unemployment as a trigger point for policy change, the Fed is now using more qualitative language and indicated that it will instead be focused on targeting “maximum employment”. The Committee will also continue to target a long-run inflation goal of 2%. The Fed slightly lowered its forecasts for GDP growth and unemployment (compared with its forecasts from December), while its inflation outlook was essentially unchanged. In her first post-meeting press conference, Chairwoman Yellen rattled the financial markets when she suggested that the first fed funds rate hike could begin 6 months after the taper is complete (which implies spring of 2015 – a few months earlier than the market had been forecasting). Overall, many market participants viewed Yellen’s comments as being more “hawkish” than expected. The next FOMC meeting is scheduled for April 29-30.
- During the past three months, the yield curve has flattened even as the Fed has been tapering its purchases of long-term Treasury bonds. The shape of the yield curve is changing as market participants anticipate future fed funds rate hikes by the Federal Reserve which has begun to put upward pressure on shorter-term yields. Meanwhile, over the past three months, market participants have reacted to lackluster domestic economic data (largely due to weather), as well as geopolitical tensions and fears about emerging market currencies. These worries have fueled a flight to quality, putting downward pressure on longer yields.



### Non-farm Payroll (000's)



### Unemployment Rate

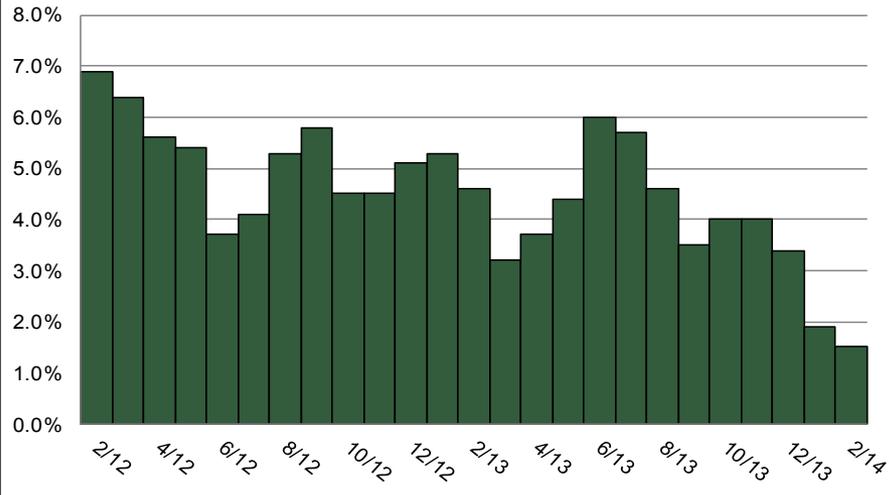


Source: U.S. Department of Labor

The March employment report was slightly weaker than expected as payrolls rose by 192,000 versus the 200,000 consensus estimate. Net revisions for job growth in February and January were +37,000. Private payrolls increased by 192,000 in March and government jobs were flat. The unemployment rate was unchanged at 6.7%, while the consensus projection was 6.6%.

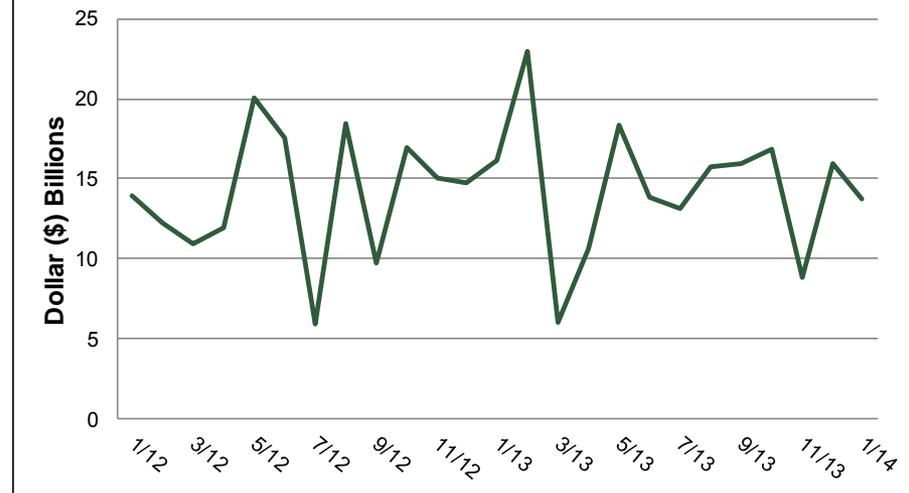


### Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

### Consumer Credit

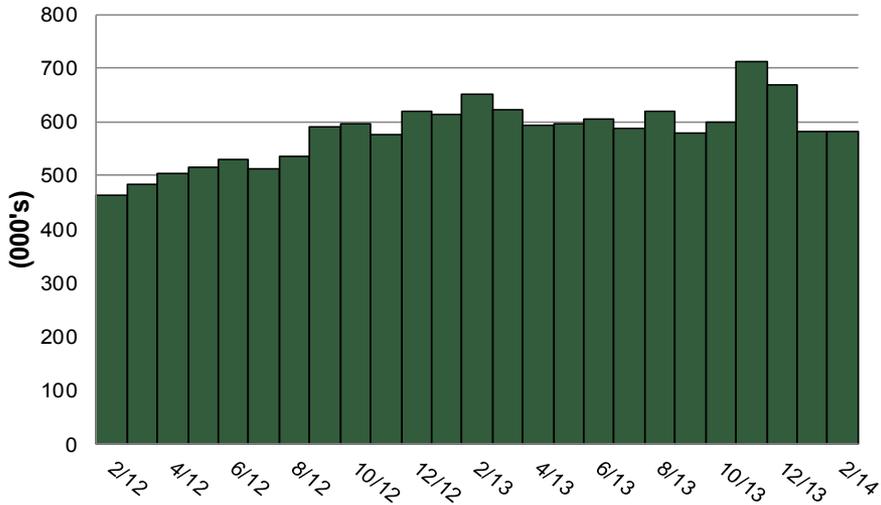


Source: Federal Reserve

In February, Retail Sales rose 1.5% on a year-over-year basis versus a gain of 1.9% in January. On a month-over-month basis, Retail Sales excluding autos and gas rose 0.3% in February which was ahead of the consensus forecast of +0.1%. Adverse weather likely continued to hinder retail sales during the month. Consumer Credit rose by \$13.7 billion in January versus a gain of \$18.8 billion in December. Revolving credit declined by \$0.2 billion in January, and December's gain in revolving credit was revised down to \$3.1 billion from \$5.0 billion. The non-revolving component (primarily auto and student loans) continues to fuel overall credit expansion and rose by \$13.9 billion in January.

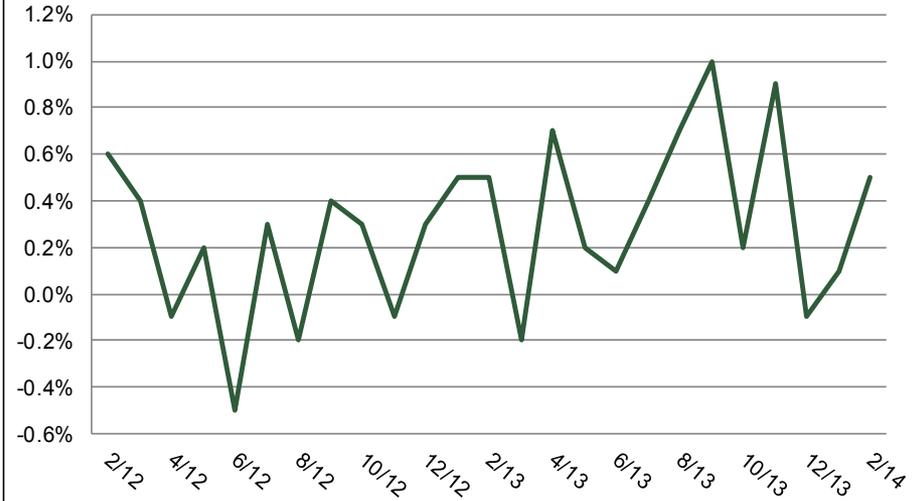


### Starts - Single Family Housing



Source: US Department of Commerce

### Leading Economic Indicators

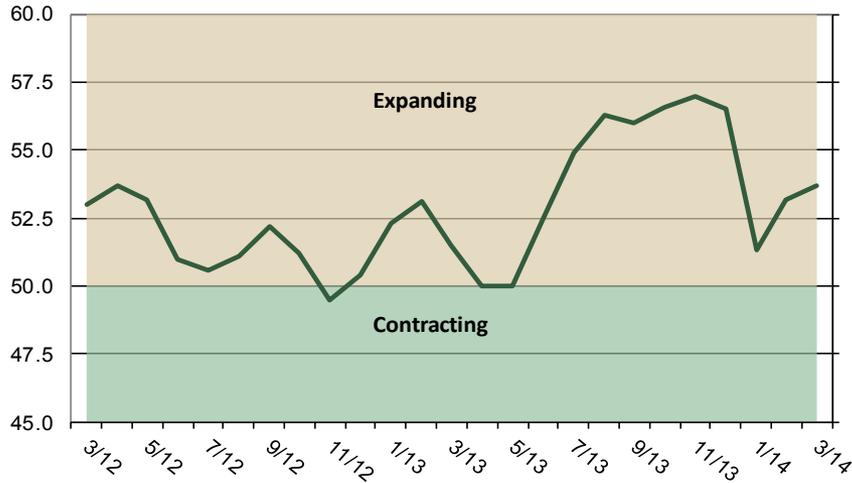


Source: The Conference Board

Single-family housing starts rose 0.3% in February after falling 13.2% in January. Unfavorable weather has likely affected housing trends in the past few months. The index of Leading Economic Indicators (LEI) rose 0.5% in February following a 0.1% gain in January. Overall, the LEI index continues to point to slow economic growth.

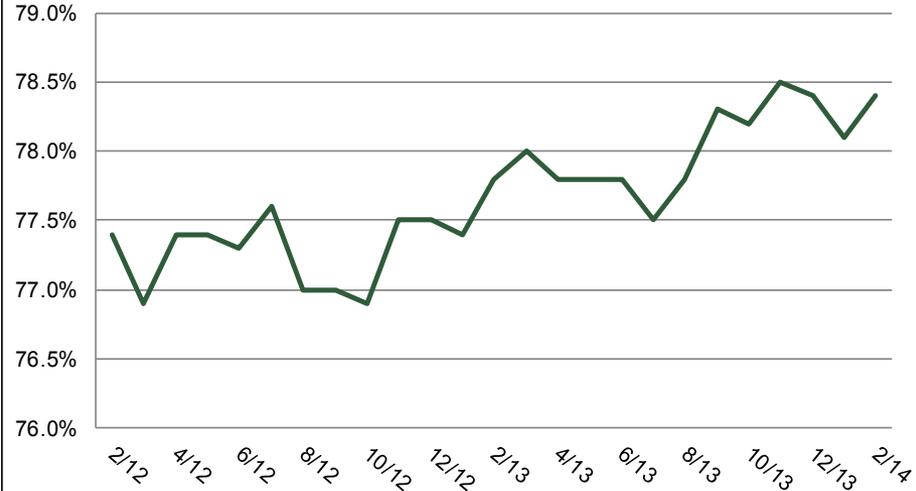


### Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

### Capacity Utilization



Source: Federal Reserve

During March, the ISM Manufacturing Index increased to 53.7 from 53.2 in February, signaling a slight uptick in the manufacturing sector. February's reading was slightly below expectations and was probably held down by ongoing weather-related factors. Nevertheless, a reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction in the manufacturing sector. Capacity Utilization, which is production divided by capacity, rose in February to 78.8% from 78.5% in January. The Capacity Utilization rate remains below the long-run average of 80.2% (1972-2012).





### CPI Y-O-Y % Change

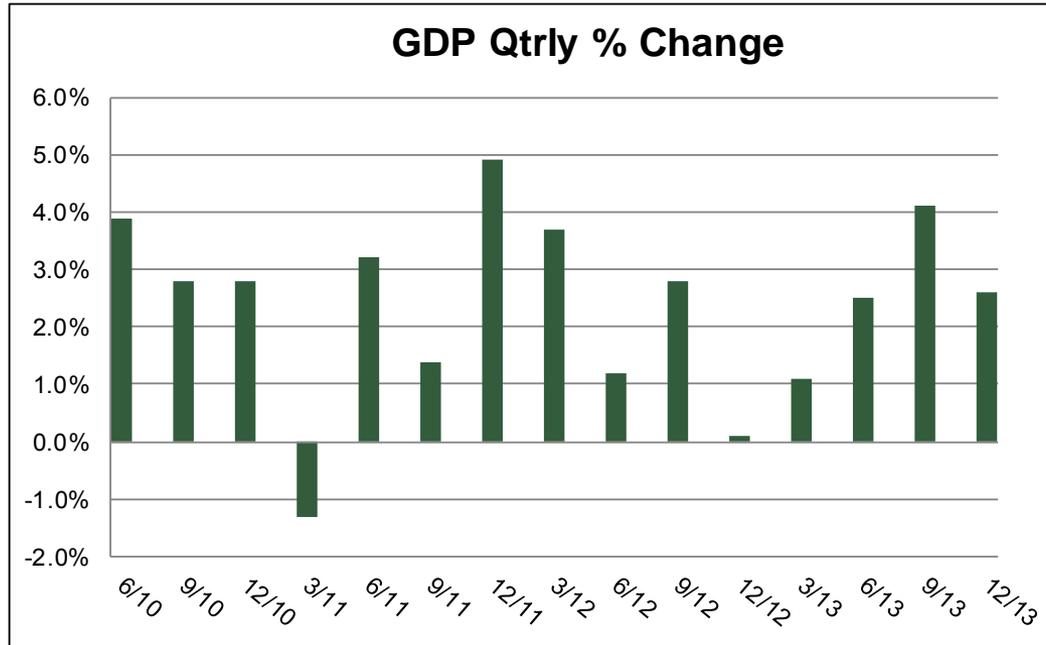


Source: US Department of Labor

### Core CPI Y-O-Y % Change



In February, overall CPI inflation fell to 1.1% on a year-over-year basis from 1.6% in January. The year-over-year Core CPI (CPI less food and energy) was unchanged at 1.6% in February. The core inflation rate is still trending below the Fed's long-term goal of 2.0% and remains below the trigger rate for policy action of 2.5%.

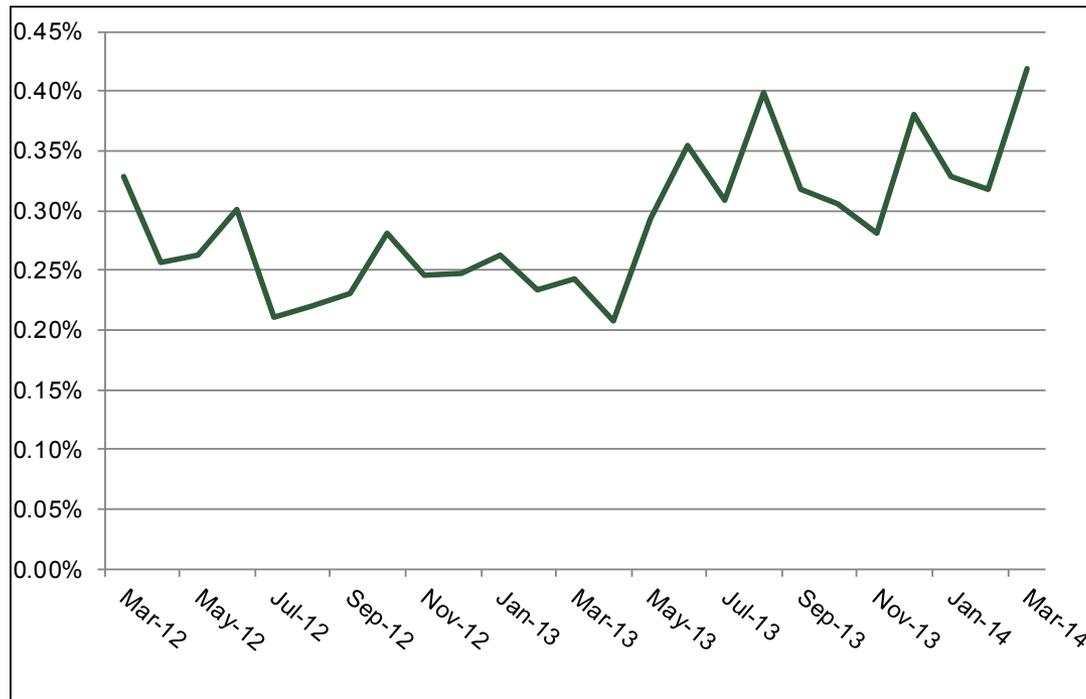


Source: U.S. Department of Commerce

The economy grew more slowly than previously estimated during the fourth quarter. Real annualized GDP growth for the fourth quarter of 2013 was 2.4%, down from the advance estimate of 3.2%. There were downward revisions to personal consumption, inventory investment, net exports, and government purchases. This follows third quarter GDP growth of 4.1%.



## Yield on the Two-Year Note March 2012 through March 2014

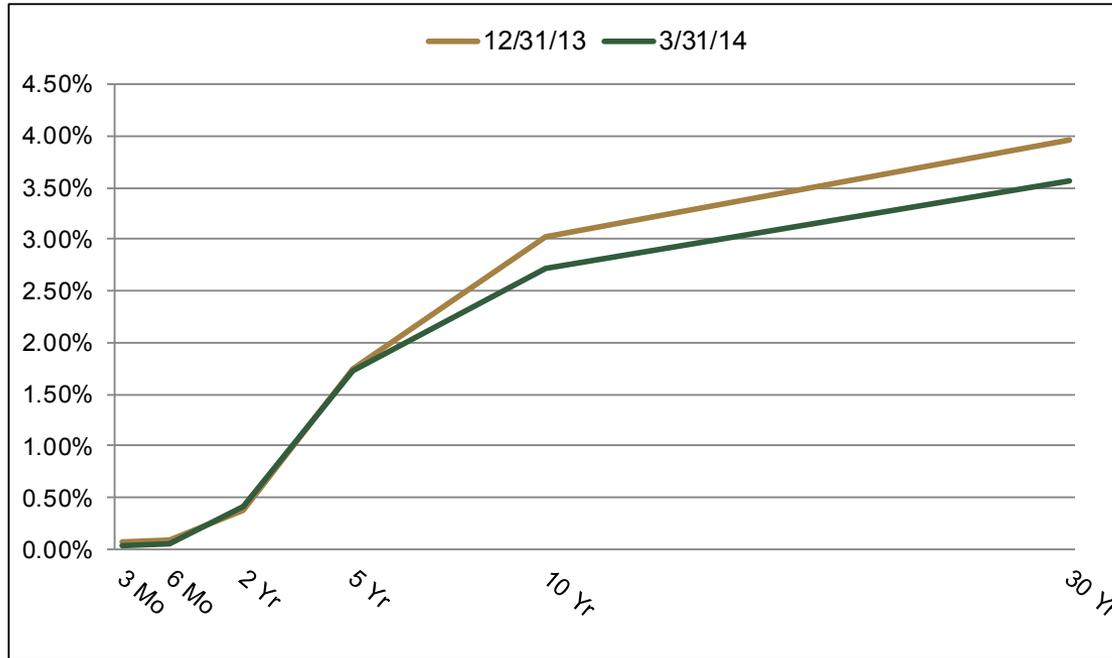


Source: Bloomberg

The yield on the two-year Treasury note increased in March, driven by in part by the ongoing unwinding of quantitative easing by the Federal Reserve along with increased anxiety that the Fed could begin hiking the fed funds rate sooner than market participants have been expecting. We believe these factors have been somewhat offset by a moderate flight to quality due to geopolitical tensions.

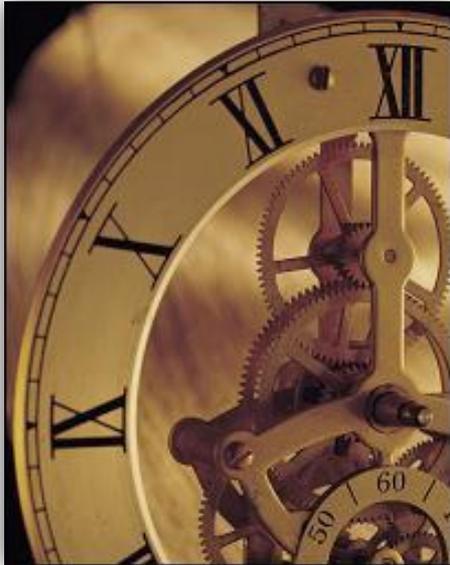


## December 31, 2013 and March 31, 2014



Source: Bloomberg

During the past three months, the yield curve has flattened even as the Fed has been tapering its purchases of long-term Treasury bonds. The shape of the yield curve is changing as market participants anticipate future fed funds rate hikes by the Federal Reserve which has begun to put upward pressure on shorter-term yields. Meanwhile, over the past three months, market participants have reacted to lackluster domestic economic data (largely due to weather), as well as geopolitical tensions and fears about emerging market currencies. These worries have fueled a flight to quality, putting downward pressure on longer yields.



## 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.



### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the Authority's investment policy.*

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
LAIF	\$50 million	Complies
Medium Term Notes	30% max; A; 5 year maximum	Complies
Money Market Acct	15% maximum; AA	Complies
Mutual Funds	15% maximum; AAA	Complies
Negotiable CDs	30% overall; 3-year maximum	Complies
Repurchase Agreements	10% overall; 30 days	Complies
Time CDs	3 year maximum	Complies
Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies



## Portfolio Characteristics

### Northern CA Cities Self Ins. Fund Short Term

	03/31/2014		12/31/2013
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.71	2.62	2.64
Modified Duration	2.61	2.44	2.47
Average Purchase Yield	n/a	1.27 %	1.28 %
Average Market Yield	0.79 %	0.91 %	0.89 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		20,351,207	20,268,428

\* 1-5 yr Govt

\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

During the last quarter, our portfolio re-balancing and re-investment activity invested about \$1.7 million in order to maintain the desired portfolio strategy and structure. Recent purchases included a diversified mix of Treasury, Agency, Asset Backed, Corporate, and Commercial Paper securities with maturities ranging from June 2014 through March 2019.

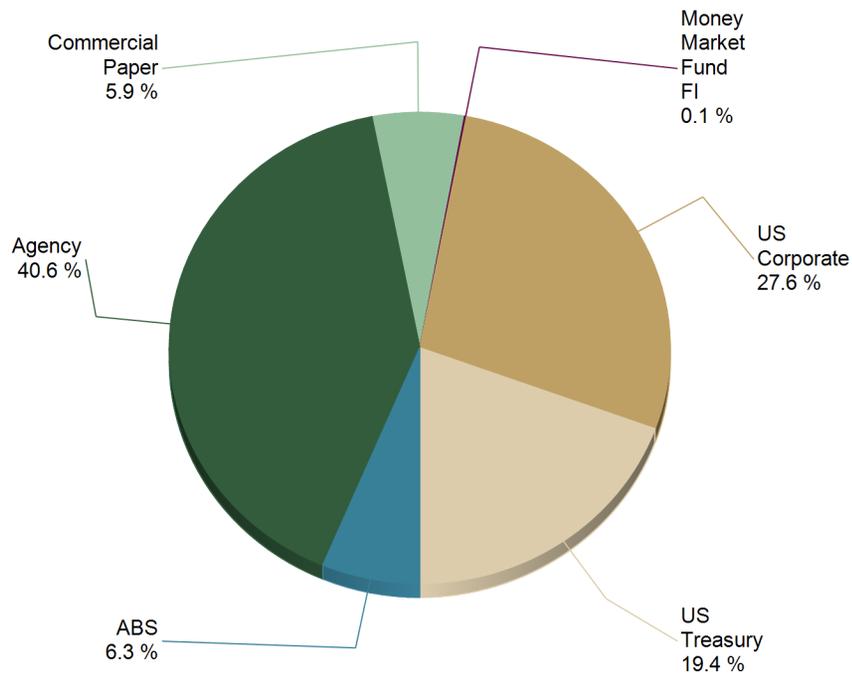




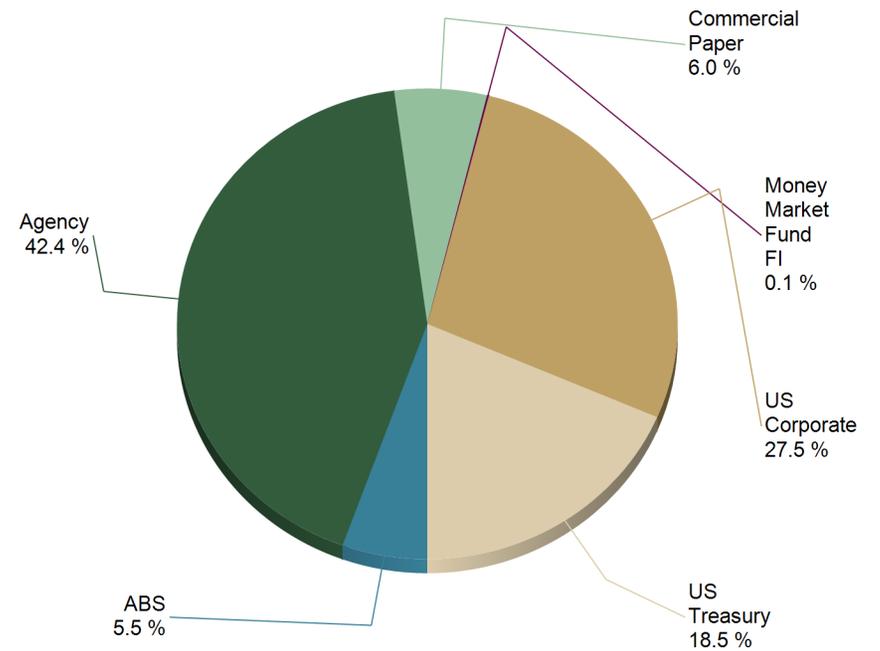
# Sector Distribution

## Northern CA Cities Self Ins. Fund Short Term

March 31, 2014



December 31, 2013



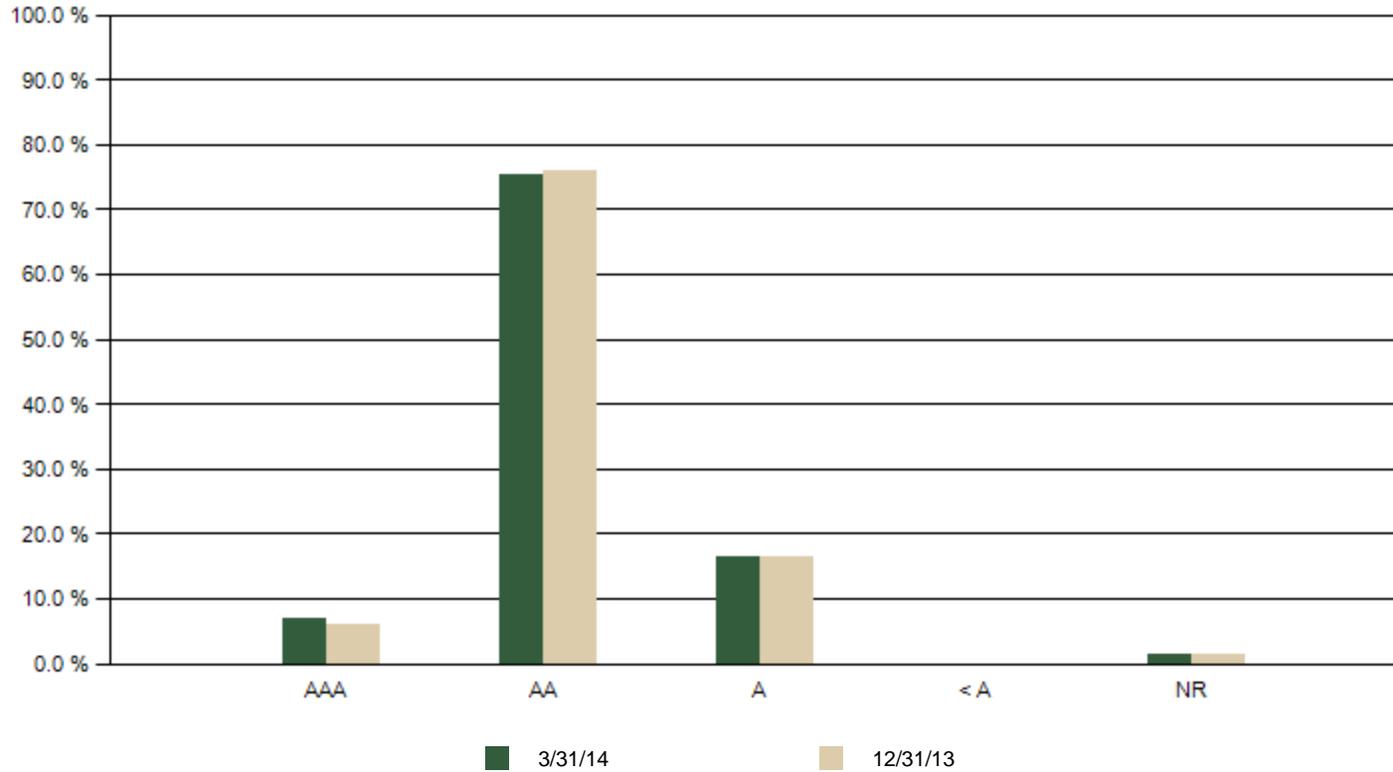
The portfolio sector allocation changed modestly as the Asset Backed and Treasury sectors increased by 0.8% and 0.9%, respectively; also the Agency sector decreased by 1.8%.



# Quality Distribution

## Northern CA Cities Self Ins. Fund Short Term

March 31, 2014 vs. December 31, 2013



	AAA	AA	A	<A	NR
<b>3/31/14</b>	6.9 %	75.2 %	16.4 %	0.0 %	1.5 %
<b>12/31/13</b>	6.1 %	76.0 %	16.4 %	0.0 %	1.5 %

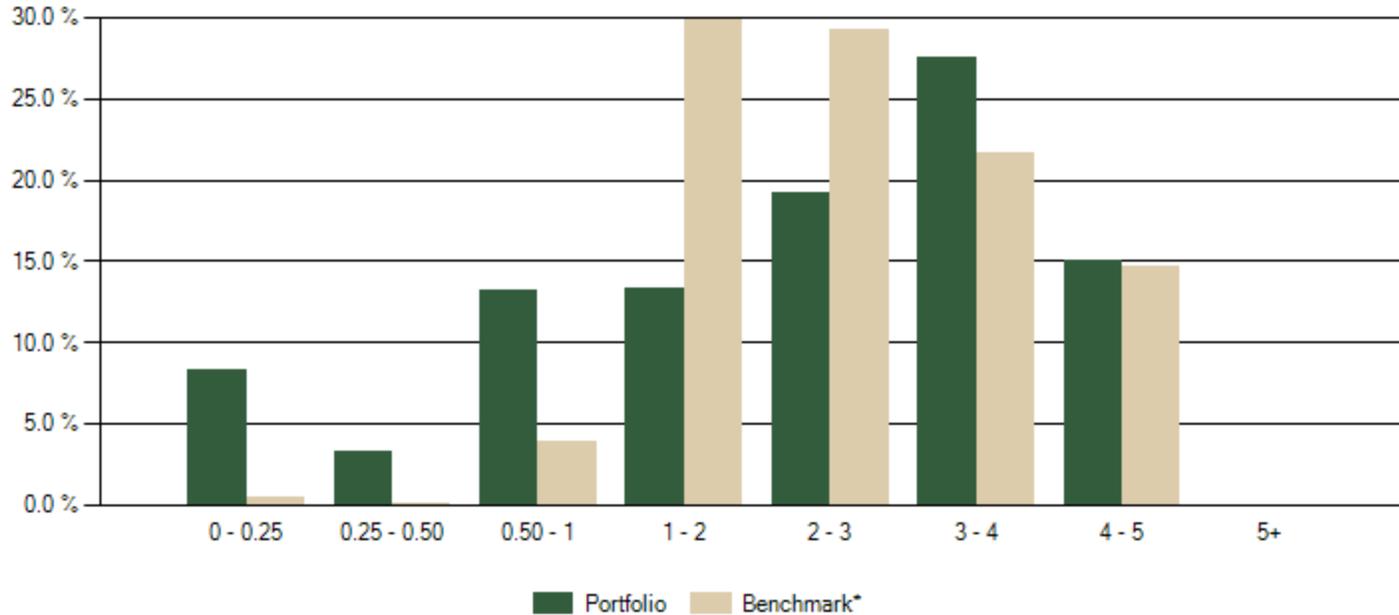
Source: S&P Ratings



# Duration Distribution

## Northern CA Cities Self Ins. Fund Short Term

Portfolio Compared to the Benchmark as of March 31, 2014



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
<b>Portfolio</b>	8.4 %	3.3 %	13.2 %	13.4 %	19.2 %	27.6 %	15.0 %	0.0 %
<b>Benchmark*</b>	0.4 %	0.1 %	3.9 %	29.9 %	29.3 %	21.7 %	14.7 %	0.0 %

\* 1-5 yr Govt

The duration of the portfolio was close to that of the benchmark’s duration during the recent quarter. The market continues to expect the Federal Reserve to taper the amount of its bond purchases throughout 2014, likely increasing interest rate volatility during the year. Offsetting the expected increase in volatility is the unchanged forecast for the federal funds rate (currently 0-0.25%). We anticipate that the portfolio duration will remain close to the Authority’s 1-5 Year Government benchmark in the near term.



# Investment Performance

## Northern CA Cities Self Ins. Fund Short Term

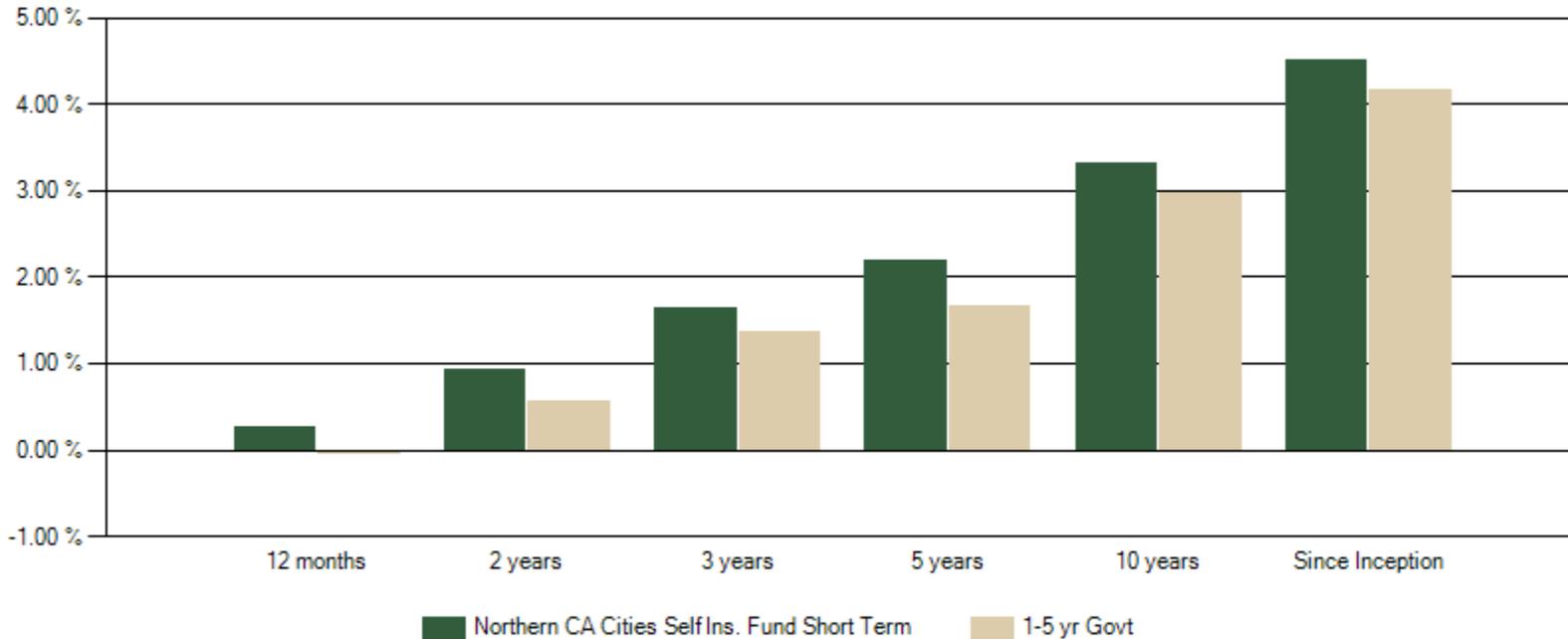
Period Ending

March 31, 2014

Total Rate of Return

Annualized Since Inception

December 31, 1997



	3 months	12 months	Annualized				
			2 years	3 years	5 years	10 years	Since Inception
Northern CA Cities Self Ins. Fund Short Term	0.41 %	0.29 %	0.96 %	1.66 %	2.23 %	3.33 %	4.54 %
1-5 yr Govt	0.26 %	-0.06 %	0.59 %	1.40 %	1.69 %	2.99 %	4.19 %

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.



### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the Authority's investment policy.*

Category	Standard	Comment
Asset-backed/MBS	20% maximum	Complies*
Banker's Acceptances	A1/P1; 30% max; <180 days; L/T = AA	Complies
Commercial Paper	A1/P1; 25% max.; <270 days	Complies
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Negotiable CDs	30% overall; 3-year maximum	Complies
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Treasury issues	No limitation	Complies
US Agencies	No limitation	Complies
Per Issuer Maximum	5% (except gov'ts)	Complies
Maximum Maturity	10 years	Complies
Futures and Options	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies

\*Please note that the FHMS K704 A2 Due 08/25/18 is rated AAA by Fitch.



## Portfolio Characteristics

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

	03/31/2014		12/31/2013
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	4.00	4.03	4.06
Modified Duration	3.72	3.68	3.70
Average Purchase Yield	n/a	2.08 %	2.17 %
Average Market Yield	1.23 %	1.44 %	1.46 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		20,862,653	20,675,684

\* 1-10 yr Govt

\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

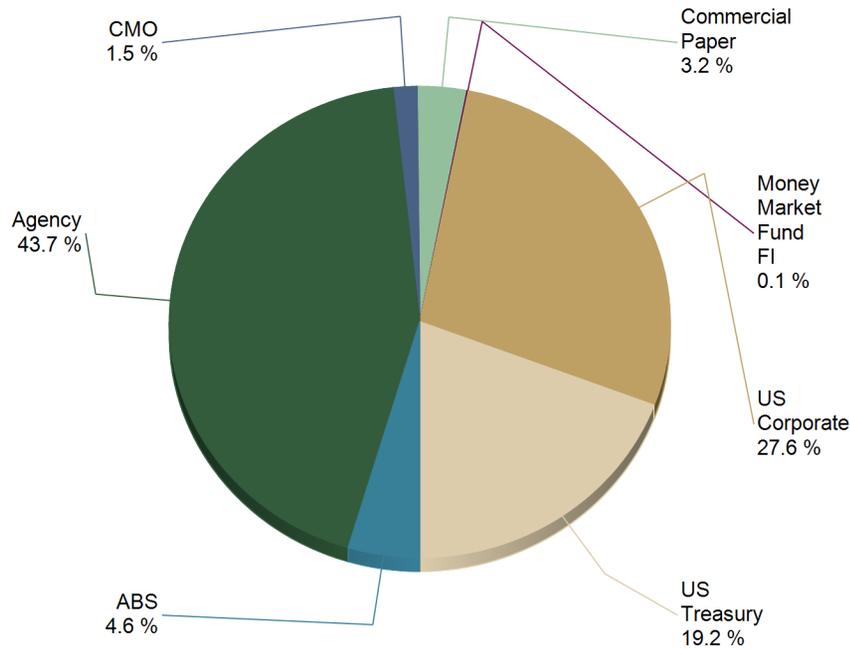
During the last quarter, our portfolio re-balancing and re-investment activity invested about \$1.9 million in order to maintain the desired portfolio strategy and structure. Recent purchases included a diversified mix of Agency, Asset Backed, Collateralized Mortgage Obligation, Corporate, and Commercial Paper securities with maturities ranging from June 2014 through May 2020.



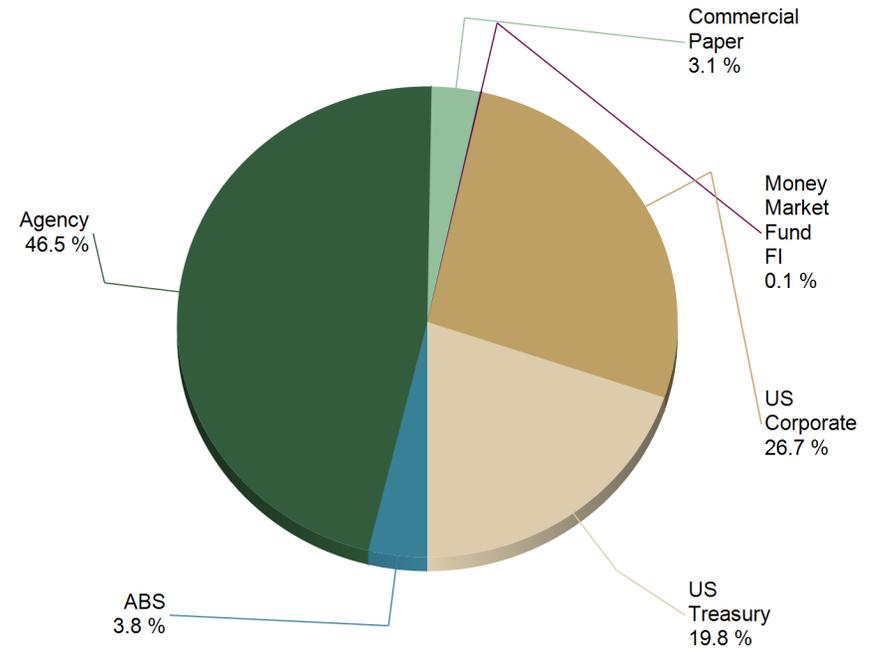
# Sector Distribution

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

March 31, 2014



December 31, 2013



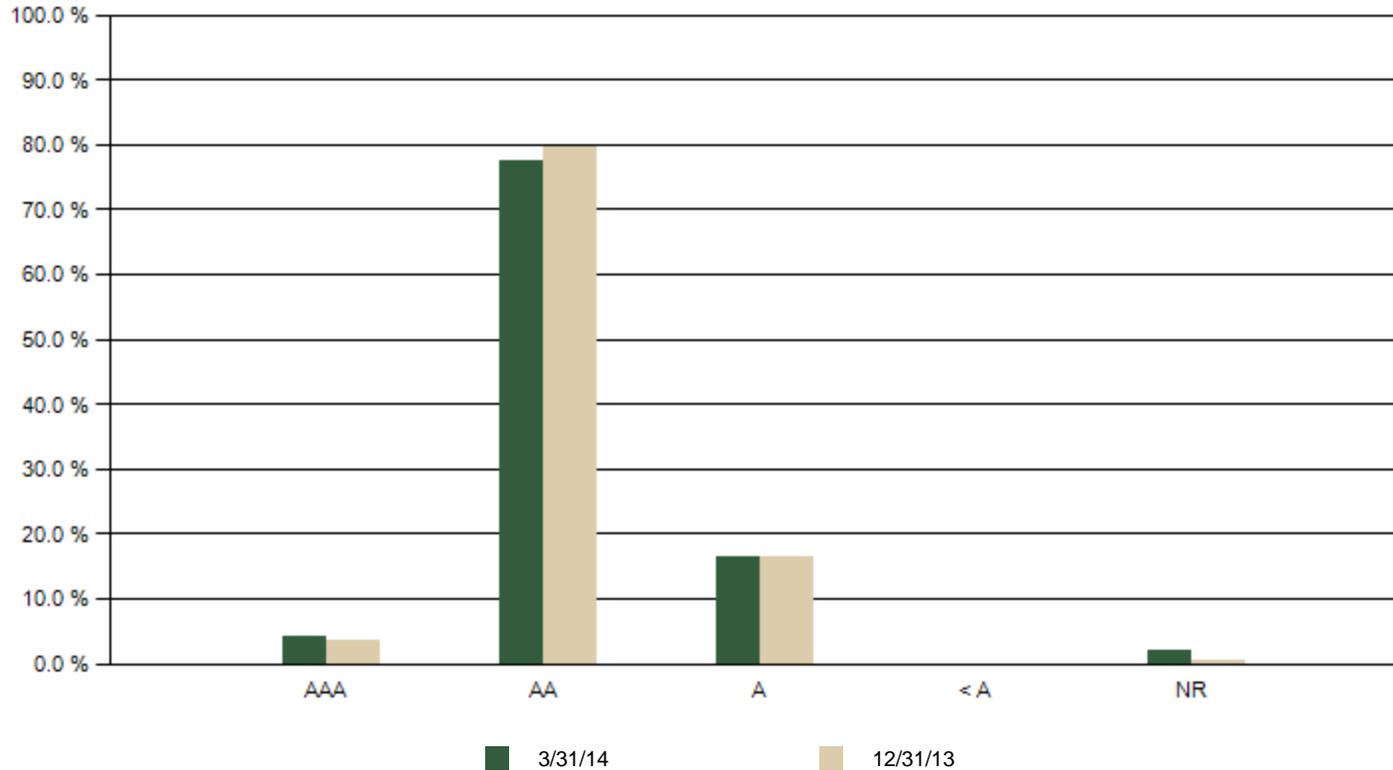
The portfolio sector allocation changed modestly as the Collateralized Mortgage Obligation and Asset Backed sectors increased by 1.5% and 0.8%, respectively; also the Agency sector decreased by 2.8%.



# Quality Distribution

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

March 31, 2014 vs. December 31, 2013



	AAA	AA	A	<A	NR
<b>3/31/14</b>	4.3 %	77.4 %	16.3 %	0.0 %	2.0 %
<b>12/31/13</b>	3.5 %	79.5 %	16.5 %	0.0 %	0.4 %

Source: S&P Ratings

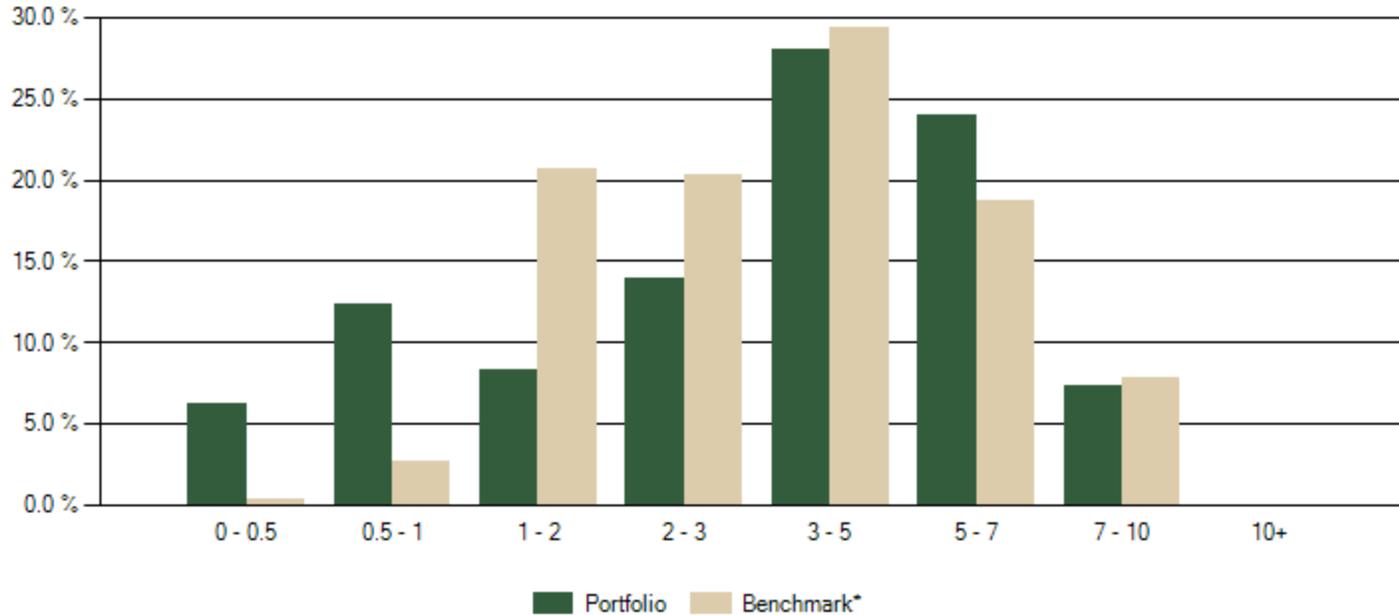




# Duration Distribution

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

Portfolio Compared to the Benchmark as of March 31, 2014



	0 - 0.5	0.5 - 1	1 - 2	2 - 3	3 - 5	5 - 7	7 - 10	10+
<b>Portfolio</b>	6.2 %	12.3 %	8.3 %	13.9 %	28.0 %	23.9 %	7.3 %	0.0 %
<b>Benchmark*</b>	0.4 %	2.7 %	20.7 %	20.3 %	29.4 %	18.7 %	7.8 %	0.0 %

\* 1-10 yr Govt

The duration of the portfolio was close to that of the benchmark’s duration during the recent quarter. The market continues to expect the Federal Reserve to taper the amount of its bond purchases throughout 2014, likely increasing interest rate volatility during the year. Offsetting the expected increase in volatility is the unchanged forecast for the federal funds rate (currently 0-0.25%). We anticipate that the portfolio duration will remain close to the Authority’s 1-10 Year Government benchmark in the near term.



# Investment Performance

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

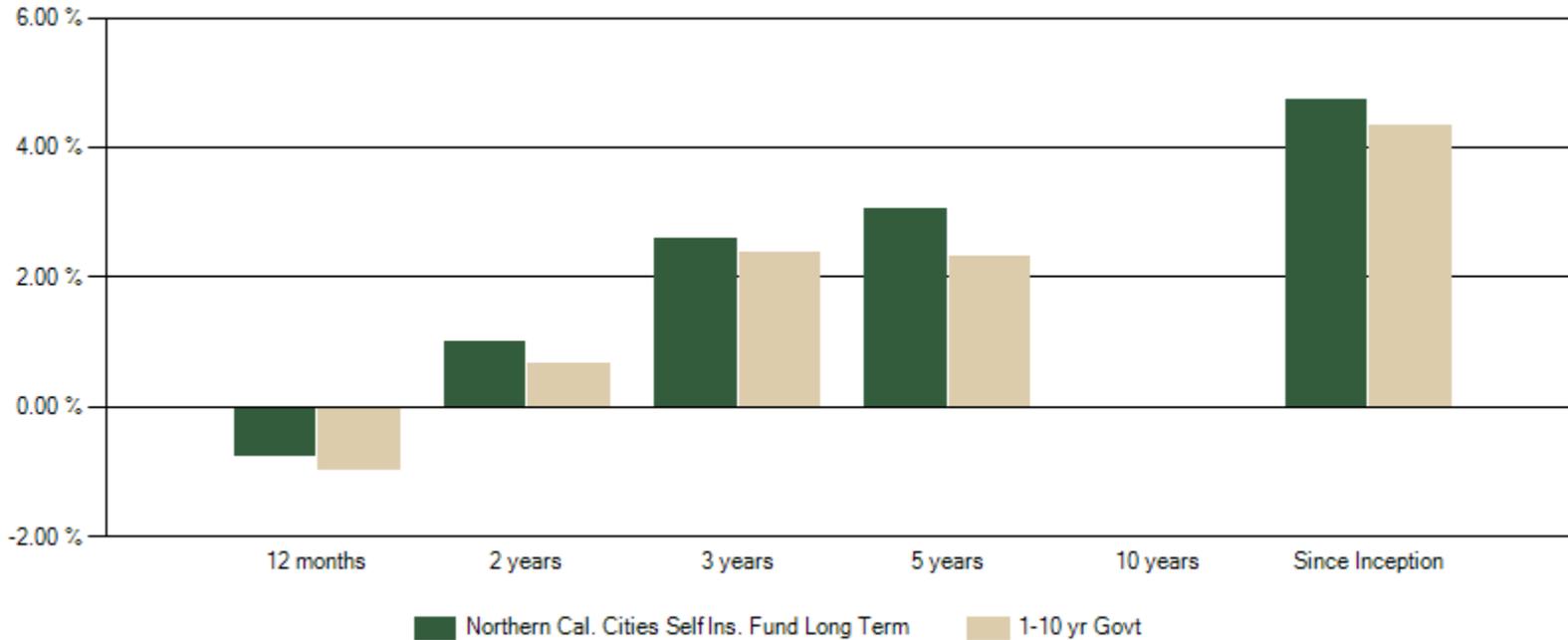
Period Ending

March 31, 2014

Total Rate of Return

Annualized Since Inception

May 31, 2006



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
Northern Cal. Cities Self Ins. Fund Long Term	0.90 %	-0.77 %	1.03 %	2.62 %	3.09 %	N/A	4.76 %
1-10 yr Govt	0.72 %	-0.99 %	0.71 %	2.40 %	2.35 %	N/A	4.38 %

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.



## SECTION 3

# CONSOLIDATED INFORMATION



## Portfolio Characteristics

### Nor Cal Consolidated

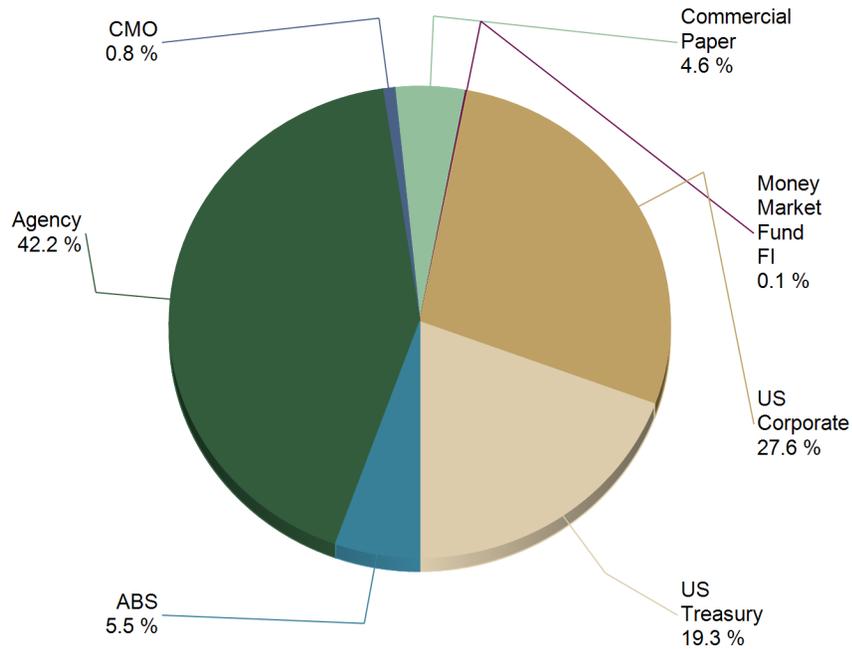
	03/31/2014	12/31/2013
	Portfolio	Portfolio
Average Maturity (yrs)	3.34	3.35
Modified Duration	3.06	3.09
Average Purchase Yield	1.68 %	1.72 %
Average Market Yield	1.18 %	1.18 %
Average Quality	AA/Aa1	AA/Aa1
Total Market Value	41,213,860	40,944,111



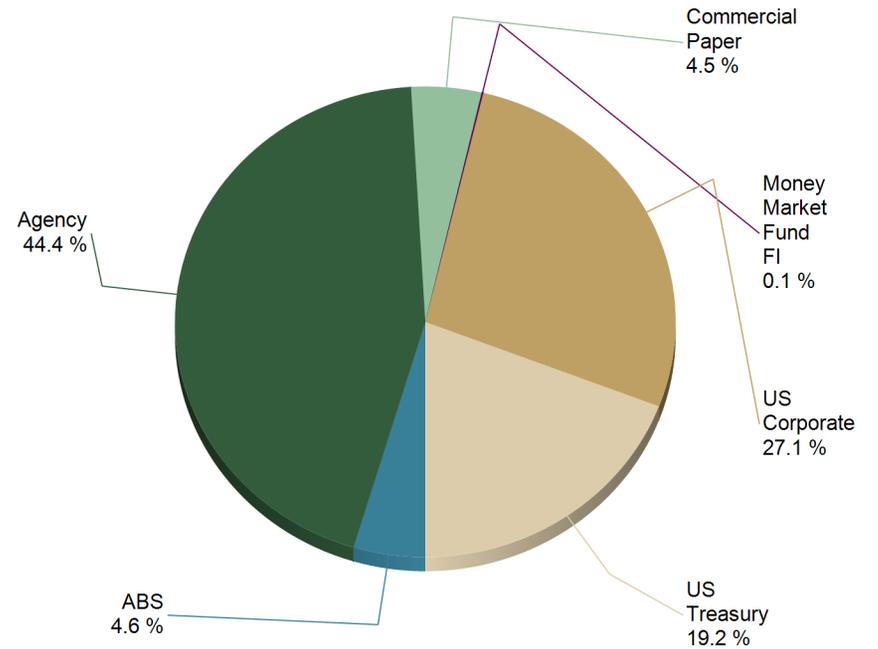
# Sector Distribution

## Nor Cal Consolidated

March 31, 2014



December 31, 2013





Nor Cal Consolidated  
Account #172

## Issuer Report

As of 3/31/2013

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	18.35 %
Federal Farm Credit Bank	Agency	10.96 %
Federal Home Loan Bank	Agency	9.55 %
Federal National Mortgage Association	Agency	9.52 %
Federal Home Loan Mortgage Corp	Agency	9.26 %
Tennessee Valley Authority	Agency	6.25 %
Bank of Nova Scotia	Commercial Paper	2.31 %
Toyota Motor Corp	Commercial Paper	2.14 %
General Electric Co	US Corporate	1.82 %
Wal-Mart Stores	US Corporate	1.74 %
Ebay	US Corporate	1.74 %
JP Morgan Chase & Co	US Corporate	1.68 %
US Bancorp	US Corporate	1.68 %
Wells Fargo Corp	US Corporate	1.67 %
Pepsico Inc	US Corporate	1.66 %
Berkshire Hathaway	US Corporate	1.65 %
Bank of New York	US Corporate	1.59 %
Intel Corp	US Corporate	1.32 %
Honda Motor Corporation	ABS	1.31 %
Northern Trust Corp	US Corporate	1.24 %
JP Morgan Chase & Co	ABS	1.09 %
BlackRock Inc/New York	US Corporate	1.09 %
Deere & Company	US Corporate	1.08 %
Praxair	US Corporate	1.08 %
HSBC USA Corp	Commercial Paper	1.03 %
IBM Corp	US Corporate	1.00 %
Toyota Auto Receivables	ABS	0.99 %
Google Inc	US Corporate	0.93 %
Bank of Tokyo-Mit UFJ	Commercial Paper	0.76 %
Coca Cola Co.	US Corporate	0.66 %
Walt Disney Company	US Corporate	0.55 %
Pfizer Inc.	US Corporate	0.52 %
Occidental Petroleum Corporation	US Corporate	0.51 %



Nor Cal Consolidated  
Account #172

## Issuer Report

As of 3/31/2013

Issue Name	Investment Type	% Portfolio
John Deere Security Trust	ABS	0.48 %
ChevronTexaco Corp	US Corporate	0.48 %
Dreyfus Institutional Reserves Money Market Fund	Money Market Fund FI	0.21 %
United Technology Corp	US Corporate	0.12 %
<b>Total</b>		<b>100.00 %</b>



## SECTION 4

# PORTFOLIO HOLDINGS





Holdings Report

As of 3/31/14

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	Maturity Duration
<b>ABS</b>									
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	215,000.00	08/28/2012 0.53 %	214,993.36 214,996.06	100.05 0.45 %	215,101.91 50.64	1.06 % 105.85	Aaa NR	2.29 0.61
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	215,000.00	09/18/2012 0.46 %	214,979.55 214,989.96	100.05 0.39 %	215,107.72 43.96	1.06 % 117.76	Aaa AAA	2.29 0.69
43814CAC3	Honda Auto Receivables 2013-1 A3 0.48% Due 11/21/2016	355,000.00	01/16/2013 0.48 %	354,981.36 354,989.00	100.06 0.42 %	355,215.84 47.33	1.75 % 226.84	NR AAA	2.65 1.05
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	240,000.00	03/19/2013 0.59 %	240,000.00 240,000.00	100.15 0.48 %	240,352.80 62.93	1.18 % 352.80	NR AAA	3.38 1.36
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	90,000.00	08/27/2013 0.88 %	89,987.73 89,989.51	100.36 0.64 %	90,321.57 34.80	0.44 % 332.06	Aaa NR	3.38 1.56
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	170,000.00	03/11/2014 0.69 %	169,968.58 169,968.97	100.15 0.60 %	170,247.01 37.97	0.84 % 278.04	Aaa AAA	3.71 1.99
<b>Total ABS</b>		<b>1,285,000.00</b>	<b>0.56 %</b>	<b>1,284,910.58</b> <b>1,284,933.50</b>	<b>0.47 %</b>	<b>1,286,346.85</b> <b>277.63</b>	<b>6.32 %</b> <b>1,413.35</b>	<b>Aaa</b> <b>AAA</b>	<b>2.86</b> <b>1.13</b>
<b>AGENCY</b>									
31331JQA4	FFCB Note 1.9% Due 6/2/2014	450,000.00	06/08/2010 1.96 %	448,906.50 449,953.21	100.31 0.08 %	451,383.75 2,826.25	2.23 % 1,430.54	Aaa AA+	0.17 0.17
3136FPLV7	FNMA Callable Note 1X 3/24/2011 1.57% Due 9/24/2014	265,000.00	09/26/2011 0.65 %	272,221.25 266,163.86	100.71 0.09 %	266,879.65 80.90	1.31 % 715.79	Aaa AA+	0.48 0.48
3133EADW5	FFCB Note 0.55% Due 8/17/2015	300,000.00	10/24/2012 0.45 %	300,804.52 300,394.41	100.40 0.26 %	301,194.30 201.67	1.48 % 799.89	Aaa AA+	1.38 1.37
3133ECBJ2	FFCB Note 0.43% Due 11/16/2015	435,000.00	12/24/2012 0.45 %	434,752.05 434,860.26	100.12 0.36 %	435,509.82 701.44	2.14 % 649.56	Aaa AA+	1.63 1.62
31331J6C2	FFCB Note 2.35% Due 12/22/2015	125,000.00	03/28/2011 2.27 %	125,452.50 125,164.88	103.30 0.43 %	129,130.13 807.81	0.64 % 3,965.25	Aaa AA+	1.73 1.69
3136FPDC8	FNMA Callable Note 1X 3/8/2011 2% Due 3/8/2016	225,000.00	08/24/2011 1.22 %	232,731.00 228,298.62	102.99 0.45 %	231,732.90 287.50	1.14 % 3,434.28	Aaa AA+	1.94 1.90
313372YS7	FHLB Note 2.45% Due 3/30/2016	200,000.00	07/07/2011 1.87 %	205,268.00 202,223.72	103.62 0.63 %	207,236.40 13.61	1.02 % 5,012.68	Aaa AA+	2.00 1.96
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	175,000.00	07/25/2011 1.74 %	181,097.53 177,718.84	104.24 0.52 %	182,414.05 1,506.94	0.90 % 4,695.21	Aaa AA+	2.16 2.09
313373SZ6	FHLB Note 2.125% Due 6/10/2016	230,000.00	Various 1.66 %	235,000.85 232,250.82	103.33 0.59 %	237,650.50 1,506.98	1.18 % 5,399.68	Aaa AA+	2.20 2.13
3137EACW7	FHLMC Note 2% Due 8/25/2016	350,000.00	09/14/2011 1.19 %	363,629.00 356,618.29	103.25 0.63 %	361,363.45 700.00	1.78 % 4,745.16	Aaa AA+	2.41 2.34
3133787M7	FHLB Note 1.05% Due 2/27/2017	250,000.00	02/27/2012 1.03 %	250,230.00 250,133.89	100.41 0.90 %	251,037.25 247.92	1.23 % 903.36	Aaa AA+	2.92 2.85
3135G0UY7	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	215,000.00	04/23/2013 0.48 %	217,042.50 216,006.10	100.06 0.94 %	215,118.25 203.06	1.06 % (887.85)	Aaa AA+	2.92 2.44



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	Maturity Duration
<b>AGENCY</b>									
313378WF4	FHLB Note 1.125% Due 3/10/2017	400,000.00	04/24/2012 1.05 %	401,424.00 400,859.20	100.47 0.96 %	401,898.40 262.50	1.98 % 1,039.20	Aaa AA+	2.95 2.89
3133782N0	FHLB Note 0.875% Due 3/10/2017	350,000.00	03/13/2013 0.70 %	352,376.50 351,753.00	99.89 0.91 %	349,604.15 178.65	1.72 % (2,148.85)	Aaa AA+	2.95 2.90
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	400,000.00	05/29/2012 1.06 %	403,709.20 402,332.61	100.77 1.00 %	403,096.00 1,930.56	1.99 % 763.39	Aaa AA+	3.12 3.03
313379FW4	FHLB Note 1% Due 6/9/2017	250,000.00	08/30/2012 0.81 %	252,200.00 251,470.45	99.69 1.10 %	249,229.00 777.78	1.23 % (2,241.45)	Aaa AA+	3.19 3.12
313379VE6	FHLB Note 1.01% Due 6/19/2017	120,000.00	07/26/2012 0.82 %	121,096.80 120,720.77	100.13 0.97 %	120,152.16 343.40	0.59 % (568.61)	Aaa AA+	3.22 3.15
3137EADH9	FHLMC Note 1% Due 6/29/2017	225,000.00	07/27/2012 0.85 %	226,631.25 226,076.90	99.64 1.11 %	224,182.80 575.00	1.10 % (1,894.10)	Aaa AA+	3.25 3.17
3137EADJ5	FHLMC Note 1% Due 7/28/2017	225,000.00	08/06/2012 0.84 %	226,725.75 226,154.94	99.55 1.14 %	223,988.18 393.75	1.10 % (2,166.76)	Aaa AA+	3.33 3.25
3135G0MZ3	FNMA Note 0.875% Due 8/28/2017	215,000.00	01/04/2013 0.88 %	214,993.55 214,995.25	98.91 1.20 %	212,659.30 172.45	1.05 % (2,335.95)	Aaa AA+	3.41 3.35
3133EAY28	FFCB Note 0.83% Due 9/21/2017	225,000.00	09/18/2012 0.83 %	225,000.00 225,000.00	98.66 1.23 %	221,973.98 51.88	1.09 % (3,026.02)	Aaa AA+	3.48 3.41
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	300,000.00	09/23/2013 1.46 %	292,575.00 293,453.18	97.89 1.44 %	293,664.00 386.46	1.44 % 210.82	Aaa AA+	3.86 3.76
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	305,000.00	07/30/2013 1.45 %	297,288.99 298,408.92	97.95 1.41 %	298,742.01 177.92	1.47 % 333.09	Aaa AA+	3.94 3.84
313378A43	FHLB Note 1.375% Due 3/9/2018	400,000.00	08/13/2013 1.54 %	397,044.00 397,451.60	99.78 1.43 %	399,127.20 336.11	1.96 % 1,675.60	Aaa AA+	3.94 3.82
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	415,000.00	07/22/2013 1.49 %	403,184.95 404,868.02	97.29 1.55 %	403,771.76 1,311.28	1.99 % (1,096.26)	Aaa AA+	4.14 4.03
880591EQ1	Tennessee Valley Authority Note 1.75% Due 10/15/2018	370,000.00	Various 1.58 %	373,006.70 372,753.02	99.78 1.80 %	369,172.68 3,309.44	1.83 % (3,580.34)	Aaa AA+	4.55 4.31
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	400,000.00	12/13/2013 1.71 %	398,408.00 398,499.73	99.59 1.72 %	398,369.20 2,238.89	1.97 % (130.53)	Aaa AA+	4.66 4.44
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	400,000.00	03/20/2014 1.83 %	400,820.40 400,815.38	100.32 1.81 %	401,265.60 875.00	1.98 % 450.22	Aaa AA+	4.89 4.64
<b>Total Agency</b>		<b>8,220,000.00</b>	<b>1.22 %</b>	<b>8,253,620.79</b> <b>8,225,399.87</b>	<b>0.99 %</b>	<b>8,241,546.87</b> <b>22,405.15</b>	<b>40.61 %</b> <b>16,147.00</b>	<b>Aaa</b> <b>AA+</b>	<b>2.94</b> <b>2.85</b>
<b>COMMERCIAL PAPER</b>									
89233HEC4	Toyota Motor Credit Discount CP 0.25% Due 5/12/2014	400,000.00	08/28/2013 0.25 %	399,286.11 399,286.11	99.82 0.25 %	399,286.11 600.00	1.96 % 0.00	P-1 A-1+	0.12 0.11
06538CFH9	Bank of Tokyo Mitsubishi NY Discount CP 0.22% Due 6/17/2014	405,000.00	02/12/2014 0.22 %	404,693.10 404,693.10	99.92 0.22 %	404,693.10 116.33	1.99 % 0.00	P-1 A-1	0.21 0.21



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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	Maturity Duration
<b>COMMERCIAL PAPER</b>									
06416KJ35	Bank of Nova Scotia Discount CP 0.25% Due 9/3/2014	405,000.00	12/17/2013 0.25 %	404,286.13 404,286.13	99.82 0.25 %	404,286.13 286.65	1.99 % 0.00	P-1 A-1	0.43 0.43
<b>Total Commercial Paper</b>		<b>1,210,000.00</b>	<b>0.24 %</b>	<b>1,208,265.34</b> <b>1,208,265.34</b>	<b>0.24 %</b>	<b>1,208,265.34</b> <b>1,002.98</b>	<b>5.94 %</b> <b>0.00</b>	<b>P-1</b> <b>A-1</b>	<b>0.25</b> <b>0.25</b>
<b>MONEY MARKET FUND FI</b>									
26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	25,641.23	Various 0.00 %	25,641.23 25,641.23	1.00 0.00 %	25,641.23 0.00	0.13 % 0.00	Aaa AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>25,641.23</b>	<b>N/A</b>	<b>25,641.23</b> <b>25,641.23</b>	<b>0.00 %</b>	<b>25,641.23</b> <b>0.00</b>	<b>0.13 %</b> <b>0.00</b>	<b>Aaa</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
665859AK0	Northern Trust Company Note 4.625% Due 5/1/2014	255,000.00	Various 2.43 %	276,716.90 255,436.81	100.33 0.62 %	255,849.15 4,914.06	1.28 % 412.34	A2 A+	0.08 0.08
36962G4C5	General Electric Capital Corp Note 5.9% Due 5/13/2014	150,000.00	Various 3.90 %	161,638.62 150,317.21	100.62 0.53 %	150,937.35 3,392.51	0.76 % 620.14	A1 AA+	0.12 0.12
09247XAD3	Blackrock Inc Note 3.5% Due 12/10/2014	230,000.00	Various 2.84 %	236,332.20 230,975.09	102.15 0.38 %	234,949.14 2,482.09	1.17 % 3,974.05	A1 A+	0.70 0.68
713448BM9	Pepsico Inc. Note 3.1% Due 1/15/2015	190,000.00	Various 2.04 %	198,391.46 191,515.18	102.12 0.41 %	194,022.49 1,243.45	0.96 % 2,507.31	A1 A-	0.79 0.78
46625HHP8	JP Morgan Chase Note 3.7% Due 1/20/2015	255,000.00	Various 3.26 %	259,427.02 255,838.00	102.52 0.55 %	261,418.87 1,860.80	1.29 % 5,580.87	A3 A	0.81 0.79
459200HB0	IBM Corp Note 0.55% Due 2/6/2015	100,000.00	02/01/2012 0.72 %	99,511.00 99,861.24	100.25 0.25 %	100,252.00 84.03	0.49 % 390.76	Aa3 AA-	0.85 0.84
94980VAA6	Wells Fargo Bank Note 4.75% Due 2/9/2015	345,000.00	Various 3.58 %	361,396.80 348,187.66	103.63 0.49 %	357,532.13 2,367.08	1.77 % 9,344.47	A1 A+	0.86 0.84
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	350,000.00	Various 3.13 %	351,083.40 350,204.09	102.46 0.33 %	358,615.26 1,555.55	1.77 % 8,411.17	Aa2 AA	0.87 0.85
191216AX8	Coca Cola Company Note 0.75% Due 3/13/2015	290,000.00	Various 0.80 %	289,534.55 289,852.62	100.45 0.27 %	291,311.96 108.76	1.43 % 1,459.34	Aa3 AA-	0.95 0.95
06406JHB4	Bank of New York Mellon Note 4.95% Due 3/15/2015	325,000.00	Various 2.12 %	364,362.20 333,333.52	104.30 0.43 %	338,988.65 715.00	1.67 % 5,655.13	A2 A	0.96 0.94
74005PAR5	Praxair Note 4.625% Due 3/30/2015	105,000.00	Various 2.57 %	114,637.55 107,005.19	104.04 0.56 %	109,247.04 13.48	0.54 % 2,241.85	A2 A	1.00 0.99
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	375,000.00	10/22/2010 1.66 %	374,343.75 374,796.57	101.75 0.48 %	381,551.25 2,809.90	1.89 % 6,754.68	A2 A	1.54 1.51
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	190,000.00	11/15/2012 0.75 %	198,985.20 195,485.47	103.26 0.58 %	196,197.99 1,480.42	0.97 % 712.52	Aa2 AA	2.14 2.08
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	165,000.00	09/11/2012 1.05 %	171,618.15 169,258.71	102.32 1.15 %	168,827.51 715.00	0.83 % (431.20)	A2 A	2.79 2.70



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	Maturity Duration
<b>US CORPORATE</b>									
674599CB9	Occidental Petroleum Note 1.75% Due 2/15/2017	220,000.00	03/08/2013 1.13 %	225,242.60 223,839.70	101.32 1.28 %	222,907.30 491.94	1.10 % (932.40)	A1 A	2.88 2.79
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	25,000.00	05/24/2012 1.82 %	24,978.50 24,986.38	101.67 1.26 %	25,417.80 150.00	0.13 % 431.42	A2 A	3.17 3.06
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	275,000.00	11/01/2013 1.48 %	272,071.25 272,368.40	99.21 1.43 %	272,838.50 1,521.67	1.35 % 470.10	A1 A+	3.55 3.43
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	230,000.00	Various 1.33 %	227,875.40 228,137.04	99.13 1.35 %	227,987.96 818.19	1.12 % (149.08)	Aa1 AA	3.68 3.58
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	285,000.00	12/12/2012 1.29 %	285,851.25 285,631.90	99.32 1.54 %	283,069.41 1,132.88	1.40 % (2,562.49)	A1 A+	3.71 3.58
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	160,000.00	04/04/2013 1.14 %	159,852.80 159,881.42	98.04 1.63 %	156,857.28 850.00	0.77 % (3,024.14)	Aa2 AA	4.03 3.90
037833AJ9	Apple Inc Note 1% Due 5/3/2018	275,000.00	05/20/2013 1.20 %	272,431.50 272,876.65	96.94 1.78 %	266,571.25 1,130.56	1.32 % (6,305.40)	Aa1 AA+	4.09 3.96
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	95,000.00	12/06/2013 1.96 %	95,722.00 95,676.57	100.40 2.03 %	95,381.52 958.91	0.47 % (295.05)	A1 A+	4.53 4.25
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	30,000.00	02/12/2014 1.90 %	30,063.60 30,062.03	99.64 2.03 %	29,892.45 234.00	0.15 % (169.58)	A1 A+	4.63 4.36
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	80,000.00	12/10/2013 1.99 %	79,829.60 79,839.77	99.55 2.05 %	79,637.36 468.00	0.39 % (202.41)	A2 A	4.71 4.44
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	255,000.00	01/08/2014 2.32 %	254,747.40 254,758.05	100.90 2.10 %	257,286.84 1,254.46	1.27 % 2,528.79	A1 AA+	4.79 4.49
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	265,000.00	Various 2.04 %	266,099.35 266,083.44	99.55 2.22 %	263,814.39 437.98	1.30 % (2,269.05)	A1 AA-	4.92 4.63
<b>Total US Corporate</b>		<b>5,520,000.00</b>	<b>2.00 %</b>	<b>5,652,744.05</b> <b>5,546,208.71</b>	<b>0.96 %</b>	<b>5,581,362.85</b> <b>33,190.72</b>	<b>27.59 %</b> <b>35,154.14</b>	<b>A1</b> <b>A+</b>	<b>2.19</b> <b>2.11</b>
<b>US TREASURY</b>									
912828PS3	US Treasury Note 2% Due 1/31/2016	170,000.00	05/16/2011 1.70 %	172,278.30 170,888.51	102.98 0.37 %	175,073.48 563.54	0.86 % 4,184.97	Aaa AA+	1.84 1.80
912828QP8	US Treasury Note 1.75% Due 5/31/2016	400,000.00	11/21/2011 0.77 %	417,329.47 408,297.59	102.66 0.52 %	410,624.80 2,346.15	2.03 % 2,327.21	Aaa AA+	2.17 2.12
912828QR4	US Treasury Note 1.5% Due 6/30/2016	435,000.00	08/31/2012 0.45 %	452,282.51 445,142.20	102.09 0.56 %	444,108.03 1,640.26	2.19 % (1,034.17)	Aaa AA+	2.25 2.21
912828RU6	US Treasury Note 0.875% Due 11/30/2016	450,000.00	12/22/2011 0.89 %	449,737.84 449,858.14	100.34 0.74 %	451,547.10 1,319.71	2.23 % 1,688.96	Aaa AA+	2.67 2.63
912828SY7	US Treasury Note 0.625% Due 5/31/2017	450,000.00	08/06/2012 0.62 %	450,177.29 450,116.71	98.84 1.00 %	444,797.10 942.65	2.19 % (5,319.61)	Aaa AA+	3.17 3.12



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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	Maturity Duration
<b>US TREASURY</b>									
912828TG5	US Treasury Note 0.5% Due 7/31/2017	450,000.00	02/25/2013 0.73 %	445,554.24 446,651.92	98.09 1.09 %	441,386.55 372.93	2.17 % (5,265.37)	Aaa AA+	3.34 3.29
912828TS9	US Treasury Note 0.625% Due 9/30/2017	435,000.00	Various 0.64 %	434,733.69 434,808.50	98.14 1.17 %	426,911.61 7.43	2.10 % (7,896.89)	Aaa AA+	3.50 3.45
912828UU2	US Treasury Note 0.75% Due 3/31/2018	415,000.00	Various 1.31 %	404,760.37 405,980.21	97.52 1.39 %	404,722.11 8.51	1.99 % (1,258.10)	Aaa AA+	4.00 3.92
912828VQ0	US Treasury Note 1.375% Due 7/31/2018	400,000.00	11/05/2013 1.31 %	401,251.34 401,145.61	99.41 1.52 %	397,624.80 911.60	1.96 % (3,520.81)	Aaa AA+	4.34 4.18
912828WD8	US Treasury Note 1.25% Due 10/31/2018	350,000.00	Various 1.45 %	346,743.75 346,875.50	98.41 1.61 %	344,421.70 1,837.02	1.70 % (2,453.80)	Aaa AA+	4.59 4.41
<b>Total US Treasury</b>		<b>3,955,000.00</b>	<b>0.92 %</b>	<b>3,974,848.80</b> <b>3,959,764.89</b>	<b>1.02 %</b>	<b>3,941,217.28</b> <b>9,949.80</b>	<b>19.41 %</b> <b>(18,547.61)</b>	<b>Aaa</b> <b>AA+</b>	<b>3.23</b> <b>3.15</b>
<b>TOTAL PORTFOLIO</b>		<b>20,215,641.23</b>	<b>1.27 %</b>	<b>20,400,030.79</b> <b>20,250,213.54</b>	<b>0.91 %</b>	<b>20,284,380.42</b> <b>66,826.28</b>	<b>100.00 %</b> <b>34,166.88</b>	<b>Aa1</b> <b>AA</b>	<b>2.62</b> <b>2.44</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>20,351,206.70</b>			



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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	Maturity Duration
<b>ABS</b>									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	225,000.00	09/18/2012 0.46 %	224,978.60 224,989.50	100.05 0.39 %	225,112.73 46.00	1.08 % 123.23	Aaa AAA	2.29 0.69
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	225,000.00	10/11/2012 0.52 %	224,978.22 224,988.74	100.14 0.36 %	225,312.53 42.25	1.08 % 323.79	Aaa AAA	2.39 0.85
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	245,000.00	03/19/2013 0.59 %	245,000.00 245,000.00	100.15 0.48 %	245,360.15 64.24	1.18 % 360.15	NR AAA	3.38 1.36
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	90,000.00	08/27/2013 0.88 %	89,987.73 89,989.51	100.36 0.64 %	90,321.57 34.80	0.43 % 332.06	Aaa NR	3.38 1.56
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	175,000.00	03/11/2014 0.69 %	174,967.66 174,968.07	100.15 0.60 %	175,254.28 39.08	0.84 % 286.21	Aaa AAA	3.71 1.99
<b>Total ABS</b>		<b>960,000.00</b>	<b>0.59 %</b>	<b>959,912.21</b> <b>959,935.82</b>	<b>0.47 %</b>	<b>961,361.26</b> <b>226.37</b>	<b>4.61 %</b> <b>1,425.44</b>	<b>Aaa</b> <b>AAA</b>	<b>2.95</b> <b>1.22</b>
<b>AGENCY</b>									
31331S2K8	FFCB Note 4.7% Due 8/10/2015	85,000.00	02/13/2008 4.13 %	88,075.13 85,558.91	105.93 0.32 %	90,044.58 565.96	0.43 % 4,485.67	Aaa AA+	1.36 1.32
31331VGU4	FFCB Note 4.875% Due 12/16/2015	145,000.00	Various 3.51 %	155,968.11 148,040.08	107.65 0.38 %	156,096.27 2,061.71	0.76 % 8,056.19	Aaa AA+	1.71 1.64
3133XDTL5	FHLB Note 5% Due 12/21/2015	275,000.00	07/29/2009 3.47 %	298,907.95 281,440.30	107.80 0.45 %	296,458.80 3,819.44	1.44 % 15,018.50	Aaa AA+	1.73 1.65
31331J6C2	FFCB Note 2.35% Due 12/22/2015	110,000.00	03/28/2011 2.27 %	110,398.20 110,145.09	103.30 0.43 %	113,634.51 710.88	0.55 % 3,489.42	Aaa AA+	1.73 1.69
31331V2U9	FFCB Note 5.125% Due 8/25/2016	175,000.00	07/02/2008 4.65 %	180,540.50 176,636.03	110.63 0.65 %	193,596.55 896.88	0.93 % 16,960.52	Aaa AA+	2.41 2.28
31331V5G7	FFCB Note 5.2% Due 11/28/2016	175,000.00	08/13/2008 4.70 %	180,925.50 176,902.11	111.49 0.82 %	195,104.18 3,109.17	0.95 % 18,202.07	Aaa AA+	2.67 2.48
31331XLG5	FFCB Note 4.875% Due 1/17/2017	360,000.00	Various 2.99 %	401,590.15 377,070.01	110.95 0.90 %	399,414.96 3,607.50	1.93 % 22,344.95	Aaa AA+	2.80 2.62
3135G0UY7	FNMA Callable Note 1X 2/27/15 1% Due 2/27/2017	225,000.00	04/23/2013 0.48 %	227,137.50 226,052.89	100.06 0.94 %	225,123.75 212.50	1.08 % (929.14)	Aaa AA+	2.92 2.44
3135G0JA2	FNMA Note 1.125% Due 4/27/2017	415,000.00	05/29/2012 1.04 %	416,751.30 416,095.91	100.50 0.96 %	417,081.23 1,997.19	2.01 % 985.32	Aaa AA+	3.08 3.00
3133XL4N0	FHLB Note 5.25% Due 6/5/2017	195,000.00	Various 3.16 %	219,812.16 206,535.99	112.91 1.10 %	220,182.69 3,298.76	1.07 % 13,646.70	Aaa AA+	3.18 2.92
31398ADM1	FNMA Note 5.375% Due 6/12/2017	420,000.00	Various 2.80 %	484,138.81 451,396.46	113.25 1.14 %	475,665.12 6,835.20	2.31 % 24,268.66	Aaa AA+	3.20 2.94
880591EA6	Tennessee Valley Authority Note 5.5% Due 7/18/2017	360,000.00	Various 3.83 %	401,335.71 376,876.26	114.01 1.16 %	410,449.32 4,015.00	1.99 % 33,573.06	Aaa AA+	3.30 3.03
880591CU4	Tennessee Valley Authority Note 6.25% Due 12/15/2017	350,000.00	08/30/2010 2.36 %	440,587.00 396,058.88	117.35 1.43 %	410,730.60 6,440.97	2.00 % 14,671.72	NR AA+	3.71 3.32



Holdings Report

As of 3/31/14

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	Maturity Duration
<b>AGENCY</b>									
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	225,000.00	01/28/2013 1.04 %	223,137.00 223,570.28	97.89 1.44 %	220,248.00 289.84	1.06 % (3,322.28)	Aaa AA+	3.86 3.76
880591EC2	Tennessee Valley Authority Note 4.5% Due 4/1/2018	335,000.00	04/20/2010 3.84 %	350,078.35 342,591.13	111.30 1.58 %	372,838.59 7,537.50	1.82 % 30,247.46	Aaa AA+	4.01 3.62
31331YF21	FFCB Note 4.25% Due 4/16/2018	135,000.00	07/15/2010 2.98 %	146,762.55 141,132.65	110.77 1.49 %	149,543.01 2,629.69	0.73 % 8,410.36	Aaa AA+	4.05 3.68
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	425,000.00	Various 1.36 %	415,791.00 416,802.19	97.29 1.55 %	413,501.20 1,342.88	1.99 % (3,300.99)	Aaa AA+	4.14 4.03
3133X0PF0	FHLB Note 5.375% Due 8/15/2018	300,000.00	08/26/2010 2.52 %	361,446.00 333,721.40	115.55 1.67 %	346,638.60 2,060.42	1.67 % 12,917.20	Aaa AA+	4.38 3.93
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	350,000.00	01/29/2014 1.72 %	352,544.50 352,460.42	100.32 1.81 %	351,107.40 765.63	1.69 % (1,353.02)	Aaa AA+	4.89 4.64
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	400,000.00	04/27/2012 1.66 %	402,347.20 401,710.93	99.10 1.93 %	396,388.40 2,352.78	1.91 % (5,322.53)	Aaa AA+	5.17 4.89
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	430,000.00	Various 2.09 %	410,777.66 412,021.32	96.19 2.01 %	413,637.64 895.84	1.99 % 1,616.32	Aaa AA+	5.34 5.11
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	435,000.00	Various 1.60 %	425,978.42 427,003.01	95.78 2.07 %	416,646.48 2,703.65	2.01 % (10,356.53)	Aaa AA+	5.51 5.24
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	435,000.00	02/28/2014 2.04 %	418,372.56 418,586.77	95.29 2.21 %	414,524.12 2,492.19	2.00 % (4,062.65)	Aaa AA+	6.09 5.75
880591EL2	Tennessee Valley Authority Note 3.875% Due 2/15/2021	425,000.00	07/28/2011 3.33 %	443,904.00 438,610.45	107.78 2.63 %	458,079.03 2,104.34	2.21 % 19,468.58	Aaa AA+	6.88 6.03
3133732Y7	FHLB Note 3.625% Due 3/12/2021	135,000.00	09/26/2011 2.45 %	148,365.00 144,816.74	107.16 2.50 %	144,670.73 258.28	0.69 % (146.01)	Aaa AA+	6.95 6.15
3133827M9	FHLB Note 1.93% Due 12/1/2021	445,000.00	03/11/2013 1.99 %	442,855.10 443,112.51	94.00 2.81 %	418,277.75 2,862.83	2.02 % (24,834.76)	Aaa AA+	7.68 7.00
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	500,000.00	01/24/2012 2.53 %	493,081.00 494,592.57	97.95 2.67 %	489,743.50 2,572.92	2.36 % (4,849.07)	Aaa AA+	7.79 7.01
880591EN8	Tennessee Valley Authority Note 1.875% Due 8/15/2022	470,000.00	08/29/2012 1.94 %	467,161.20 467,612.47	91.63 3.01 %	430,652.54 1,126.04	2.07 % (36,959.93)	Aaa AA+	8.38 7.62
<b>Total Agency</b>		<b>8,735,000.00</b>	<b>2.43 %</b>	<b>9,108,769.56</b> <b>8,887,153.76</b>	<b>1.67 %</b>	<b>9,040,079.55</b> <b>69,565.99</b>	<b>43.66 %</b> <b>152,925.79</b>	<b>Aaa</b> <b>AA+</b>	<b>4.64</b> <b>4.29</b>
<b>CMO</b>									
3137AH6Q6	FHLMC K704 A2 2.412% Due 8/25/2018	315,000.00	03/06/2014 1.68 %	324,671.48 324,546.73	102.40 1.79 %	322,544.25 126.63	1.55 % (2,002.48)	NR NR	4.41 4.01
<b>Total CMO</b>		<b>315,000.00</b>	<b>1.68 %</b>	<b>324,671.48</b> <b>324,546.73</b>	<b>1.79 %</b>	<b>322,544.25</b> <b>126.63</b>	<b>1.55 %</b> <b>(2,002.48)</b>	<b>NR</b> <b>NR</b>	<b>4.41</b> <b>4.01</b>



Holdings Report

As of 3/31/14

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	Maturity Duration
<b>COMMERCIAL PAPER</b>									
06538CFH9	Bank of Tokyo Mitsubishi NY Discount CP 0.22% Due 6/17/2014	420,000.00	02/12/2014 0.22 %	419,681.73 419,681.73	99.92 0.22 %	419,681.73 120.63	2.01 % 0.00	P-1 A-1	0.21 0.21
69349KGP9	PNC Bank Discount CP 0.27% Due 7/23/2014	250,000.00	12/23/2013 0.27 %	249,602.50 249,602.50	99.84 0.27 %	249,602.50 185.63	1.20 % 0.00	P-1 A-1	0.31 0.31
<b>Total Commercial Paper</b>		<b>670,000.00</b>	<b>0.24 %</b>	<b>669,284.23</b> <b>669,284.23</b>	<b>0.24 %</b>	<b>669,284.23</b> <b>306.26</b>	<b>3.21 %</b> <b>0.00</b>	<b>P-1</b> <b>A-1</b>	<b>0.25</b> <b>0.25</b>
<b>MONEY MARKET FUND FI</b>									
26200X845	Dreyfus Funds Inst'l Reserve Treasury #6541	17,953.92	Various 0.00 %	17,953.92 17,953.92	1.00 0.00 %	17,953.92 0.00	0.09 % 0.00	Aaa AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>17,953.92</b>	<b>N/A</b>	<b>17,953.92</b> <b>17,953.92</b>	<b>0.00 %</b>	<b>17,953.92</b> <b>0.00</b>	<b>0.09 %</b> <b>0.00</b>	<b>Aaa</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
665859AK0	Northern Trust Company Note 4.625% Due 5/1/2014	260,000.00	Various 2.38 %	282,439.55 260,455.29	100.33 0.62 %	260,865.80 5,010.42	1.27 % 410.51	A2 A+	0.08 0.08
931142CQ4	Wal-Mart Stores Note 3.2% Due 5/15/2014	340,000.00	Various 1.61 %	359,801.38 340,630.80	100.34 0.41 %	341,156.34 4,110.22	1.65 % 525.54	Aa2 AA	0.12 0.12
09247XAD3	Blackrock Inc Note 3.5% Due 12/10/2014	225,000.00	Various 2.84 %	231,220.80 225,957.97	102.15 0.38 %	229,841.55 2,428.13	1.11 % 3,883.58	A1 A+	0.70 0.68
713448BM9	Pepsico Inc. Note 3.1% Due 1/15/2015	350,000.00	Various 2.03 %	365,660.05 352,830.70	102.12 0.41 %	357,409.86 2,290.56	1.72 % 4,579.16	A1 A-	0.79 0.78
46625HHP8	JP Morgan Chase Note 3.7% Due 1/20/2015	350,000.00	Various 3.26 %	356,099.70 351,156.05	102.52 0.55 %	358,810.20 2,554.03	1.73 % 7,654.15	A3 A	0.81 0.79
94980VAA6	Wells Fargo Bank Note 4.75% Due 2/9/2015	345,000.00	Various 3.58 %	361,396.80 348,187.66	103.63 0.49 %	357,532.13 2,367.08	1.73 % 9,344.47	A1 A+	0.86 0.84
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	345,000.00	Various 3.13 %	346,087.55 345,204.81	102.46 0.33 %	353,492.18 1,533.33	1.70 % 8,287.37	Aa2 AA	0.87 0.85
06406JHB4	Bank of New York Mellon Note 4.95% Due 3/15/2015	325,000.00	Various 2.12 %	364,362.20 333,333.52	104.30 0.43 %	338,988.65 715.00	1.63 % 5,655.13	A2 A	0.96 0.94
74005PAR5	Praxair Note 4.625% Due 3/30/2015	105,000.00	Various 2.57 %	114,637.55 107,005.19	104.04 0.56 %	109,247.04 13.48	0.52 % 2,241.85	A2 A	1.00 0.99
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	370,000.00	10/22/2010 1.66 %	369,352.50 369,799.29	101.75 0.48 %	376,463.90 2,772.43	1.82 % 6,664.61	A2 A	1.54 1.51
459200GU9	IBM Corp Note 2% Due 1/5/2016	105,000.00	11/21/2011 1.40 %	107,499.00 106,071.48	102.56 0.53 %	107,693.15 501.67	0.52 % 1,621.67	Aa3 AA-	1.77 1.73
24422ERZ4	John Deere Capital Corp Note 0.75% Due 1/22/2016	75,000.00	01/17/2013 0.79 %	74,920.50 74,951.97	100.41 0.52 %	75,308.93 107.81	0.36 % 356.96	A2 A	1.81 1.79





Holdings Report

As of 3/31/14

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	Maturity Duration
<b>US CORPORATE</b>									
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	200,000.00	11/15/2012 0.75 %	209,458.05 205,774.16	103.26 0.58 %	206,524.21 1,558.34	1.00 % 750.05	Aa2 AA	2.14 2.08
191216AU4	Coca Cola Company Note 1.8% Due 9/1/2016	195,000.00	08/13/2013 0.98 %	199,779.45 198,799.49	102.38 0.80 %	199,646.66 292.50	0.96 % 847.17	Aa3 AA-	2.42 2.36
36962G5W0	General Electric Capital Corp Note 2.3% Due 4/27/2017	330,000.00	03/07/2013 1.44 %	341,295.90 338,410.09	102.97 1.31 %	339,799.02 3,246.83	1.64 % 1,388.93	A1 AA+	3.08 2.94
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	25,000.00	05/24/2012 1.82 %	24,978.50 24,986.38	101.67 1.26 %	25,417.80 150.00	0.12 % 431.42	A2 A	3.17 3.06
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	210,000.00	08/28/2013 1.87 %	204,416.10 205,196.29	99.21 1.43 %	208,349.40 1,162.00	1.00 % 3,153.11	A1 A+	3.55 3.43
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	110,000.00	Various 1.19 %	109,641.75 109,666.10	99.13 1.35 %	109,037.72 391.30	0.52 % (628.38)	Aa1 AA	3.68 3.58
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	295,000.00	12/12/2012 1.29 %	295,880.40 295,653.55	99.32 1.54 %	293,001.67 1,172.63	1.41 % (2,651.88)	A1 A+	3.71 3.58
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	165,000.00	04/04/2013 1.14 %	164,848.20 164,877.71	98.04 1.63 %	161,759.07 876.56	0.78 % (3,118.64)	Aa2 AA	4.03 3.90
037833AJ9	Apple Inc Note 1% Due 5/3/2018	280,000.00	05/14/2013 1.21 %	277,230.80 277,718.31	96.94 1.78 %	271,418.00 1,151.11	1.31 % (6,300.31)	Aa1 AA+	4.09 3.96
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	185,000.00	11/19/2013 1.86 %	185,747.90 185,693.52	99.64 2.03 %	184,336.78 1,443.00	0.89 % (1,356.74)	A1 A+	4.63 4.36
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	205,000.00	12/10/2013 1.99 %	204,563.35 204,589.42	99.55 2.05 %	204,070.74 1,199.25	0.98 % (518.68)	A2 A	4.71 4.44
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	260,000.00	Various 2.03 %	261,222.40 261,202.97	99.55 2.22 %	258,836.76 429.73	1.24 % (2,366.21)	A1 AA-	4.92 4.63
<b>Total US Corporate</b>		<b>5,655,000.00</b>	<b>2.00 %</b>	<b>5,812,540.38</b> <b>5,688,152.72</b>	<b>0.92 %</b>	<b>5,729,007.56</b> <b>37,477.41</b>	<b>27.64 %</b> <b>40,854.84</b>	<b>A1</b> <b>A+</b>	<b>2.07</b> <b>2.00</b>
<b>US TREASURY</b>									
912828TG5	US Treasury Note 0.5% Due 7/31/2017	300,000.00	11/26/2012 0.62 %	298,290.07 298,778.76	98.09 1.09 %	294,257.70 248.62	1.41 % (4,521.06)	Aaa AA+	3.34 3.29
912828KQ2	US Treasury Note 3.125% Due 5/15/2019	375,000.00	07/27/2011 2.43 %	393,326.69 387,033.33	106.66 1.76 %	399,990.38 4,435.00	1.94 % 12,957.05	Aaa AA+	5.13 4.70
912828TH3	US Treasury Note 0.875% Due 7/31/2019	475,000.00	10/25/2012 1.21 %	464,611.28 466,794.39	94.95 1.87 %	450,990.18 688.88	2.17 % (15,804.21)	Aaa AA+	5.34 5.17
912828UB4	US Treasury Note 1% Due 11/30/2019	435,000.00	Various 1.90 %	412,075.96 414,151.14	94.77 1.98 %	412,264.29 1,457.97	1.98 % (1,886.85)	Aaa AA+	5.67 5.45
912828NT3	US Treasury Note 2.625% Due 8/15/2020	450,000.00	05/16/2011 3.06 %	434,304.53 439,176.82	102.84 2.15 %	462,761.55 1,468.40	2.23 % 23,584.73	Aaa AA+	6.38 5.84



**Holdings Report**

As of 3/31/14

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	Maturity Duration
<b>US TREASURY</b>									
912828PC8	US Treasury Note 2.625% Due 11/15/2020	435,000.00	06/27/2011 2.80 %	428,578.69 430,465.55	102.58 2.20 %	446,214.74 4,321.46	2.16 % 15,749.19	Aaa AA+	6.63 6.01
912828QN3	US Treasury Note 3.125% Due 5/15/2021	430,000.00	Various 1.94 %	474,538.05 462,866.70	105.33 2.31 %	452,910.84 5,085.46	2.20 % (9,955.86)	Aaa AA+	7.13 6.32
912828RC6	US Treasury Note 2.125% Due 8/15/2021	485,000.00	08/29/2011 2.28 %	478,541.59 480,219.21	98.27 2.38 %	476,625.99 1,281.16	2.29 % (3,593.22)	Aaa AA+	7.38 6.76
912828SV3	US Treasury Note 1.75% Due 5/15/2022	435,000.00	07/29/2013 2.41 %	412,368.15 414,094.97	94.36 2.52 %	410,463.39 2,880.97	1.98 % (3,631.58)	Aaa AA+	8.13 7.44
912828TJ9	US Treasury Note 1.625% Due 8/15/2022	200,000.00	06/10/2013 2.10 %	192,141.43 192,830.70	92.98 2.56 %	185,968.80 404.01	0.89 % (6,861.90)	Aaa AA+	8.38 7.73
<b>Total US Treasury</b>		<b>4,020,000.00</b>	<b>2.11 %</b>	<b>3,988,776.44</b> <b>3,986,411.57</b>	<b>2.09 %</b>	<b>3,992,447.86</b> <b>22,271.93</b>	<b>19.24 %</b> <b>6,036.29</b>	<b>Aaa</b> <b>AA+</b>	<b>6.35</b> <b>5.86</b>
<b>TOTAL PORTFOLIO</b>		<b>20,372,953.92</b>	<b>2.08 %</b>	<b>20,881,908.22</b> <b>20,533,438.75</b>	<b>1.44 %</b>	<b>20,732,678.63</b> <b>129,974.59</b>	<b>100.00 %</b> <b>199,239.88</b>	<b>Aa1</b> <b>AA</b>	<b>4.03</b> <b>3.68</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>20,862,653.22</b>			



## FY 2014/15 ACTUARIAL STUDIES – WORKERS’ COMPENSATION

### ACTION ITEM

**ISSUE:** Total recommended funding for the banking and shared risk layer is \$7,808,003 at the 65% Confidence Level, Discounted 1.5%. The total combined rate at the 65% confidence level is \$4.23. Last year NCCSIF used the 60% confidence level rate. That rate this year is \$4.092, which is the same as last year. However, last year’s rate included the 4850 TD benefits.

While reviewing funding it was discovered that the Actuary has been including 4850 Temporary Disability (TD) costs for public safety personnel (police and fire) as covered within the program. NCCSIF does not cover these costs, nor does it cover the 4850 Salary Continuation (SC) benefits above the TD benefits that bring them to 100% of salary. For comparison purposes the Actuary has provided analysis without 4850 TD or SC; without 4850 SC but including 4850 TD, and including both 4850 TD and SC. Funding referred to below is without 4850 TD or SC.

In addition, due to bad data in the loss run used for last year’s funding, the rate should have been \$4.623. The apples-to-apples comparison using the corrected rate for 2013-14 is \$4.623 to \$4.541, 2% lower than the corrected rate but 11% higher than the rate used.

**RECOMMENDATION:** Staff recommends approval of the report as presented by Mike Harrington of Bickmore Risk Services. The Executive Committee reviewed draft exhibits only, so they did not make any recommendation.

**FISCAL IMPACT:** Banking and Shared Risk Layer funding for the 2014 reflects an increase of 22% over the prior year due to the addition of Elk Grove.

**BACKGROUND:** The Actuary estimates that NCCSIF will have assets of approximately \$32,731,000 at June 30, 2014. Last year, the estimate was \$39,272,000 for June 30, 2013. Actual assets from the financial audit were \$36,854,951. The combined Outstanding Liability for the same period is \$32,411,000 at the 90% confidence level. This provides for an estimated **\$320,000 in assets excess of the 90% confidence level. It is not likely that NCCSIF will have excess funds available for distribution next year.**

Assets for the Banking Layer are estimated at \$15,271,000 as of June 30, 2014. They were estimated at \$17,638,000 in 2013. Banking Layer liabilities are \$16,779,000 at the 90% confidence level. This means that **in excess of the 90% confidence level there is an anticipated deficit of \$1,508,000.** Assets for the shared risk layer are anticipated at \$17,460,000 at June 30, 2014, and they were estimated at \$17,259,000 at June 30, 2013. Liabilities are estimated at \$15,632,000. This means that **in excess of the 90% confidence level there is an anticipated surplus of \$1,828,000.**

**ATTACHMENT(S):** *Draft Workers’ Compensation Actuarial Study Summary Page*



**DRAFT**

Monday, March 17, 2014

Mr. Marcus Beverly  
Vice President  
Northern California Cities Self Insurance Fund  
C/o Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming an SIR of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2014-15 program year to be \$7,510,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but excludes 4850 and TD on 4850 benefits. Of this amount, \$4,999,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,511,000 is for the shared layer (\$100,000 – \$500,000 per occurrence). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2014-15 claims translates to a rate of \$3.96 per \$100 payroll, \$2.64 for the banking layer and \$1.32 for the shared layer (assuming \$189,630,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$25,723,000 as of June 30, 2014 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 and TD on 4850 benefits. Of this amount, \$13,878,000 is for the banking layer and \$11,845,000 is for the shared layer. Given estimated program assets of \$32,731,000 as of June 30, 2014, the program is expected to be funded above the 90% confidence level on a combined basis. The banking layer is expected to be funded between the 75% and 80% confidence levels. The shared layer is expected to be funded above the 90% confidence level. (see Graphs 1a, 1b and 1c on pages 11, 12, and 13.)

The \$25,723,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2014 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

**DRAFT**

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2014 are summarized in the table below.

Northern California Cities Self Insurance Fund Self-Insured Workers' Compensation Program Estimated Liability for Unpaid Loss and LAE Banking and Shared Layer Combined at June 30, 2014 Net of 4850 and TD on 4850						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$25,301,000					
ULAE	1,977,000					
Investment Income Offset	<u>(1,555,000)</u>					
Discounted Loss and LAE	\$25,723,000	\$27,858,000	\$28,681,000	\$29,659,000	\$30,842,000	\$32,411,000
Available Funding	<u>32,731,000</u>					
Surplus or (Deficit)	\$7,008,000	\$4,873,000	\$4,050,000	\$3,072,000	\$1,889,000	\$320,000

Northern California Cities Self Insurance Fund Self-Insured Workers' Compensation Program Estimated Liability for Unpaid Loss and LAE Banking Layer at June 30, 2014 Net of 4850 and TD on 4850						
	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$12,740,000					
ULAE	1,977,000					
Investment Income Offset	<u>(839,000)</u>					
Discounted Loss and LAE	\$13,878,000	\$14,849,000	\$15,160,000	\$15,627,000	\$16,010,000	\$16,779,000
Available Funding	<u>15,271,000</u>					
Surplus or (Deficit)	\$1,393,000	\$422,000	\$111,000	(\$356,000)	(\$739,000)	(\$1,508,000)

**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Estimated Liability for Unpaid Loss and LAE  
 Shared Layer  
 at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$12,561,000					
ULAE	0					
Investment Income Offset	(716,000)					
Discounted Loss and LAE	\$11,845,000	\$13,009,000	\$13,521,000	\$14,032,000	\$14,832,000	\$15,632,000
Available Funding	17,460,000					
Surplus or (Deficit)	\$5,615,000	\$4,451,000	\$3,939,000	\$3,428,000	\$2,628,000	\$1,828,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on NCCSIF's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

Furthermore, the CSAC Excess Insurance Authority standard states that based upon the actuarial recommendations, the member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

**DRAFT**

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2014-15 fiscal year.

Northern California Cities Self Insurance Fund  
Self-Insured Workers' Compensation Program  
Loss and LAE Funding Guidelines for 2014-15  
Banking and Shared Layers Combined  
Banking Layer: \$0 to \$100,000  
Shared Layer: \$100,000 to \$500,000  
Net of 4850 and TD on 4850

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$6,985,000					
ULAE	825,000					
Investment Income Offset	(300,000)					
Discounted Loss and LAE	\$7,510,000	\$8,291,000	\$8,606,000	\$8,967,000	\$9,403,000	\$9,988,000
Rate per \$100 of 2014-15 Payroll	\$3.96	\$4.37	\$4.54	\$4.73	\$4.96	\$5.27

Northern California Cities Self Insurance Fund  
Self-Insured Workers' Compensation Program  
Loss and LAE Funding Guidelines for 2014-15  
Banking Layer: \$0 to \$100,000  
Net of 4850 and TD on 4850

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,374,000					
ULAE	825,000					
Investment Income Offset	(200,000)					
Discounted Loss and LAE	\$4,999,000	\$5,494,000	\$5,671,000	\$5,894,000	\$6,119,500	\$6,494,000
Rate per \$100 of 2014-15 Payroll	\$2.64	\$2.90	\$2.99	\$3.11	\$3.23	\$3.43

**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Loss and LAE Funding Guidelines for 2014-15  
 Shared Layer: \$100,000 to \$500,000  
 Net of 4850 and TD on 4850

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,611,000					
ULAE	0					
Investment Income Offset	(100,000)					
Discounted Loss and LAE	\$2,511,000	\$2,797,000	\$2,935,000	\$3,073,000	\$3,283,500	\$3,494,000
Rate per \$100 of 2014-15 Payroll	\$1.32	\$1.48	\$1.55	\$1.62	\$1.73	\$1.84

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2014. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 and TD on 4850 benefits.



**DRAFT**

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for NCCSIF's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

**DRAFT**

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Mike Harrington, FCAS, MAAA  
Director, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

**DRAFT**

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Nina Gau, FCAS, MAAA  
Manager, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries



## FY 2014/15 ACTUARIAL STUDIES – LIABILITY

### ACTION ITEM

**ISSUE:** NCCSIF has Actuarial Studies performed annually for accreditation and budget purposes. By having these studies completed, NCCSIF is able to project their funding for the upcoming year and see how the rates affect their budgets. Total funding for the Banking and Shared Risk Layer is estimated at **\$3,063,093 at a 65% confidence level for both the Banking and Shared Risk Layers.** *Last year funding was at \$2,643,000 at the 60% confidence level.*

**RECOMMENDATION:** Staff recommends approval of the Actuarial report as presented. The final DRAFT was not available for review by the Executive Committee so no recommendations were made.

**FISCAL IMPACT:** The total funding for 2014 has **increased \$336,374 or 8.3%.**

**BACKGROUND:** The actuary estimates that NCCSIF will have combined assets of \$8,624,000 as of June 30, 2014. Last year, the estimate was \$10,190,000 for June 30, 2013. Actual assets from the financial audit were \$10,237,879. ***Total assets at June 30, 2014 are estimated to be \$55,000 above the outstanding liabilities of \$8,569,000 at the 75% confidence level, or \$1,650,000 below the 90% confidence level.***

At June 30, 2014, the assets for the Banking Layer are anticipated at **\$581,000 in excess of the liabilities at the 90% confidence level.**

Assets for the shared risk layer are anticipated to be just below the Expected level and \$2,231,000 below the 90% confidence level. Last year the amount was \$1,983,000 below the liabilities at the 90% confidence level.

Funding is recommended at a slightly higher confidence level this year (65% v. 60% confidence level), which may help to improve the actual performance compared to the estimated.

**ATTACHMENT:** *Draft Liability Actuarial Study Summary Page*

Monday, March 17, 2014

Mr. Marcus Beverly  
Vice President  
Northern California Cities Self Insurance Fund  
C/o Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured liability program. Assuming a pool limit of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2014-15 program years to be \$2,807,000. Of this amount, \$1,506,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,301,000 is for the shared layer (\$50,000 – \$500,000 per occurrence). These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2014-15 claims translates to rates of \$1.85 per \$100 payroll, \$0.99 for the banking layer and \$0.86 for the shared layer (assuming \$151,680,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,354,000 as of June 30, 2014, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,391,000 is for the banking layer and \$4,963,000 is for the shared layer. Given estimated program assets of \$8,624,000 as of June 30, 2014, the program is expected to be funded between the 75% and 80% confidence level on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded below the expected level. (See Graphs 1a, 1b and 1c on pages 10, 11, and 12.)

The \$7,354,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2014 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

**DRAFT**

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2014 are summarized in the table below.

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Estimated Liability for Unpaid Loss and LAE  
Banking and Shared Layers Combined  
at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,558,000					
ULAE*	0					
Investment Income Offset	(204,000)					
Discounted Loss and LAE	\$7,354,000	\$8,200,000	\$8,569,000	\$9,009,000	\$9,554,000	\$10,274,000
Available Funding	8,624,000					
Surplus or (Deficit)	\$1,270,000	\$424,000	\$55,000	(\$385,000)	(\$930,000)	(\$1,650,000)

\* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Estimated Liability for Unpaid Loss and LAE  
Banking Layers  
at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,457,000					
ULAE*	0					
Investment Income Offset	(66,000)					
Discounted Loss and LAE	\$2,391,000	\$2,625,000	\$2,701,000	\$2,848,000	\$2,932,000	\$3,192,000
Available Funding	3,773,000					
Surplus or (Deficit)	\$1,382,000	\$1,148,000	\$1,072,000	\$925,000	\$841,000	\$581,000

\* ULAE is included with Loss and ALAE

**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Liability Program  
 Estimated Liability for Unpaid Loss and LAE  
 Shared Layers  
 at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,101,000					
ULAE*	0					
Investment Income Offset	(138,000)					
Discounted Loss and LAE	\$4,963,000	\$5,575,000	\$5,868,000	\$6,161,000	\$6,622,000	\$7,082,000
Available Funding	4,851,000					
Surplus or (Deficit)	(\$112,000)	(\$724,000)	(\$1,017,000)	(\$1,310,000)	(\$1,771,000)	(\$2,231,000)

\* ULAE is included with Loss and ALAE

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on NCCSIF's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

**DRAFT**

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2014-15 fiscal year.

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Loss and LAE Funding Guidelines for 2014-15  
Banking and Shared Layers Combined  
Banking Layer: \$0 to \$50,000  
Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,900,000					
ULAE*	0					
Investment Income Offset	(93,000)					
Discounted Loss and LAE	\$2,807,000	\$3,287,000	\$3,558,000	\$3,787,000	\$4,226,000	\$4,575,000
Rate per \$100 of 2014-15 Payroll	\$1.85	\$2.17	\$2.35	\$2.50	\$2.79	\$3.02

\* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Loss and LAE Funding Guidelines for 2014-15  
Banking Layer  
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,556,000					
ULAE*	0					
Investment Income Offset	(50,000)					
Discounted Loss and LAE	\$1,506,000	\$1,738,000	\$1,878,000	\$1,976,000	\$2,207,000	\$2,349,000
Rate per \$100 of 2014-15 Payroll	\$0.99	\$1.15	\$1.24	\$1.30	\$1.46	\$1.55

\* ULAE is included with Loss and ALAE

**DRAFT**

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Loss and LAE Funding Guidelines for 2014-15  
Shared Layer

Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,344,000					
ULAE*	0					
Investment Income Offset	(43,000)					
Discounted Loss and LAE	\$1,301,000	\$1,549,000	\$1,680,000	\$1,811,000	\$2,019,000	\$2,226,000
Rate per \$100 of 2014-15 Payroll	\$0.86	\$1.02	\$1.11	\$1.19	\$1.33	\$1.47

\* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2014. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

**DRAFT**

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for NCCSIF's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

**DRAFT**

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Mike Harrington, FCAS, MAAA  
Director, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

**DRAFT**

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Nina Gau, FCAS, MAAA  
Manager, Property and Casualty Actuarial Services, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries





**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING  
DECEMBER 31, 2013**

**ACTION ITEM**

**ISSUE:** The Board of Directors receives a quarterly report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for Quarter ending December 31, 2013 to the Board of Directors for their review.

**FISCAL IMPACT:** Unknown.

**RECOMMENDATION:** Receive and file the Quarterly Financials as presented.

**BACKGROUND:** Each quarter the Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

**ATTACHMENTS:** Quarterly Financial Report as of December 31, 2013.

**Northern California Cities Self Insurance Fund**

**FINANCIAL REPORT**

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**DECEMBER 31, 2013  
AND FOR THE SIX MONTHS THEN ENDED**

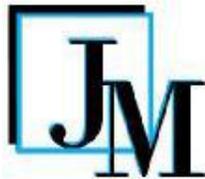
**Northern California Cities  
Self Insurance Fund**

DRAFT

**Northern California Cities Self Insurance Fund**  
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**December 31, 2013**

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**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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**ACCOUNTANT'S REPORT**

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

We have compiled the accompanying statement of net position of Northern California Cities Self Insurance Fund as of December 31, 2013, and the related statement of revenues, expenses and changes in net position for the six months then ended, and the supplementary information on pages 4 through 18 are presented for purposes of additional analysis and has been compiled from information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of certain departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

A statement of cash flows for the six months ended December 31, 2013 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. 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, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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  
March 7, 2014

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
December 31, 2013**

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<b>Assets</b>	
Current Assets	
Cash	\$ 3,395,418
Accounts Receivable	49,423
Interest Receivable	202,998
Excess Accounts Receivable	1,184,863
Prepaid Expense	1,342,622
Total Current Assets	<u>6,175,324</u>
Non-Current Assets	
Investments*	<u>40,741,117</u>
Total Assets	<u>\$ 46,916,441</u>
<b>Liabilities &amp; Net Position</b>	
Current Liabilities	
Accounts Payable	\$ 100,268
Deferred Revenue	3,116,789
Total Current Liabilities	<u>3,217,057</u>
Non-Current Liabilities	
Outstanding Liabilities*	35,316,447
ULAE*	1,993,744
Total Non-Current Liabilities	<u>37,310,191</u>
Total Liabilities	40,527,248
Net Position	<u>6,389,193</u>
Liability & Net Position	<u>\$ 46,916,441</u>

\*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 Six Months Ended December 31, 2013**

Operating Income		
Administration Deposit	\$	543,863
Banking Layer Deposit		3,040,958
Shared Risk Layer		1,731,456
Excess Deposit/Premium		942,001
Property/Crime Insurance Income		462,580
Risk Management Grants		145,635
Other Income		919
Total Operating Income		<u>6,867,412</u>
Operating Expenses		
Claims Paid		3,829,855
O/S Liability adj.		1,772,777
ULAE		75,893
Consultants		40,100
Administration-Other		8,009
Safety Service		318,480
Claims Administration		448,490
Program Administration		192,240
Board Expenses		3,233
Excess Insurance		902,649
Property/Crime Insurance Expense		434,583
Total Operating Expenses		<u>8,026,309</u>
Operating Income (Loss)		(1,158,897)
Non-Operating Income		
Change in Fair Market Value		(327,124)
Interest Income		481,709
Total Non-Operating Income		<u>154,585</u>
Change in Net Position		(1,004,312)
Beginning Net Position		<u>7,393,505</u>
Ending Net Position	\$	<u><u>6,389,193</u></u>

See Accompanying Accountant's Report

3

**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  
December 31, 2013**

	L Shar	L Admin	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	\$ 757,581	\$ 248,785	\$ 87,200	\$ 100,126	\$ 16,874	\$ 4,009	\$ 88,345	\$ 250,235	\$ 128,693	\$ 45,117	\$ 20,660
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	1,283
Interest Receivable	22,064	2,095	686	591	221	83	844	7,509	944	775	112
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-
Excess Accounts Receivable	625,909	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	935,017	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,340,571</b>	<b>250,880</b>	<b>87,886</b>	<b>100,717</b>	<b>17,095</b>	<b>4,092</b>	<b>89,189</b>	<b>257,744</b>	<b>129,637</b>	<b>45,892</b>	<b>22,055</b>
<b>Non-Current Assets</b>											
Investments*	4,039,523	206,841	61,914	28,425	31,233	14,306	95,327	1,382,509	76,483	123,370	3,527
<b>Total Assets</b>	<b>\$ 6,380,094</b>	<b>\$ 457,721</b>	<b>\$ 149,800</b>	<b>\$ 129,142</b>	<b>\$ 48,328</b>	<b>\$ 18,398</b>	<b>\$ 184,516</b>	<b>\$ 1,640,253</b>	<b>\$ 206,120</b>	<b>\$ 169,262</b>	<b>\$ 25,582</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 1,390	\$ 43,971	\$ 336	\$ 757	\$ 192	\$ 175	\$ 40	\$ 7,135	\$ 7,227	\$ 214	\$ 388
Deferred Revenue	1,571,345	255,328	18,792	32,352	15,081	9,505	19,987	218,057	49,824	17,939	6,401
<b>Total Current Liabilities</b>	<b>1,572,735</b>	<b>299,299</b>	<b>19,128</b>	<b>33,109</b>	<b>15,273</b>	<b>9,680</b>	<b>20,027</b>	<b>225,192</b>	<b>57,051</b>	<b>18,153</b>	<b>6,789</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	5,504,158	-	8,181	43,298	45,690	118,846	24,451	808,502	233,875	114,134	27,900
<b>Total Non-Current Liabilities</b>	<b>5,504,158</b>	<b>-</b>	<b>8,181</b>	<b>43,298</b>	<b>45,690</b>	<b>118,846</b>	<b>24,451</b>	<b>808,502</b>	<b>233,875</b>	<b>114,134</b>	<b>27,900</b>
<b>Total Liabilities</b>	<b>7,076,893</b>	<b>299,299</b>	<b>27,309</b>	<b>76,407</b>	<b>60,963</b>	<b>128,526</b>	<b>44,478</b>	<b>1,033,694</b>	<b>290,926</b>	<b>132,287</b>	<b>34,689</b>
<b>Net Position</b>	<b>(696,799)</b>	<b>158,422</b>	<b>122,491</b>	<b>52,735</b>	<b>(12,635)</b>	<b>(110,128)</b>	<b>140,038</b>	<b>606,559</b>	<b>(84,806)</b>	<b>36,975</b>	<b>(9,107)</b>
<b>Liability &amp; Net Position</b>	<b>\$ 6,380,094</b>	<b>\$ 457,721</b>	<b>\$ 149,800</b>	<b>\$ 129,142</b>	<b>\$ 48,328</b>	<b>\$ 18,398</b>	<b>\$ 184,516</b>	<b>\$ 1,640,253</b>	<b>\$ 206,120</b>	<b>\$ 169,262</b>	<b>\$ 25,582</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  
December 31, 2013**

	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>Current Assets</b>											
Cash	\$ 15,024	\$ 82,440	\$ 40,289	\$ 60,212	\$ 88,541	\$ 72,892	\$ 32,805	\$ 72,545	\$ 25,630	\$ 82,080	\$ 2,320,083
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	1,283
Interest Receivable	71	1,734	897	786	995	889	337	2,180	380	2,706	46,899
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	625,909
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	935,017
<b>Total Current Assets</b>	<b>15,095</b>	<b>84,174</b>	<b>41,186</b>	<b>60,998</b>	<b>89,536</b>	<b>73,781</b>	<b>33,142</b>	<b>74,725</b>	<b>26,010</b>	<b>84,786</b>	<b>3,929,191</b>
<b>Non-Current Assets</b>											
Investments*	492	294,590	154,663	110,398	127,862	120,346	40,556	401,377	56,781	506,461	7,876,984
<b>Total Assets</b>	<b>\$ 15,587</b>	<b>\$ 378,764</b>	<b>\$ 195,849</b>	<b>\$ 171,396</b>	<b>\$ 217,398</b>	<b>\$ 194,127</b>	<b>\$ 73,698</b>	<b>\$ 476,102</b>	<b>\$ 82,791</b>	<b>\$ 591,247</b>	<b>\$ 11,806,175</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 178	\$ 1,316	\$ 2,011	\$ 141	\$ 797	\$ 199	\$ 921	\$ 1,369	\$ 13	\$ 3,401	\$ 72,171
Deferred Revenue	7,871	61,629	29,754	40,100	33,829	51,528	10,538	60,739	4,142	77,671	2,592,412
<b>Total Current Liabilities</b>	<b>8,049</b>	<b>62,945</b>	<b>31,765</b>	<b>40,241</b>	<b>34,626</b>	<b>51,727</b>	<b>11,459</b>	<b>62,108</b>	<b>4,155</b>	<b>81,072</b>	<b>2,664,583</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	95,119	172,044	243,601	22,770	317,351	151,157	54,976	285,266	42,103	315,491	8,628,913
<b>Total Non-Current Liabilities</b>	<b>95,119</b>	<b>172,044</b>	<b>243,601</b>	<b>22,770</b>	<b>317,351</b>	<b>151,157</b>	<b>54,976</b>	<b>285,266</b>	<b>42,103</b>	<b>315,491</b>	<b>8,628,913</b>
<b>Total Liabilities</b>	<b>103,168</b>	<b>234,989</b>	<b>275,366</b>	<b>63,011</b>	<b>351,977</b>	<b>202,884</b>	<b>66,435</b>	<b>347,374</b>	<b>46,258</b>	<b>396,563</b>	<b>11,293,496</b>
<b>Net Position</b>	<b>(87,581)</b>	<b>143,775</b>	<b>(79,517)</b>	<b>108,385</b>	<b>(134,579)</b>	<b>(8,757)</b>	<b>7,263</b>	<b>128,728</b>	<b>36,533</b>	<b>194,684</b>	<b>512,679</b>
<b>Liability &amp; Net Position</b>	<b>\$ 15,587</b>	<b>\$ 378,764</b>	<b>\$ 195,849</b>	<b>\$ 171,396</b>	<b>\$ 217,398</b>	<b>\$ 194,127</b>	<b>\$ 73,698</b>	<b>\$ 476,102</b>	<b>\$ 82,791</b>	<b>\$ 591,247</b>	<b>\$ 11,806,175</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 Six Months Ended December 31, 2013**

	L Shar	L Admin	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	\$ -	\$ 255,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	18,792	32,352	15,081	9,505	19,987	218,057	49,824	17,939	6,401
Shared Risk Layer	552,530	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	556,235	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	462,580	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>1,571,335</b>	<b>255,328</b>	<b>18,792</b>	<b>32,352</b>	<b>15,081</b>	<b>9,505</b>	<b>19,987</b>	<b>218,057</b>	<b>49,824</b>	<b>17,939</b>	<b>6,401</b>
Operating Expenses											
Claims Paid	1,169,223	-	-	4,631	26,437	38,022	770	222,616	23,758	8,323	2,817
O/S Liability adj.	(206,688)	-	2,904	13,783	(6,028)	74,843	8,808	83,292	133,507	61,358	3,133
Consultants	-	19,050	-	-	-	-	-	-	-	-	-
Administration-Other	-	6	-	-	-	-	-	-	-	-	-
Safety Service	-	189,025	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	102,870	-	-	-	-	-	-	-	-	-
Board Expenses	-	1,634	-	-	-	-	-	-	-	-	-
Excess Insurance	500,434	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	434,583	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>1,897,552</b>	<b>312,585</b>	<b>2,904</b>	<b>18,414</b>	<b>20,409</b>	<b>112,865</b>	<b>9,578</b>	<b>305,908</b>	<b>157,265</b>	<b>69,681</b>	<b>5,950</b>
Operating Income (Loss)	(326,217)	(57,257)	15,888	13,938	(5,328)	(103,360)	10,409	(87,851)	(107,441)	(51,742)	451
Non-Operating Income											
Change in Fair Market Value	(14,484)	(1,400)	(1,294)	(2,079)	(534)	(582)	(3,272)	(19,086)	(3,595)	(1,759)	(347)
Interest Income	(2,625)	(6,880)	1,388	(1,158)	147	470	5,065	14,778	3,734	3,188	768
<b>Total Non-Operating Income</b>	<b>(17,109)</b>	<b>(8,280)</b>	<b>94</b>	<b>(3,237)</b>	<b>(387)</b>	<b>(112)</b>	<b>1,793</b>	<b>(4,308)</b>	<b>139</b>	<b>1,429</b>	<b>421</b>
Change in Net Position	(343,326)	(65,537)	15,982	10,701	(5,715)	(103,472)	12,202	(92,159)	(107,302)	(50,313)	872
Beginning Net Position	(353,473)	223,959	106,509	42,034	(6,920)	(6,656)	127,836	698,718	22,496	87,288	(9,979)
Ending Net Position	\$ (696,799)	\$ 158,422	\$ 122,491	\$ 52,735	\$ (12,635)	\$ (110,128)	\$ 140,038	\$ 606,559	\$ (84,806)	\$ 36,975	\$ (9,107)

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 Six Months Ended December 31, 2013**

	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
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	255,328
Banking Layer Deposit	7,871	61,629	29,754	40,100	33,829	51,528	10,538	60,739	4,142	77,671	765,739
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	552,530
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	556,235
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-	462,580
<b>Total Operating Income</b>	<b>7,871</b>	<b>61,629</b>	<b>29,754</b>	<b>40,100</b>	<b>33,829</b>	<b>51,528</b>	<b>10,538</b>	<b>60,739</b>	<b>4,142</b>	<b>77,671</b>	<b>2,592,402</b>
Operating Expenses											
Claims Paid	9,831	31,299	19,091	83	15,662	28,891	12,599	53,161	320	51,426	1,718,960
O/S Liability adj.	20,531	(9,243)	176,508	9,402	63,010	38,575	9,518	146,121	10,954	122,604	756,892
Consultants	-	-	-	-	-	-	-	-	-	-	19,050
Administration-Other	-	-	-	-	-	-	-	-	-	-	6
Safety Service	-	-	-	-	-	-	-	-	-	-	189,025
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-	102,870
Board Expenses	-	-	-	-	-	-	-	-	-	-	1,634
Excess Insurance	-	-	-	-	-	-	-	-	-	-	500,434
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-	434,583
<b>Total Operating Expense</b>	<b>30,362</b>	<b>22,056</b>	<b>195,599</b>	<b>9,485</b>	<b>78,672</b>	<b>67,466</b>	<b>22,117</b>	<b>199,282</b>	<b>11,274</b>	<b>174,030</b>	<b>3,723,454</b>
Operating Income (Loss)	(22,491)	39,573	(165,845)	30,615	(44,843)	(15,938)	(11,579)	(138,543)	(7,132)	(96,359)	(1,131,052)
Non-Operating Income											
Change in Fair Market Value	(850)	(2,824)	(2,895)	(1,882)	(3,035)	(2,237)	(1,012)	(6,730)	(1,078)	(5,402)	(76,377)
Interest Income	(222)	906	1,774	1,462	3,444	259	636	9,062	2,034	8,529	46,759
<b>Total Non-Operating Income</b>	<b>(1,072)</b>	<b>(1,918)</b>	<b>(1,121)</b>	<b>(420)</b>	<b>409</b>	<b>(1,978)</b>	<b>(376)</b>	<b>2,332</b>	<b>956</b>	<b>3,127</b>	<b>(29,618)</b>
Change in Net Position	(23,563)	37,655	(166,966)	30,195	(44,434)	(17,916)	(11,955)	(136,211)	(6,176)	(93,232)	(1,160,670)
Beginning Net Position	(64,018)	106,120	87,449	78,190	(90,145)	9,159	19,218	264,939	42,709	287,916	1,673,349
Ending Net Position	\$ (87,581)	\$ 143,775	\$ (79,517)	\$ 108,385	\$ (134,579)	\$ (8,757)	\$ 7,263	\$ 128,728	\$ 36,533	\$ 194,684	\$ 512,679

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers' Compensation  
December 31, 2013**

	WC Shar	WC Admin	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	\$ 34,903	\$ 29,592	\$ 54,902	\$ 23,368	\$ 18,586	\$ 67,585	\$ 21,852	\$ 85,428	\$ 57,220	\$ 84,983	\$ 35,438	\$ 68,439	\$ 61,868
Accounts Receivable	-	-	-	19,145	3,267	-	-	-	-	-	-	-	-
Interest Receivable	78,589	2,673	1,289	2,592	572	796	4,176	853	21,638	4,569	1,916	424	1,238
Excess Accounts Receivable	558,954	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	407,605	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>1,080,051</b>	<b>32,265</b>	<b>56,191</b>	<b>45,105</b>	<b>22,425</b>	<b>68,381</b>	<b>26,028</b>	<b>86,281</b>	<b>78,858</b>	<b>89,552</b>	<b>37,354</b>	<b>68,863</b>	<b>63,106</b>
<b>Non-Current Assets</b>													
Investments*	17,051,116	551,856	225,215	540,241	105,670	105,479	886,227	100,133	4,647,491	908,722	381,182	23,703	207,433
<b>Total Assets</b>	<b>\$ 18,131,167</b>	<b>\$ 584,121</b>	<b>\$ 281,406</b>	<b>\$ 585,346</b>	<b>\$ 128,095</b>	<b>\$ 173,860</b>	<b>\$ 912,255</b>	<b>\$ 186,414</b>	<b>\$ 4,726,349</b>	<b>\$ 998,274</b>	<b>\$ 418,536</b>	<b>\$ 92,566</b>	<b>\$ 270,539</b>
<b>Current Liabilities</b>													
Accounts Payable	\$ 3,572	\$ 22,608	\$ 44	\$ 64	\$ 20	\$ 20	\$ 92	\$ -	\$ 576	\$ 103	\$ 51	\$ 10	\$ 25
Deferred Revenue	266,068	-	-	-	5,922	-	-	-	-	-	-	9,209	17,037
<b>Total Current Liabilities</b>	<b>269,640</b>	<b>22,608</b>	<b>44</b>	<b>64</b>	<b>5,942</b>	<b>20</b>	<b>92</b>	<b>-</b>	<b>576</b>	<b>103</b>	<b>51</b>	<b>9,219</b>	<b>17,062</b>
<b>Non-Current Liabilities</b>													
Outstanding Liabilities*	14,329,192	-	390,267	684,701	96,136	206,575	454,861	239,927	3,413,010	857,020	189,712	3,161	151,076
ULAE*	1,070,490	-	29,156	51,152	7,182	15,433	33,981	17,924	254,976	64,025	14,173	236	11,286
<b>Total Non-Current Liabilities</b>	<b>15,399,682</b>	<b>-</b>	<b>419,423</b>	<b>735,853</b>	<b>103,318</b>	<b>222,008</b>	<b>488,842</b>	<b>257,851</b>	<b>3,667,986</b>	<b>921,045</b>	<b>203,885</b>	<b>3,397</b>	<b>162,362</b>
<b>Total Liabilities</b>	<b>15,669,322</b>	<b>22,608</b>	<b>419,467</b>	<b>735,917</b>	<b>109,260</b>	<b>222,028</b>	<b>488,934</b>	<b>257,851</b>	<b>3,668,562</b>	<b>921,148</b>	<b>203,936</b>	<b>12,616</b>	<b>179,424</b>
<b>Net Position</b>	<b>2,461,845</b>	<b>561,513</b>	<b>(138,061)</b>	<b>(150,571)</b>	<b>18,835</b>	<b>(48,168)</b>	<b>423,321</b>	<b>(71,437)</b>	<b>1,057,787</b>	<b>77,126</b>	<b>214,600</b>	<b>79,951</b>	<b>91,115</b>
<b>Liability &amp; Net Position</b>	<b>\$ 18,131,167</b>	<b>\$ 584,121</b>	<b>\$ 281,406</b>	<b>\$ 585,346</b>	<b>\$ 128,095</b>	<b>\$ 173,860</b>	<b>\$ 912,255</b>	<b>\$ 186,414</b>	<b>\$ 4,726,349</b>	<b>\$ 998,274</b>	<b>\$ 418,536</b>	<b>\$ 92,566</b>	<b>\$ 270,539</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  
December 31, 2013**

	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>Current Assets</b>												
Cash	\$ 25,966	\$ 18,470	\$ 83,937	\$ 68,664	\$ 33,405	\$ 6,307	\$ 49,747	\$ 44,698	\$ 68,432	\$ 21,731	\$ 9,814	\$ 1,075,335
Accounts Receivable	15,451	-	-	-	-	-	-	-	-	10,278	-	48,140
Interest Receivable	2,566	3,518	1,429	2,115	3,638	2,933	2,503	1,190	8,083	1,279	5,520	156,099
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	558,954
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-	407,605
<b>Total Current Assets</b>	<b>43,983</b>	<b>21,988</b>	<b>85,366</b>	<b>70,779</b>	<b>37,043</b>	<b>9,240</b>	<b>52,250</b>	<b>45,888</b>	<b>76,515</b>	<b>33,288</b>	<b>15,334</b>	<b>2,246,133</b>
<b>Non-Current Assets</b>												
Investments*	531,775	746,395	226,901	391,438	757,371	631,651	494,274	214,103	1,688,877	256,405	1,190,475	32,864,133
<b>Total Assets</b>	<b>\$ 575,758</b>	<b>\$ 768,383</b>	<b>\$ 312,267</b>	<b>\$ 462,217</b>	<b>\$ 794,414</b>	<b>\$ 640,891</b>	<b>\$ 546,524</b>	<b>\$ 259,991</b>	<b>\$ 1,765,392</b>	<b>\$ 289,693</b>	<b>\$ 1,205,809</b>	<b>\$ 35,110,266</b>
<b>Current Liabilities</b>												
Accounts Payable	\$ 91	\$ 88	\$ 26	\$ 55	\$ 91	\$ 57	\$ 75	\$ 30	\$ 198	\$ 31	\$ 170	\$ 28,097
Deferred Revenue	-	14,868	-	-	-	-	-	50,139	152,133	5,470	3,531	524,377
<b>Total Current Liabilities</b>	<b>91</b>	<b>14,956</b>	<b>26</b>	<b>55</b>	<b>91</b>	<b>57</b>	<b>75</b>	<b>50,169</b>	<b>152,331</b>	<b>5,501</b>	<b>3,701</b>	<b>552,474</b>
<b>Non-Current Liabilities</b>												
Outstanding Liabilities*	536,804	718,309	109,085	190,448	653,727	470,988	532,393	129,929	810,480	90,472	1,429,261	26,687,534
ULAE*	40,103	53,663	8,149	14,228	48,838	35,186	39,773	9,707	60,548	6,759	106,776	1,993,744
<b>Total Non-Current Liabilities</b>	<b>576,907</b>	<b>771,972</b>	<b>117,234</b>	<b>204,676</b>	<b>702,565</b>	<b>506,174</b>	<b>572,166</b>	<b>139,636</b>	<b>871,028</b>	<b>97,231</b>	<b>1,536,037</b>	<b>28,681,278</b>
<b>Total Liabilities</b>	<b>576,998</b>	<b>786,928</b>	<b>117,260</b>	<b>204,731</b>	<b>702,656</b>	<b>506,231</b>	<b>572,241</b>	<b>189,805</b>	<b>1,023,359</b>	<b>102,732</b>	<b>1,539,738</b>	<b>29,233,752</b>
<b>Net Position</b>	<b>(1,241)</b>	<b>(18,545)</b>	<b>195,007</b>	<b>257,486</b>	<b>91,758</b>	<b>134,660</b>	<b>(25,717)</b>	<b>70,186</b>	<b>742,033</b>	<b>186,961</b>	<b>(333,929)</b>	<b>5,876,514</b>
<b>Liability &amp; Net Position</b>	<b>\$ 575,758</b>	<b>\$ 768,383</b>	<b>\$ 312,267</b>	<b>\$ 462,217</b>	<b>\$ 794,414</b>	<b>\$ 640,891</b>	<b>\$ 546,524</b>	<b>\$ 259,991</b>	<b>\$ 1,765,392</b>	<b>\$ 289,693</b>	<b>\$ 1,205,809</b>	<b>\$ 35,110,266</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 Six Months Ended December 31, 2013**

	WC Shar	WC Admin	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	\$ -	\$ 288,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	52,814	85,821	29,284	38,659	111,699	217,039	486,259	105,440	27,432	19,173	41,825
Shared Risk Layer	1,178,926	-	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	385,766	-	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	145,635	-	-	-	-	-	-	-	-	-	-	-
Other Income	929	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>1,565,621</b>	<b>434,170</b>	<b>52,814</b>	<b>85,821</b>	<b>29,284</b>	<b>38,659</b>	<b>111,699</b>	<b>217,039</b>	<b>486,259</b>	<b>105,440</b>	<b>27,432</b>	<b>19,173</b>	<b>41,825</b>
Operating Expenses													
Claims Paid	471,937	-	98,823	69,680	46,218	16,027	14,410	30,450	397,937	48,549	18,473	-	11,849
O/S Liability adj.	578,152	-	(57,512)	(380)	(38,422)	(3,791)	(86,900)	239,927	379,030	(115,289)	(20,474)	391	(5,263)
ULAE	43,192	-	(4,297)	(28)	(2,870)	(283)	(6,492)	17,924	28,316	(8,613)	(1,530)	29	(393)
Consultants	-	21,050	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	8,003	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	129,455	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	186,394	7,799	10,280	4,399	5,811	8,291	1,163	70,745	14,676	4,811	-	3,071
Program Administration	-	89,370	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	1,599	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	402,215	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,495,496</b>	<b>435,871</b>	<b>44,813</b>	<b>79,552</b>	<b>9,325</b>	<b>17,764</b>	<b>(70,691)</b>	<b>289,464</b>	<b>876,028</b>	<b>(60,677)</b>	<b>1,280</b>	<b>420</b>	<b>9,264</b>
Operating Income (Loss)	70,125	(1,701)	8,001	6,269	19,959	20,895	182,390	(72,425)	(389,769)	166,117	26,152	18,753	32,561
Non-Operating Income													
Change in Fair Market Value	(109,533)	(3,870)	(2,784)	(4,474)	(1,148)	(1,252)	(7,044)	(1,079)	(41,071)	(7,738)	(3,786)	(748)	(1,830)
Interest Income	261,718	2,963	3,720	5,998	(2,153)	2	11,964	2,067	48,091	6,866	5,712	1,868	3,727
<b>Total Non-Operating Income</b>	<b>152,185</b>	<b>(907)</b>	<b>936</b>	<b>1,524</b>	<b>(3,301)</b>	<b>(1,250)</b>	<b>4,920</b>	<b>988</b>	<b>7,020</b>	<b>(872)</b>	<b>1,926</b>	<b>1,120</b>	<b>1,897</b>
Change in Net Position	222,310	(2,608)	8,937	7,793	16,659	19,645	187,310	(71,437)	(382,749)	165,245	28,078	19,873	34,458
Beginning Net Position	2,239,535	564,121	(146,998)	(158,364)	2,176	(67,813)	236,011	0	1,440,536	(88,119)	186,522	60,078	56,657
<b>Ending Net Position</b>	<b>\$ 2,461,845</b>	<b>\$ 561,513</b>	<b>\$ (138,061)</b>	<b>\$ (150,571)</b>	<b>\$ 18,835</b>	<b>\$ (48,168)</b>	<b>\$ 423,321</b>	<b>\$ (71,437)</b>	<b>\$ 1,057,787</b>	<b>\$ 77,126</b>	<b>\$ 214,600</b>	<b>\$ 79,951</b>	<b>\$ 91,115</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 Six Months Ended December 31, 2013**

	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
Operating Income												
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	288,535
Banking Layer Deposit	130,258	68,051	30,245	84,874	96,371	99,173	114,630	21,329	167,115	52,195	195,533	2,275,219
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-	1,178,926
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-	385,766
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-	145,635
Other Income	-	-	-	-	-	-	-	-	-	-	-	929
Total Operating Income	130,258	68,051	30,245	84,874	96,371	99,173	114,630	21,329	167,115	52,195	195,533	4,275,010
Operating Expenses												
Claims Paid	129,714	90,022	322	31,917	86,729	51,430	141,218	21,073	106,281	9,257	218,579	2,110,895
O/S Liability adj.	19,477	14,955	(46,564)	(78,041)	(49,343)	66,906	(17,739)	35,433	20,532	(38,665)	219,465	1,015,885
ULAE	1,455	1,117	(3,479)	(5,830)	(3,686)	4,998	(1,325)	2,647	1,534	(2,889)	16,396	75,893
Consultants	-	-	-	-	-	-	-	-	-	-	-	21,050
Administration-Other	-	-	-	-	-	-	-	-	-	-	-	8,003
Safety Service	-	-	-	-	-	-	-	-	-	-	-	129,455
Claims Administration	8,792	12,442	3,401	10,033	13,020	12,278	17,250	4,643	20,494	5,224	23,473	448,490
Program Administration	-	-	-	-	-	-	-	-	-	-	-	89,370
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	1,599
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-	402,215
Total Operating Expenses	159,438	118,536	(46,320)	(41,921)	46,720	135,612	139,404	63,796	148,841	(27,073)	477,913	4,302,855
Operating Income (Loss)	(29,180)	(50,485)	76,565	126,795	49,651	(36,439)	(24,774)	(42,467)	18,274	79,268	(282,380)	(27,845)
Non-Operating Income												
Change in Fair Market Value	(6,077)	(6,230)	(1,988)	(4,051)	(6,531)	(4,099)	(4,812)	(2,176)	(14,481)	(2,321)	(11,624)	(250,747)
Interest Income	11,340	12,400	3,393	(5,041)	5,963	1,980	10,547	3,783	23,885	1,822	12,336	434,950
Total Non-Operating Income	5,263	6,170	1,405	(9,092)	(568)	(2,119)	5,735	1,607	9,404	(500)	712	184,203
Change in Net Position	(23,918)	(44,315)	77,970	117,703	49,083	(38,558)	(19,039)	(40,860)	27,678	78,769	(281,668)	156,358
Beginning Net Position	22,677	25,770	117,037	139,783	42,675	173,218	(6,678)	111,046	714,355	108,192	(52,261)	5,720,156
Ending Net Position	\$ (1,241)	\$ (18,545)	\$ 195,007	\$ 257,486	\$ 91,758	\$ 134,660	\$ (25,717)	\$ 70,186	\$ 742,033	\$ 186,961	\$ (333,929)	\$ 5,876,514

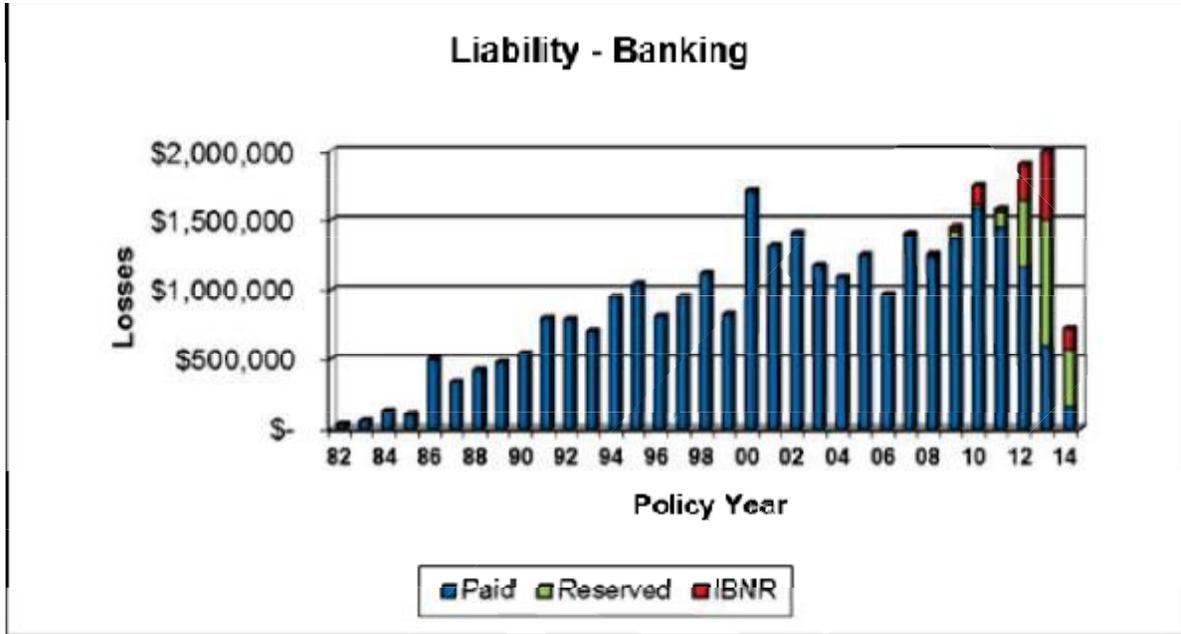
See Accompanying Accountant's Report



**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of December 31, 2013 and June 30, 2013**

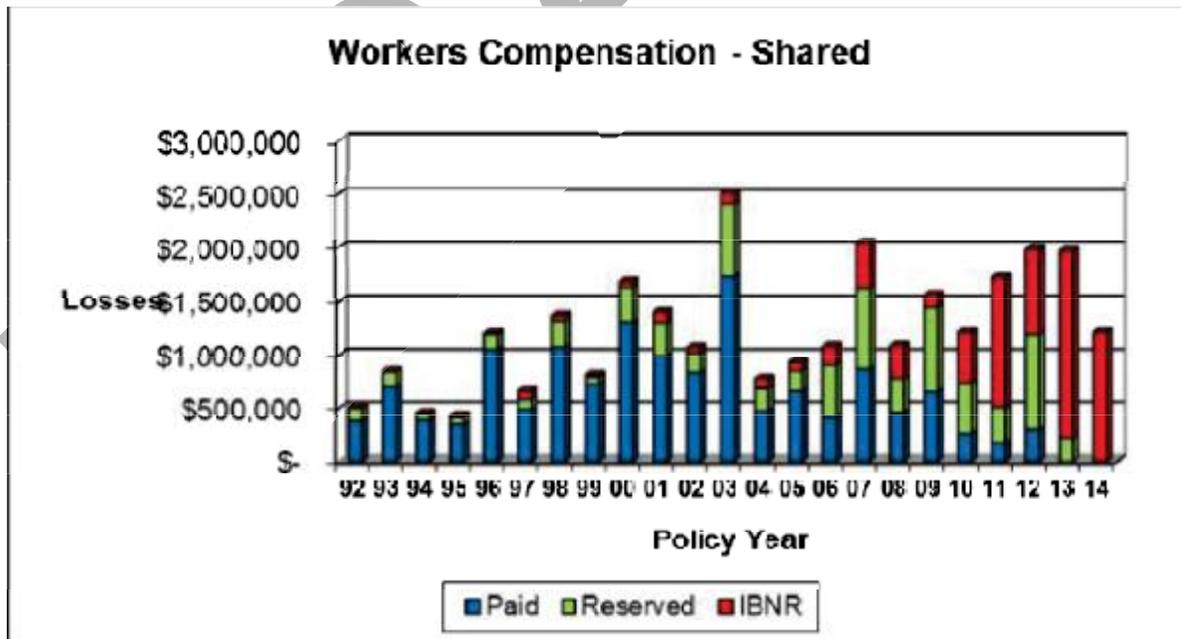
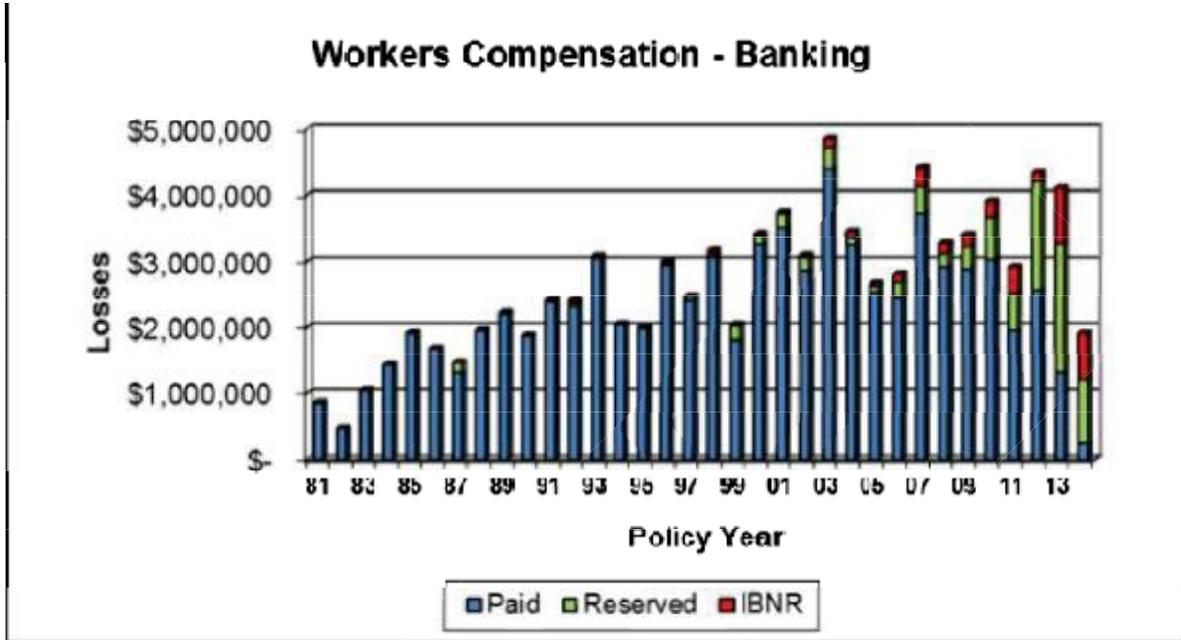
	Liability Banking 2014	Liability Shared Risk 2014	Total Liability Program		WC Banking 2014	WC Shared Risk 2014	Total WC Program		Totals	
			2014	2013			2014	2013	2014	2013
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	2,161,176	5,710,847	7,872,023	9,524,917	12,811,158	14,778,338	27,589,496	24,047,879	35,461,519	33,572,796
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	721,558	691,382	1,412,939	2,769,500	1,921,813	1,219,697	3,141,509	6,075,112	4,554,448	8,844,612
Increases (Decreases) in provision for insured events of prior fiscal years	791,758	271,144	1,062,902	485,712	154,882	(169,658)	(14,776)	1,229,056	1,048,125	1,714,767
Change in provision for ULAE in current year	-	-	-	-	32,702	43,192	75,894	348,561	75,894	348,561
Total incurred claims and claim adjustment expenses	1,513,316	962,526	2,475,841	3,255,212	2,109,396	1,093,231	3,202,626	7,652,729	5,678,468	10,907,940
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	160,724	-	160,724	628,324	248,454	-	248,454	802,974	409,177	1,431,298
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	389,013	1,169,214	1,558,227	4,279,783	1,390,506	471,887	1,862,393	3,308,138	3,420,620	7,587,921
Total Payments	549,736	1,169,214	1,718,950	4,908,107	1,638,960	471,887	2,110,847	4,111,112	3,829,797	9,019,219
Total unpaid claims and claim adjustment expenses at end of the fiscal year	3,124,755	5,504,158	8,628,913	7,872,022	13,281,594	15,399,682	28,681,276	27,589,496	37,310,190	35,461,518
Claims Liability	3,124,755	5,504,158	8,628,913	7,872,022	12,358,341	14,329,192	26,687,532	25,671,646	35,316,446	33,543,668
Claims ULAE	-	-	-	-	923,254	1,070,490	1,993,744	1,917,850	1,993,744	1,917,850
Total Claim Liabilities	3,124,755	5,504,158	8,628,913	7,872,022	13,281,594	15,399,682	28,681,276	27,589,496	37,310,190	35,461,518

**Northern California Cities Self Insurance Fund  
Graphical Summary of Claims  
As of December 31, 2013**



See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
Graphical Summary of Claims  
As of December 31, 2013**



See Accompanying Accountant's Report



## **NCCSIF BUDGET TO ACTUAL REPORT AS OF DECEMBER 31, 2013**

### **INFORMATION ITEM**

**ISSUE:** The Board will review the update of NCCSIF's current Budget to Actual Report as of December 31, 2013.

**FISCAL IMPACT:** None.

**RECOMMENDATION:** None. This item is provided as information only.

**BACKGROUND:** Program Administrators has been asked to provide an update on the Budget to Actual Report at each meeting to allow the opportunity to address any pertinent Budget updates and ensure the budget is on track.

**ATTACHMENT(S):** NCCSIF Budget to Actual Report as of December 31, 2013.

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2013**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
<b>ADMIN BUDGET</b>									
<b>Administrative Revenue</b>									
41010 Administrative Deposit	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 543,863	\$ 288,535	\$ 255,328	\$ 501,887	\$ 246,560	\$ 255,327
44030 Change in Fair Value	-	-	-	(5,270)	(3,870)	(1,400)	5,270	3,870	1,400
44040 Interest Income	-	-	-	(3,916)	2,966	(6,882)	3,916	(2,966)	6,882
44080 Risk Management Grants	-	-	-	145,635	145,635	-	(145,635)	(145,635)	-
Total Admin Revenue	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 680,312	\$ 433,266	\$ 247,046	\$ 511,073	\$ 101,829	\$ 263,609
<b>Administrative Expenses</b>									
52100 Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52101 Claims Audit	7,000	7,000	-	-	-	-	7,000	7,000	-
52102 Financial Audit	26,100	13,050	13,050	26,100	13,050	13,050	-	-	-
52103 Legal Services	15,000	7,500	7,500	-	-	-	15,000	7,500	7,500
52104 Actuarial Services	10,000	4,000	6,000	11,500	6,750	4,750	(1,500)	(2,750)	1,250
52105 Computer Services	-	-	-	-	-	-	-	-	-
52106 JPA Accreditation	-	-	-	-	-	-	-	-	-
52107 Fidelity Bonds	2,000	1,000	1,000	2,500	1,250	1,250	(500)	(250)	(250)
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	2,500	2,500
XXXX Errors & Omissions	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 65,100	\$ 35,050	\$ 30,050	\$ 40,100	\$ 21,050	\$ 19,050	\$ 25,000	\$ 14,000	\$ 11,000
<b>Safety Services</b>									
52200 Safety Service	\$ 25,000	\$ -	\$ 25,000	\$ 58,038	\$ 15,938	\$ 42,100	\$ (33,038)	\$ (15,938)	\$ (17,100)
52201 Risk Mgmt Comm Services	25,000	12,500	12,500	11,760	6,630	5,130	13,240	5,870	7,370
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	-	-	-	1,000	500	500
52203 Police Risk Mgmt Comm Svcs	12,000	6,000	6,000	58	29	29	11,942	5,971	5,971
52204 On Site	155,260	77,630	77,630	72,102	36,051	36,051	83,158	41,579	41,579
XXXX Yuba City On Site	-	-	-	-	-	-	-	-	-
52205 Hot Line	-	-	-	-	-	-	-	-	-
52206 Safety Library	-	-	-	-	-	-	-	-	-
52207 Seminars and PARMA	63,200	23,200	40,000	6,682	2,970	3,712	56,518	20,230	36,288
52208 Police Risk Mgmt Manual	100,000	-	100,000	100,450	-	100,450	(450)	-	(450)
52209 Safety Contingency	-	-	-	-	-	-	-	-	-
52210 Process Safety Mgmt Program	-	-	-	-	-	-	-	-	-
52211 Website Development	-	-	-	-	-	-	-	-	-
XXXX TargetSolutions Fire Training Module	-	-	-	-	-	-	-	-	-
52212 Safety Service - Other do not use	18,000	18,000	-	-	-	-	18,000	18,000	-
52213 Property Appraisals	-	-	-	-	-	-	-	-	-
52214 OCCUMED	-	-	-	9,000	9,000	-	(9,000)	(9,000)	-
52215 Online Risk Management Services	20,000	10,000	10,000	3,104	1,552	1,552	16,896	8,448	8,448
52216 Backsafe	-	-	-	-	-	-	-	-	-
52217 Wellness Optional	13,840	13,840	-	-	-	-	13,840	13,840	-
Total Safety Services Expenses	\$ 433,300	\$ 161,670	\$ 271,630	\$ 261,194	\$ 72,170	\$ 189,024	\$ 172,106	\$ 89,500	\$ 82,606

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2013**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
<b>ADMIN BUDGET CONTINUED</b>									
<b>Claims Administration</b>									
52302 Claims Administration Fee	\$ 49,250	\$ 28,350	\$ 20,900	\$ 28,350	\$ 28,350	\$ -	\$ 20,900	\$ -	\$ 20,900
52303 Fraud Hotline	-	-	-	-	-	-	-	-	-
52305 MPN Services	12,000	12,000	-	8,000	8,000	-	4,000	4,000	-
52304 State Funding/Fraud Assessment	135,000	135,000	-	158,044	158,044	-	(23,044)	(23,044)	-
Total Claims Admin Expenses	\$ 196,250	\$ 175,350	\$ 20,900	\$ 194,394	\$ 194,394	\$ -	\$ 1,856	\$ (19,044)	\$ 20,900
<b>Program Administration</b>									
52401 Program Administration Fee	\$ 270,000	\$ 122,475	\$ 147,525	\$ 166,266	\$ 76,383	\$ 89,883	\$ 103,734	\$ 46,092	\$ 57,642
52403 Accounting Services	62,100	31,050	31,050	25,974	12,987	12,987	36,126	18,063	18,063
Total Program Admin Expenses	\$ 332,100	\$ 153,525	\$ 178,575	\$ 192,240	\$ 89,370	\$ 102,870	\$ 139,860	\$ 64,155	\$ 75,705
<b>Board Expenses</b>									
52501 Executive Committee	\$ 2,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,000	\$ 1,000
52502 Executive Committee Member Travel	5,000	2,500	2,500	1,541	753	788	3,459	1,747	1,712
52503 Board of Directors Meetings (includes Travel)	6,000	3,000	3,000	1,692	846	846	4,308	2,154	2,154
XXXX Board of Directors Long Range Planning Session (every 3 years, 2012)	-	-	-	-	-	-	-	-	-
52504 Association Memberships	6,000	3,000	3,000	-	-	-	6,000	3,000	3,000
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 3,233	\$ 1,599	\$ 1,634	\$ 15,767	\$ 7,901	\$ 7,866
<b>Other Administration Expenses - Not identified with above budget line items</b>									
52000 Administrative Expense	\$ -	\$ -	\$ -	\$ 5	\$ 2	\$ 3	\$ (5)	\$ (2)	\$ (3)
52001 Administration Expense - Other	-	-	-	6	3	3	(6)	(3)	(3)
Total Other Admin	\$ -	\$ -	\$ -	\$ 11	\$ 5	\$ 6	\$ (11)	\$ (5)	\$ (6)
Contingency Reserves	-	-	-	-	-	-	-	-	-
<b>Total Admin Expenses</b>	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 691,172	\$ 378,588	\$ 312,584	\$ 354,578	\$ 156,507	\$ 198,071
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	\$ -	\$ -	\$ -	\$ (10,860)	\$ 54,678	\$ (65,538)	\$ 156,495	\$ (54,678)	\$ 65,538

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2013**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
<b>BANKING LAYER BUDGET</b>									
<b>Banking Layer Revenue</b>									
41020 Banking Layer Deposit	\$ 5,551,540	\$ 4,020,072	\$ 1,531,468	\$ 3,040,948	\$ 2,275,214	\$ 765,734	\$ 2,510,592	\$ 1,744,858	\$ 765,734
41050 Banking Layer Refund	-	-	-	-	-	-	-	-	-
43010 Banking Layer Assessment	-	-	-	-	-	-	-	-	-
41060 Liab Shared Risk Layer Transfer	-	-	-	-	-	-	-	-	-
44020 CJPRMA Refund Transfer	(414,401)	-	(414,401)	-	-	-	(414,401)	-	(414,401)
44030 Change in Fair Value	-	-	-	(197,838)	(137,345)	(60,493)	197,838	137,345	60,493
44040 Interest Income	-	-	-	226,551	170,280	56,271	(226,551)	(170,280)	(56,271)
44010 Other Income	-	-	-	919	929	(10)	(919)	(929)	10
Total Banking Layer Revenue	\$ 5,137,139	\$ 4,020,072	\$ 1,117,067	\$ 3,070,580	\$ 2,309,078	\$ 761,502	\$ 2,066,559	\$ 1,710,994	\$ 355,565
<b>Banking Layer Expenses</b>									
51100 Claims Paid	\$ 5,308,000	\$ 3,892,000	\$ 1,416,000	\$ 1,989,786	\$ 1,638,960	\$ 350,826	\$ 3,318,214	\$ 2,253,040	\$ 1,065,174
51110 Claims Refunds	-	-	-	(10,066)	(1,901)	(8,165)	10,066	1,901	8,165
51000 Claims Adjusting Fee	924,000	540,000	432,000	-	-	-	924,000	519,000	405,000
43030 Banking Layer Refund	-	-	-	-	-	-	-	-	-
51050 Voids - claims	-	-	-	(15,182)	(3,675)	(11,507)	15,182	3,675	11,507
51115 Claims Subrogation/Recoveries	-	-	-	(171,750)	(170,945)	(805)	171,750	170,945	805
51130 Claims Investigation Liab and WC	-	-	-	-	-	-	-	-	-
51135 Claims Admin - Liability	-	-	-	198,910	-	198,910	(198,910)	-	(198,910)
51140 Claims Excess Adj	-	-	-	(36,806)	(3,308)	(33,498)	36,806	3,308	33,498
51400 OS Liability Adjustment	-	-	-	1,772,777	1,015,886	756,891	(1,772,777)	(1,015,886)	(756,891)
51800 ULAE Adjustment	-	-	-	75,894	75,894	-	(75,894)	(75,894)	-
52300 Claims Admin - Monthly WC Only	-	-	-	262,095	262,095	-	(262,095)	(262,095)	-
Total Banking Layer Expenses	\$ 6,232,000	\$ 4,432,000	\$ 1,848,000	\$ 4,065,658	\$ 2,813,006	\$ 1,252,652	\$ 2,166,342	\$ 1,597,994	\$ 568,348
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	<b>\$ (1,094,861)</b>	<b>\$ (411,928)</b>	<b>\$ (730,933)</b>	<b>\$ (995,078)</b>	<b>\$ (503,928)</b>	<b>\$ (491,150)</b>	<b>\$ (99,783)</b>	<b>\$ 113,000</b>	<b>\$ (212,783)</b>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2013**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
<b>SHARED RISK LAYER BUDGET</b>									
<b>Shared Layer Revenue</b>									
41030 Shared Risk Layer Deposit	\$ 3,179,888	\$ 2,074,828	\$ 1,105,060	\$ 1,731,456	\$ 1,178,926	\$ 552,530	\$ 1,448,432	\$ 895,902	\$ 552,530
41040 Excess Deposit/Premium	1,789,713	677,244	1,112,469	942,001	385,766	556,235	847,712	291,478	556,234
41060 Shared Risk Refund	-	-	-	-	-	-	-	-	-
42000 CJPRMA / Shared Risk Admin	-	-	-	-	-	-	-	-	-
43020 Shared Risk Layer Assessment	-	-	-	-	-	-	-	-	-
XXXXX CJPRMA Refund	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(124,017)	(109,533)	(14,484)	124,017	109,533	14,484
44040 Interest Income	-	-	-	259,092	261,717	(2,625)	(259,092)	(261,717)	2,625
44060 Property Premium	901,440	-	901,440	450,720	-	450,720	450,720	-	450,720
44070 Crime Premium	23,723	-	23,723	11,861	-	11,861	11,862	-	11,862
Total Shared Layer Revenue	\$ 5,894,764	\$ 2,752,072	\$ 3,142,692	\$ 3,271,113	\$ 1,716,876	\$ 1,554,237	\$ 2,623,651	\$ 1,035,196	\$ 1,588,455
<b>Shared Layer Expenses</b>									
51100 Claims Paid	\$ 3,396,000	\$ 2,030,000	\$ 1,366,000	\$ 1,874,964	\$ 651,766	\$ 1,223,198	\$ 1,521,036	\$ 1,378,234	\$ 142,802
52401 CJPRMA/Shared Risk Layer Admin	-	-	-	-	-	-	-	-	-
54100 Excess Deposit/Premium Exp	1,378,682	792,215	586,467	902,649	402,215	500,434	476,033	390,000	86,033
54200 Safety Grant Fund	250,000	150,000	-	57,285	57,285	-	192,715	192,715	-
54150 Member Property Coverage	901,440	-	901,440	434,583	-	434,583	466,857	-	466,857
54150 Member Crime Coverage	23,723	-	23,723	-	-	-	23,723	-	23,723
Total Shared Layer Expenses	\$ 5,949,845	\$ 2,972,215	\$ 2,877,630	\$ 3,269,481	\$ 1,111,266	\$ 2,158,215	\$ 2,680,364	\$ 1,960,949	\$ 719,415
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	\$ (55,081)	\$ (220,143)	\$ 265,062	\$ 1,632	\$ 605,610	\$ (603,978)	\$ (56,713)	\$ (925,753)	\$ 869,040
<b>OTHER INCOME/(EXPENSE)</b>									
Rounding	-	-	-	(6)	(2)	(4)	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (6)	\$ (2)	\$ (4)	\$ -	\$ -	\$ -
<b>TOTAL INCOME/(EXPENSE)</b>	(1,149,942)	(632,071)	(465,871)	(1,004,312)	156,358	(1,160,670)	(1)	(867,431)	721,795



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2013**

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## DISTRIBUTION OF CJPRMA REFUND

### ACTION ITEM

**ISSUE:** On an annual basis CJPRMA calculates their assets and liabilities for each Program Year. NCCSIF has been receiving annual dividends since about the sixth year of participation in CJPRMA. Refunds have varied in amount from \$40,000 to \$600,000. **This year NCCSIF received a dividend of \$399,360.** The Board should determine how to distribute these funds.

**RECOMMENDATION:** Last year it was recommended and approved that, until the Liability Shared Risk Layer is funded with a contingency in accordance to our Target Equity Policy, NCCSIF should use a portion of the CJPRMA refund to assist in building the Liability Shared Risk Layer fund. Accordingly, the Executive Committee and Program Administrators **recommend that this year's CJPRMA refund of \$399,360 should be distributed 67% (\$267,571) to the Liability Shared Risk Layer and 33% (\$131,789) to the 2014/15 liability deposit calculation.**

**FISCAL IMPACT:** \$267,571 of the CJPRMA refund of \$399,360 would be distributed to the Liability Shared Risk Layer and \$131,789 to the 2014-15 liability deposit calculations. A credit totaling \$131,789 has been included in the Liability preliminary calculations for 2014/15. For accounting purposes, these funds are allocated to the Banking Fund.

**BACKGROUND:** For the past 9 years, CJPRMA has paid a refund to NCCSIF. While CJPRMA has changed the manner in which it calculates yearly deposits, NCCSIF still maintains a large surplus with CJPRMA. This means that for the next few years, at least, *NCCSIF will continue to receive refunds, but they will likely continue to diminish each year.* Historically, NCCSIF has used the CJPRMA refund to offset their Liability premium costs. This year the amount of the Liability refund from CJPRMA is \$399,360.

Our long term goal for the Liability Program is to maintain funds in accordance with our Target Equity Policy & Procedure # A-17. This P&P recommends a contingency fund at an amount equal to the 90% confidence level and also to have equity to SIR ratio of 3-5 to 1 in excess of the expected confidence level. As of 12/31/13 the Liability Shared Risk Layer has a negative balance of -\$1,098,060 at the 90% confidence level and has a surplus of \$1,140,940 in excess of the expected confidence level or roughly 2.85 times the SIR. As neither of the contingency targets is currently being met, last year NCCSIF determined to use a portion of the CJPRMA refund annually to assist with the building of the contingency and also to utilize assessments. **Using a portion of the CJPRMA refund helps to lessen the impact of assessments for Members.**

**ATTACHMENT(S):** None.



## REVIEW AND APPROVAL OF THE 2013 BANKING PLAN ADJUSTMENT CALCULATION SHEETS – WORKERS’ COMPENSATION

### ACTION ITEM

**ISSUE:** On an annual basis the Board of Directors review and approve the distribution of surplus funds and/or the assessment of Members not meeting the funding guidelines.

**RECOMMENDATION:** It is the recommendation of Program Administrators and the Executive Committee to approve no refunds this year due to the fact that no Members have *Net Equity* above the 90% confidence level. There are assessments in the amount of \$403,527; and no additional assessments are recommended.

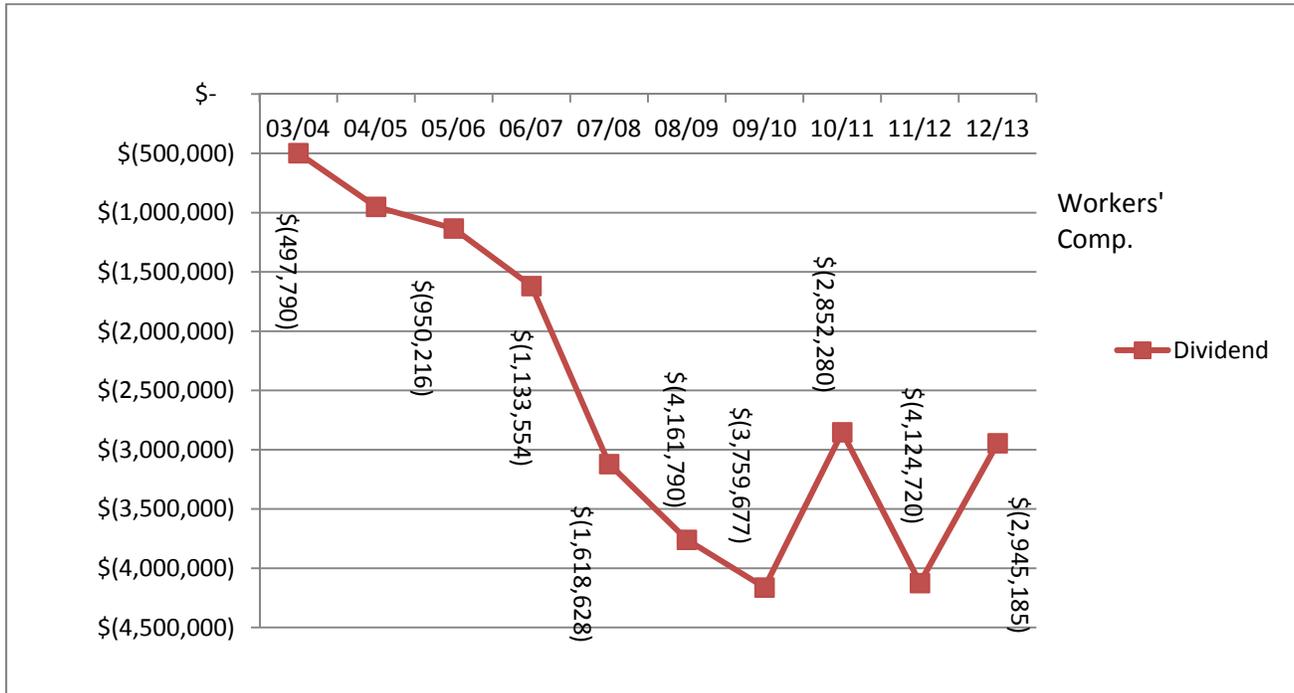
**FISCAL IMPACT:** Assessments in the amount of \$403,527 will be billed in the next fiscal year. Assessments are billed in two installments on September 15<sup>th</sup> and December 15<sup>th</sup>.

**BACKGROUND:** In accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board annually reviews and determines whether to approve distribution of excess funds to members and/or a 20% assessment to those Members in a negative *net equity position*.

In the past ten years Members have received significant dividends while funding has remained relatively constant at the 60% confidence level. As a result over the long run loss payments have depleted surplus and as of this year surplus funds are no longer available to distribute to Members. Net assets at \$2,774,693 are \$17,559 below the 90% confidence level. This means NCCSIF is not in a current cash flow problem but should consider options to increase equity.

Options to increase the amount of Net Assets are addressed in the attached items on the WC Shared Risk Layer adjustment and the 2014/15 Deposit Calculations.

Historical Workers' Compensation Dividends:



**ATTACHMENT(S):**

1. Workers' Compensation Banking Layer Calculations
2. Policy & Procedure A-1 Banking Plan Fund Adjustments.





## **ADMINISTRATIVE POLICY AND PROCEDURE #A-1**

### **SUBJECT: BANKING LAYER PLAN FUND ADJUSTMENTS**

#### Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund to review annually each Plan's financial status and to evaluate the appropriateness for declaring either a refund or an assessment to Member Agencies.

When so determined to be fiscally responsible by the Board of Directors, the adjustments shall be in accordance with the provisions outlined in this policy and procedure.

#### Provisions:

1. The refund/assessment calculations shall be performed annually and presented to the Board of Directors at its meeting in April.
2. The "Total Equity" at December 31, "Gross Equity" at December 31, "Outstanding Claims Liabilities" at December 31, "Buffer Allocation" and "Net Equity" shall be used for purposes of calculating any adjustments.

The "Total Equity" shall be that figure in the Financial Consultants Financial Report representing total equity at December 31.

The "Outstanding Claims Liabilities" shall be that figure developed by the Financial Consultant based on the Actuarial Report and IBNR factors, which represents the total amount of reserves on open claims and Incurred But Not Reported (IBNR) at the 90% Confidence Level, at December 31.

The "Gross Equity" shall be the sum of the "Total Equity" minus the "Outstanding Claims Liability at the 90% Confidence Level."

The "Buffer Allocation" shall be the allocation among Members Agencies with a positive "Gross Equity" of the sum of the negative "Gross Equity" and 10 times the Banking Layer Limit.

The "Net Equity" shall be the sum of the "Gross Equity" minus the "Buffer Allocation"

#### Assessments:

1. A Member Agency reflecting a negative "Gross Equity" shall be required to pay to the Treasurer twenty percent (20%) of the negative amount in two installments due September 15 and December 15 in the year in which the Assessment is declared. If 20% of the negative "Gross

Equity” is less than \$10,000, than the full amount will be paid to NCCSIF in the first installment of September 15 rather than two installments.

2. A Member Agency failing to meet the payment schedule above shall be charged interest in the manner and amount earned on funds deposited in LAIF.

Refunds:

1. A Member Agency shall be eligible for a refund by meeting the following conditions:

A. Participation in the Plan for three years

B. A positive Plan “Net Equity”

2. The Amount available to be refunded shall be the “Net Equity” as determined annually by the Board of Directors.

3. Member Agencies may decline the refund and leave such funds or a portion of the funds in their account.

4. Members Agencies may elect to allocate the remaining amount available as follows:

A. If funds are not being retained in their Account, then a negative balance in the other Program must first be offset

B. If not used for “5.” or “6a.” above, remaining available funds, or any portion thereof, may be used to offset the next fiscal year deposits, or may be requested in the form of a check

<b>Effective Date:</b>	May 26, 1989
First Revision Date:	June 14, 1996
Second Revision Date:	June 13, 1997
Third Revision Date:	December 17, 1999
Fourth Revision Date:	December 15, 2000
Fifth Revision Date:	March 16, 2007
Sixth Revision Date:	December 13, 2007
Seventh Revision Date:	April 25, 2008
Eighth Revision Date:	January 24, 2013



## REVIEW AND APPROVAL OF THE 2013 BANKING PLAN ADJUSTMENT CALCULATION SHEETS – LIABILITY

### ACTION ITEM

**ISSUE:** On an annual basis the Board reviews and approves the distribution of surplus funds and/or the assessment of Members not meeting the funding guidelines.

**RECOMMENDATION:** It is the recommendation of Program Administrators and the Executive Committee that, due to the status of the Net Equity position at the 90% confidence level, plus the '10 times SIR' contingency, that refunds be made available to Members at the '35% of the available *Net Equity position*'. This would result in dividends in the amount of \$167,129. There are also assessments in the amount of \$134,887 for some members.

**FISCAL IMPACT:** Assessments in the amount of \$134,887 will be billed in the next fiscal year. Assessments are billed in two installments on September 15<sup>th</sup> and December 15<sup>th</sup>.

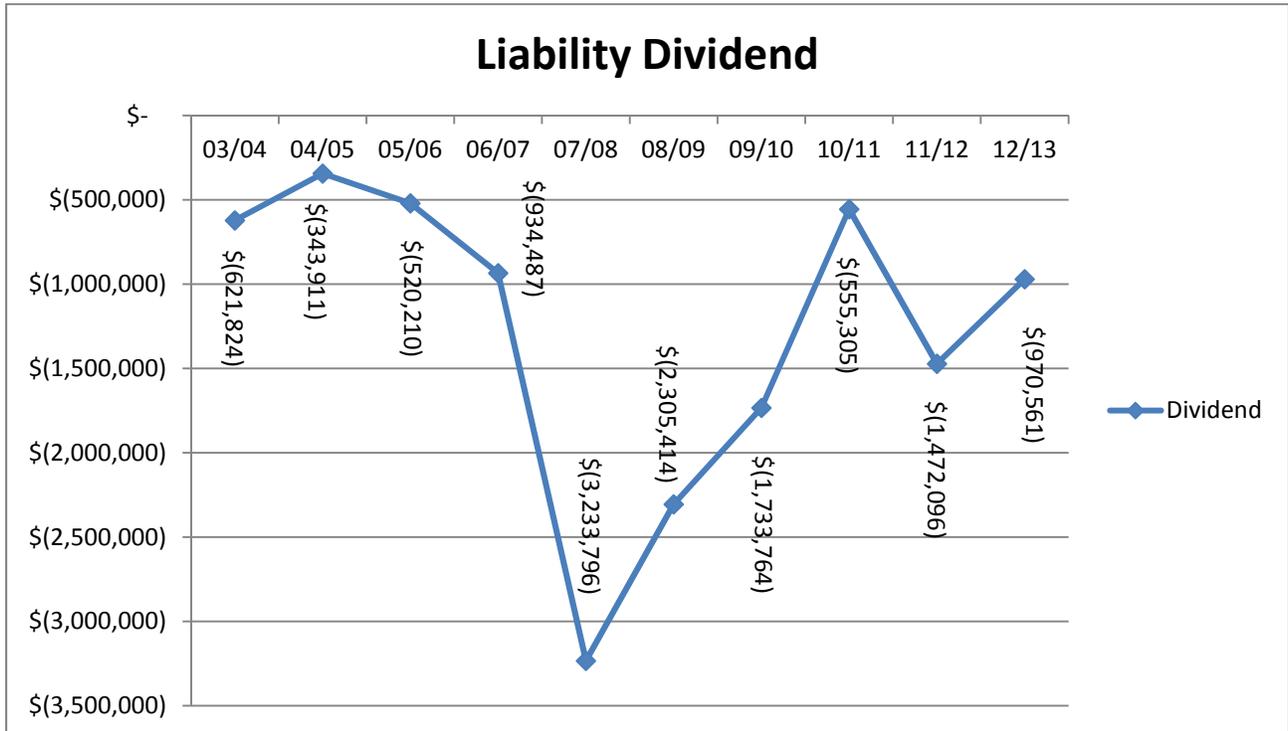
**BACKGROUND:** In accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board annually reviews and determines whether to approve distribution of excess funds to members and/or a 20% assessment to those Members in a negative *net equity position*.

In the past ten years Members have received significant dividends while funding has remained relatively constant at the 60% confidence level. As a result over the long run loss payments have depleted surplus and as of this year Gross Equity at the 90% confidence level is \$977,512. Equity at the 'Expected/discounted' level is \$1,781,874 which means that NCCSIF is not in a current cash flow problem, but should consider options to increase equity.

Consideration of options to increase the amount of Net Equity is addressed in the attached item on the 2014/15 Deposit Calculations.



Historical Dividends Banking and Shared:



**ATTACHMENT:** Liability Banking Layer Adjustment Calculations

NCCSIF Banking Layer Targeted Equity and Dividend and Assessment Worksheet  
 Liability Banking Layer  
 Evaluation of Equity by member above 90% confidence level  
 as of 12/31/13

O/S @ Exp times	margin to	Adjusted Member	Gross Equity above	Total of Positive	(not allocated to neg members)	Allocation of	100%	50%	35%	20%	
90% Factor	90% claims	Equity at 12/31/13	90% Conf level	Members	Percent allocation	10 x sir and Neg buffer	Net Equity above pool 10xsir and 90% conf. level	Net Equity above pool 10xsir and 90% conf. level	Net Equity above pool 10xsir and 90% conf. level	Expected Assessment	
A	B	C	D	E	F	G	H			I	
5640			C-B	D (positive only)	E/(E total)		D+G			D * 20%	
1.336							Neg = none avail.	Neg = none avail.	Neg = none avail.	Neg means Assessment	
						Shouldn't we assess?					
ANDERSON	3,963	997	127,705	126,709	126,709	7.67%	(90,082)	36,626	18,313	12,819	-
AUBURN	25,409	6,390	77,015	70,624	70,624	4.28%	(50,210)	20,415	10,207	7,145	-
COLUSA	33,539	8,435	7,951	(484)	-	0.00%	-	-	-	-	(97)
CORNING	149,404	37,575	(103,112)	(140,687)	-	0.00%	-	-	-	-	(28,137)
DIXON	8,485	2,134	158,138	156,004	156,004	9.44%	(110,909)	45,094	22,547	15,783	-
FOLSOM	883,920	222,303	753,444	531,141	531,141	32.15%	(377,610)	153,532	76,766	53,736	-
GALT	325,857	81,952	(94,836)	(176,788)	-	0.00%	-	-	-	-	(35,358)
GRIDLEY	160,744	40,427	30,791	(9,636)	-	0.00%	-	-	-	-	(1,927)
IONE	31,301	7,872	(4,635)	(12,507)	-	0.00%	-	-	-	-	(2,501)
JACKSON	39,191	9,856	(21,797)	(31,653)	-	0.00%	-	-	-	-	(6,331)
LINCOLN	147,808	37,173	205,185	168,012	168,012	10.17%	(119,446)	48,565	24,283	16,998	-
MARYSVILLE	328,438	82,601	(81,753)	(164,354)	-	0.00%	-	-	-	-	(32,871)
OROVILLE	4,080	1,026	128,101	127,075	127,075	7.69%	(90,342)	36,732	18,366	12,856	-
PARADISE	287,078	72,199	(32,106)	(104,305)	-	0.00%	-	-	-	-	(20,861)
RED BLUFF	176,421	44,369	10,348	(34,021)	-	0.00%	-	-	-	-	(6,804)
RIO VISTA	57,127	14,367	19,479	5,112	5,112	0.31%	(3,634)	1,478	739	517	-
ROCKLIN	224,001	56,336	246,328	189,993	189,993	11.50%	(135,073)	54,919	27,460	19,222	-
WILLOWS	11,631	2,925	69,930	67,005	67,005	4.06%	(47,637)	19,369	9,684	6,779	-
YUBA CITY	299,903	75,425	285,696	210,272	210,272	12.73%	(149,491)	60,781	30,391	21,273	-
	3,198,300	804,363	1,781,874	977,512	1,651,946		(1,174,435)	477,512	238,756	167,129	(134,887)
		Total	977,512	1,651,946	100.00%						
		neg members	(674,435)			total margin	1,304,363				
SIR risk margi ----->		Plus 10x SIR	500,000			90% conf level	804,363				
Funding for		Neg and 10 x SIR	(1,174,435)			10 x SIR	500,000				
							1,304,363				



## REVIEW AND APPROVAL OF THE 2013 SHARED RISK PLAN ADJUSTMENT CALCULATION SHEETS – WORKERS’ COMPENSATION

### ACTION ITEM

**ISSUE:** On an annual basis in accordance with Policy and Procedure A-12, Shared Risk Layer Plan Fund Adjustments and A-17, Target Equity Plan, the NCCSIF Board reviews and determines whether to approve distributions of excess Shared Risk Layer Funds to the members or if the fund is in a negative position, reviews and approves any assessments.

**RECOMMENDATION:** The Program Administrators and the Executive Committee recommend the releasing *35% of the funds available for refund*, or \$931,758. Of this amount Program Administrators recommend that NCCSIF continue to fund the *Risk Management Grant Fund* in the amount of \$200,000. Finally, it is recommended that \$600,000 be contributed from the refund to the Workers’ Compensation Banking Layer Members’ equity, as that fund is in a negative position at the 90% confidence level. (The remaining \$131,758 would be distributed to Members using an allocation based on their historical contributions to the Shared Risk Layer).

**FISCAL IMPACT:** \$931,758 would be refunded from Shared Risk layer equity. Last year a refund of \$880,000 was approved.

**BACKGROUND:** The Shared Risk Layer Plan Fund Adjustments are based on information from the Actuarial Study and the 12/31 Financial Statement. There are two comparisons and the refund is based on the lesser amount of the two. The first comparison is the Outstanding Liability at the discounted 90% confidence level less the assets at 12/31. The second comparison is the Outstanding Liabilities at the discounted expected confidence level less the assets at 12/31 less the amount representing five times the Shared Layer, or \$2,000,000. In this year’s evaluation the amount less the 90% confidence level yielded a lower amount of surplus, \$2,662,167. The Program Administrators recommend returning 35% of this amount (\$931,758). Not returning all funds lessens the potential to deplete the fund layer too quickly if there is adverse loss development in the future. *Historically NCCSIF has returned amounts ranging from 25% to 50% of available funds.*

### ATTACHMENT(S):

1. Workers’ Compensation Shared Risk Layer Plan Fund Adjustments:
2. Policy and Procedure A-12 Shared Risk Layer Plan Fund Adjustments
3. Policy and Procedure A-17 Target Equity Plan

**Shared Risk Layer Plan Fund Adjustments - Workers' Compensation for 2014 Distribution**

Total Assets at 12/31/13 A	Previous Assessment (Refund) B	Discounted Outstanding Liabilities @ Expected C	Outstanding Liabilities @ 80% D	Outstanding Liabilities @ 90% E	5 times SIR F	Available Refund A-E	
\$18,131,167	\$880,000	\$12,059,000	\$13,882,000	\$15,469,000	\$2,000,000	\$2,662,167	
Recommended Refund of: \$		931,758		600,000	Recommended	35%	931,758
Members	Total Premium	Total %	Refund	Banking Layer Transfer	Risk Mgmt. Grants	Remaining Refund	
					200,000		
Anderson	\$955,004	2.93%	\$27,300	\$ 17,580	\$ 5,860	\$3,860	
Auburn	\$1,072,669	3.29%	\$30,664	\$ 19,746	\$ 6,582	\$4,336	
Colusa	\$723,843	2.22%	\$20,692	\$ 13,325	\$ 4,442	\$2,926	
Corning	\$721,972	2.22%	\$20,639	\$ 13,290	\$ 4,430	\$2,918	
Dixon	\$1,373,701	4.21%	\$39,269	\$ 25,287	\$ 8,429	\$5,553	
Folsom	\$7,997,319	24.54%	\$228,615	\$ 147,215	\$ 49,072	\$32,328	
Galt	\$1,843,204	5.65%	\$52,691	\$ 33,930	\$ 11,310	\$7,451	
Gridley	\$839,621	2.58%	\$24,002	\$ 15,456	\$ 5,152	\$3,394	
Ione	\$83,719	0.26%	\$2,393	\$ 1,541	\$ 514	\$338	
Jackson	\$455,073	1.40%	\$13,009	\$ 8,377	\$ 2,792	\$1,840	
Lincoln	\$1,476,069	4.53%	\$42,196	\$ 27,172	\$ 9,057	\$5,967	
Maysville	\$1,068,469	3.28%	\$30,544	\$ 19,668	\$ 6,556	\$4,319	
Nevada City	\$469,099	1.44%	\$13,410	\$ 8,635	\$ 2,878	\$1,896	
Oroville	\$1,722,079	5.28%	\$49,228	\$ 31,700	\$ 10,567	\$6,961	
Placerville	\$1,335,613	4.10%	\$38,180	\$ 24,586	\$ 8,195	\$5,399	
Paradise	\$1,474,621	4.52%	\$42,154	\$ 27,145	\$ 9,048	\$5,961	
Red Bluff	\$1,566,569	4.81%	\$44,783	\$ 28,838	\$ 9,613	\$6,333	
Rio Vista	\$612,567	1.88%	\$17,511	\$ 11,276	\$ 3,759	\$2,476	
Rocklin	\$3,301,879	10.13%	\$94,389	\$ 60,781	\$ 20,260	\$13,347	
Willows	\$554,840	1.70%	\$15,861	\$ 10,214	\$ 3,405	\$2,243	
Yuba City	\$2,946,448	9.04%	\$84,229	\$ 54,238	\$ 18,079	\$11,911	
Total	\$32,594,377	100.00%	\$931,758	\$ 600,000	\$ 200,000	\$131,758	



## **ADMINISTRATIVE POLICY AND PROCEDURE # A-12**

**SUBJECT: SHARED RISK LAYER PLAN FUND ADJUSTMENTS**

### **Policy Statement:**

It shall be the goal of the Northern California Cities Self Insurance Fund (NCCSIF) to retain funds in the Shared Risk Layer Programs sufficient to meet an expected discounted level of “outstanding liabilities” plus a reasonable contingency margin, for all program years combined NCCSIF shall annually review the financial position for each open program based on NCCSIF’s actuarial study, and evaluate the claims payment pattern to determine if the current assets and projected payments are sufficient to maintain the program liquidity. The review will evaluate the appropriateness for declaring either a refund or an assessment to Members.

When determined to be fiscally responsible by the Board of Directors, the adjustments will be in accordance with the provisions outlined in this policy and procedure.

### **Procedure:**

1. The evaluation shall be performed annually and presented to the Board of Directors at its meeting in the spring of each year.
2. The “total assets” at December 31, “outstanding claims liabilities” at December 31 and “adjustment balance” will be used for the purposes of calculating any adjustments.
  - “total assets” shall be that figure in the auditor’s financial Report representing total assets at June 30, minus claims paid between June 30 and December 31.
  - “outstanding claims liabilities” shall be that figure in the actuarial Review which represents the total amount of reserves on open claims and Incurred But Not Reported (IBNR) claims stated at an expected confidence level and optionally at a 60% and 70% confidence level, discounted or at present value, for open shared risk layer program years, but based upon the December 31, loss statistics.
  - “adjustment balance” shall be the sum for each applicable shared risk layer program year of the “total assets” minus the chosen “outstanding liabilities”.
3. Refunds:

A Member shall be eligible for a refund by meeting the following conditions:

  - a. Participation in the plan for three years;
  - b. Applicable program years determined separately for liability and workers’ compensation results in a positive adjustment balance.

- c. The amount to be refunded shall be a certain percentage of the “adjustment balance” as determined annually by the Board of Directors.
4. Assessments:

A Member will be assessed if the “adjustment balance” for the open Shared Risk Layer Program Years (determined separately for liability and workers’ compensation) is/are negative. The amount of the assessment declared will be 100% of the deficit “adjustment balance”. The amount of the assessment will be collected over a period of seven (7) years. The member shall be required to pay their proportional share for each program year in a deficit position. The proportional share is the Members’ % of total contributions for that program year. Payment will be made as part of the September 15 program billings.
5. A Member failing to meet the payment schedule above shall be charged interest in the manner and amount earned on funds deposited in LAIF, at the time they are delinquent.
6. Refunds from positive years will first go to offset negative years before being refunded to Members.
7. Refunds from positive years will first go to offset negative years in another program before being refunded to Members.
8. **Effective July 1, 2013, “Participants” that withdraw from NCCSIF’s Workers’ Compensation plan, agree that any available funds’ allocated to them in the Shared Risk Layer, will remain with NCCSIF until such time as the “Program Year” is closed. This includes funds allocated to them via the “Shared Risk Layer Plan Adjustment” or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. If a “Program Year” is not closed and the “Participating Member” would be eligible for a distribution, they may annually send a written request for release of their funds to the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.**

**Effective Date:** June 16, 2000  
**First Revision Date:** April 11, 2003  
**Second Revision Date:** January 24, 2013



## **ADMINISTRATIVE POLICY AND PROCEDURE # A-17**

**SUBJECT: SHARED RISK LAYER PLAN TARGET EQUITY POLICY**

### Policy Statement:

This policy will operate in conjunction with the following policies and procedures:

**L – 1: SHARED RISK LAYER LIABILITY DEPOSIT DEVELOPMENT PLAN**

**WC – 1: SHARED RISK LAYER WORKERS’ COMPENSATION DEPOSIT DEVELOPMENT PLAN**

**A – 12: SHARED RISK LAYER PLAN FUND ADJUSTMENTS**

It shall be the goal of this policy is to develop guidelines setting target funding levels for the Shared Risk Layers in the Liability and Workers’ Compensation programs. The policy seeks to establish a prudent funding threshold to ensure the programs are actuarially sound. When equity exceeds the target the Board may determine any surplus to be distributed through a dividend in accordance with Policy and Procedure A – 12 Shared Risk Layer Plan Fund Adjustments.

Funding shortfalls under the target may lead the Board to raise funding rates to re-capitalize a program.

### **1. FUNDING CRITERIA**

The programs shall utilize expected liabilities at a 55% confidence level (CL) when reporting liabilities in the NCCSIF Financial Statements and Audit.

The program goals will be to maintain a “contingency fund” with assets equal to the difference between expected liabilities (55% CL) and discounted liabilities at a (90% CL).

The programs may pay dividends when surplus equity exceeds the 90% discounted CL and as per Policy and Procedure A – 12 above.

The programs may use surplus for rate stabilization.

The programs will fund current years at a 60% CL or higher.

### **2. FUNDING BENCHMARKS**

In addition to the program maintaining a discounted target equity of 90%, other benchmark ratios will be reviewed annually to ensure prudent funding levels be maintained.

The programs will endeavor to meet the following ratios:

- ☞ **Equity to SIR** **Target = 3 to 5:1**  
This ratio is a measure of the maximum amount equity could decline due to a single full limits loss. It also measures the funds available to take a higher SIR. A high ratio is desirable.
- ☞ **Net Contributions to Equity** **Target  $\leq$  2 to 1**  
This ratio measures whether inadequate funding for new years could adversely affect equity.
- ☞ **Claims Reserves plus IBNR to Equity** **Target = Less than  $\leq$  3 to 1**  
This ratio is a measure of how equity is leveraged against total reserves.
- ☞ **Change in Prior Year's Loss Development** **Target  $-20\% < x < 20\%$**   
This ratio is a measure of the development in prior years' ultimate net loss run from one year to the next.
- ☞ **Change in Member Equity** **Target  $\geq -10\%$**   
This ratio measures if a decline in equity in excess of 10% has taken place. If it has then NCCSIF may want to consider an increase in pricing.

### 3. DEFINITIONS

This policy contains terms and words with special meaning to risk funding. Those terms and others are defined below:

**Claims Reserves:** Estimate of the funds needed to pay for known claims against members that have been reported to NCCSIF. The Third Party Claims Administrator will establish a reserve for each open claim.

**Confidence Level (CL):** The probability premium collected or program equity is sufficient to pay the actuarially projected ultimate net loss. Expected value is equal to a 55% probability funds are sufficient to pay claims. A 90% confidence level predicts there is only a 10% probability there is insufficient funding to pay the ultimate net loss.

**Contingency Fund:** Net assets held to pay claims above "expected liabilities".

**Dividend:** Amount payable to members from surplus funds in a program.

**Expected Liabilities:** Claims reserve plus IBNR, discounted, and reported at a 55% CL for all program years.

**Equity:** Total assets less total liabilities. Stated as retained earnings, equity or net assets on the balance sheet.



**Incurred But Not Reported (IBNR) Claims:** Estimate of the funds needed to pay for covered losses that have occurred but have not been reported; and expected future loss development on claims already reported.

**Self Insured Retention (SIR):** Dollar amount of pooled risk before any excess coverage is triggered.

**Ultimate Net Loss:** The sum of claims paid to date, claim reserves and IBNR. This is an actuarial estimate of the total value of all claims that will ultimately be paid at a given point in time.

#### 4. POLICY REVIEW

The Program Administrator will submit a yearly report summarizing the programs financial positions against the guidelines established in this policy. The policy will be periodically reviewed by the Board and revised as necessary.

**Effective Date:** December 18, 2005

**First Revision Date:** January 24, 2013



## REVIEW AND APPROVAL OF THE 2013 SHARED RISK PLAN ADJUSTMENT CALCULATION SHEETS – LIABILITY

### ACTION ITEM

**ISSUE:** On an annual basis, in accordance with Policy and Procedure A-12, Shared Risk Layer Plan Fund Adjustments, the NCCSIF Board reviews and determines whether to approve distributions of excess Shared Risk Layer Funds to the members, or if the fund is in a negative position reviews and approves any assessments.

The Liability Shared Risk Layer remains in a deficit position due to large losses in program years 2009, 2010, and 2011. Based on Shared Risk Layer assets at 12/31/13, NCCSIF has negative equity at the 80% and 90% discounted levels. The adjustment calculation develops an assessment of \$1,135,000. Last year the Program Administrators recommended a 5-year assessment plan in the amount of \$600,000 to \$800,000 per year to rebuild the fund. *As the fund is continuing to decrease over last year, this course of action should be continued.*

**RECOMMENDATION:** Staff and the Executive Committee recommend an Assessment of \$600,000 for the Liability Shared Risk Layer. The Program Administrators also recommends applying 67% of the CJPRMA refund of \$399,359, or \$267,571, to the Assessment, leaving \$332,429 to be assessed to Members.

**FISCAL IMPACT:** \$600,000 added to the Liability Shared Risk Layer Fund.

**BACKGROUND:** The Shared Risk Layer fund adjustments are based on information from the *DRAFT* Actuarial Study and the 12/31 Financial Statement. There are two comparisons and the refund is based on the lesser amount of the two. The first comparison is the Outstanding Liabilities at the discounted 90% confidence level less the assets at 12/31. The second comparison is the Outstanding Liabilities at the discounted expected confidence level less the assets at 12/31 and less the amount representing five times the SIR or \$2,250,000. In this year's evaluation the Outstanding Liabilities at the discounted expected level less the amount representing five times the SIR yields a higher negative amount at \$1,135,906. Policy and Procedure A-12 allows funds to be collected over a period of up to seven years, but due to the fact that this deficit is continuing to grow a faster reimbursement is required. The \$600,000 represents 53% of the deficit amount.

**ATTACHMENT(S):** Liability Shared Risk Layer Plan Fund Adjustments.

Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2014-15 Funding

Total Assets as of 12/31/13*		Outstanding Liabilities @ Expected	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Any surplus should be in excess of the liabilities at the 90% confidence level and excess of the liabilities at expected plus 3-5 times SIR. This year we suggest 5 times SIR A-(C+G) or A-F
\$6,380,094		\$0	\$5,266,000	\$5,913,000	\$6,532,000	\$7,505,000
<b>Recommended Refund of: \$</b>		\$ -		\$ 600,000		
<b>Members</b>	<b>Total Premium</b>	<b>Total %</b>		<b>Assessment Allocation</b>	<b>Less CJPRMA Refund</b>	<b>No refund available Assessment Amount</b>
Anderson	\$469,682	2.46%		\$ 14,760	(\$5,464)	\$ 9,296
Auburn	\$1,123,437	5.88%		\$ 35,304	(\$11,663)	\$ 23,640
Colusa	\$381,145	2.00%		\$ 11,977	(\$3,322)	\$ 8,656
Corning	\$481,359	2.52%		\$ 15,126	(\$4,721)	\$ 10,405
Dixon	\$968,407	5.07%		\$ 30,432	(\$10,052)	\$ 20,379
Elk Grove				\$ -		\$ -
Folsom	\$3,326,767	17.42%		\$ 104,542	(\$69,058)	\$ 35,484
Galt	\$1,290,124	6.76%		\$ 40,542	(\$17,630)	\$ 22,912
Gridley	\$479,214	2.51%		\$ 15,059	(\$7,699)	\$ 7,360
Ione	\$45,652	0.24%		\$ 1,435	(\$2,263)	\$ (828)
Jackson	\$378,143	1.98%		\$ 11,883	(\$4,549)	\$ 7,333
Lincoln	\$1,488,064	7.79%		\$ 46,762	(\$19,638)	\$ 27,124
Maysville	\$940,157	4.92%		\$ 29,544	(\$7,932)	\$ 21,612
Oroville	\$1,303,165	6.83%		\$ 40,951	(\$12,059)	\$ 28,892
Paradise	\$856,618	4.49%		\$ 26,919	(\$7,876)	\$ 19,043
Red Bluff	\$1,193,550	6.25%		\$ 37,507	(\$12,373)	\$ 25,134
Rio Vista	\$438,534	2.30%		\$ 13,781	(\$4,581)	\$ 9,200
Rocklin	\$1,648,801	8.64%		\$ 51,813	(\$30,983)	\$ 20,830
Willows	\$218,688	1.15%		\$ 6,872	(\$2,817)	\$ 4,055
Yuba City	\$2,061,846	10.80%		\$ 64,793	(\$32,890)	\$ 31,902
<b>Total</b>	<b>\$19,093,353</b>	<b>100.00%</b>		<b>\$ 600,000</b>	<b>(\$267,571)</b>	<b>\$ 332,429</b>

\*Uses Total Assets at 12/31/13.

186791

267571

\*\* Ione is in calculation but not eligible for refund until 2013.



## PRELIMINARY 2014/15 NCCSIF BUDGET

### ACTION ITEM

**ISSUE:** On an annual basis, NCCSIF Board reviews and approves the budget for the next fiscal year. The preliminary budget is reviewed in the spring with the final budget reviewed and approved at the June Board meeting. Items highlighted in blue on the attached preliminary budget are items with substantial increase from last year. The Administrative Costs are discussed in more detail below. We reviewed the budget to actual revenues provided by our accountant in creating the FY14/15 budget.

### ADMINISTRATIVE EXPENSES

- The Claims Audits – Liability claims audit was performed in 13/14, therefore cost are allocated to the 14/15 year of \$7,350 for the Workers’ Compensation Claims Audit.
- The Financial Audit amount has been increased in accordance with the current contract with Perry Smith
- Legal Services have decreased from \$15,000 to \$10,000.
- Actuarial Services are included at \$6,300 for the liability and \$4,200 for the WC. Additionally, we receive a \$2,000 actuarial credit from CSAC for the actuarial each year.
- Computer Services remains at \$0 due to inactivity. This line item is for Accounting programming
- NCCSIF is accredited with excellence until September 2015. This cost occurs every three years.
- Fidelity Bonds are expected to remain the same at \$2,000. This is the bond for the JPA/Treasurer.
- Miscellaneous Consultants remains the same at \$5,000.
- Bickmore’s services have been broken out this year and remained flat at a total of \$155,260.
- Lexipol Law Enforcement Policy Manual was increased from \$100,000 to \$110,000 to reflect the addition of Elk Grove.
- Property Appraisal Budget has been removed as they have been completed in 12/13 and 13/14.



- Safety Services from OccuMed remains the same at \$23,000, but may be increased due to the addition of Elk Grove.
- Online Risk Management Services, for Target Solutions, was decreased from \$20,000 to \$14,000 to reflect actual usage.
- Wellness was increased from \$13,840 to \$14,150 to reflect additional increases per the agreement with ACI.
- State Funding/Fraud Assessment has been increased from \$135,000 to \$145,000 in anticipation of increases as seen in prior years.
- Program Administration costs have been increased from \$332,100 to \$351,826 to anticipate additional increases in the renewal of Program Administration and Accounting Services Agreements.

**TOTAL ADMINISTRATIVE COSTS:** \$1,049,386 compared to \$1,045,750 last year, an increase of .01%. Banking layer contributions are estimated at \$6,660,973 compared to \$5,551,540 which is a 20% increase from last year. Shared Risk Layer contributions are estimated at \$3,807,212 compared to \$3,179,888 for last year, a 19.7% increase. Workers' Compensation payroll has increased by 24% primarily due to the addition of Elk Grove. With respects to Liability, the actuarial rates have been increased 8.5%.

The Banking layer or Shared Risk layer expenses do not yet show the refund and assessment as that is determined individually by Members. Total revenues are estimated at \$13,826,032 compared to \$12,077,653 last year.

**RECOMMENDATION:** There is no recommendation as this is an information item only. The final Budget will be approved at the June Board of Directors meeting.

**FISCAL IMPACT:** The overall preliminary revenues will be higher than last year's revenues of \$12,077,653 depending on the approved Confidence Level funding to be approved.

**BACKGROUND:** Annually NCCSIF sets a budget for revenues and expenses to be incurred during the fiscal year.

**ATTACHMENT(S):** Preliminary 2014/15 NCCSIF Budget.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**BUDGET**

July 1, 2013 to June 30, 2014

CATEGORY		PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	PROPERTY	CRIME
Chart of Acc't							
<b>REVENUES:</b>							
41010	Program Administration	\$ 332,100	\$ 351,826	\$ 162,913	\$ 188,913		
	Claims Administration	\$ 196,250	\$ 189,700	\$ 169,900	\$ 19,800		
	Other Expenses	\$ 517,400	\$ 511,110	\$ 230,580	\$ 280,530		
	Banking Layer Deposit	\$ 5,551,540	\$ 6,662,819	\$ 5,039,207	\$ 1,623,612		
	CJPRMA Refund Distribution	\$ (414,401)	\$ (399,360)	\$ -	\$ (399,360)		
	Shared Risk Layer Deposit	\$ 3,179,888	\$ 4,747,965	\$ 3,488,682	\$ 1,259,283		
	Excess Coverage Deposit (CSAC and CJPRMA)	\$ 1,789,713	\$ 1,957,778	\$ 988,000	\$ 969,778		
	Group Purchase Coverage	\$ 925,163	\$ 869,163			\$ 845,440	\$ 23,723
	<b>TOTAL REVENUES</b>	<b>\$ 12,077,653</b>	<b>\$ 14,891,001</b>	<b>\$ 10,079,282</b>	<b>\$ 3,942,556</b>	<b>\$ 845,440</b>	<b>\$ 23,723</b>
Administrative Expenses:							
52101	Claims Audit	\$ 7,000	\$ 7,350	\$ 7,350			
52102	Financial Audit	\$ 26,100	\$ 27,000	\$ 13,500	\$ 13,500		
52103	Legal Services	\$ 15,000	\$ 10,000	\$ 5,000	\$ 5,000		
52104	Actuarial Review	\$ 10,000	\$ 10,500	\$ 4,200	\$ 6,300		
52105	Computer Services	\$ -	\$ -	\$ -	\$ -		
52106	CAJPA Accreditation	\$ -	\$ -	\$ -	\$ -		
52107	Employee Dishonesty Bonds	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52109	Misc. Consulting/Contingency	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
	<b>Total Administration Expenses</b>	<b>\$ 65,100</b>	<b>\$ 61,850</b>	<b>\$ 33,550</b>	<b>\$ 28,300</b>		
Safety Services:							
52204	Bickmore Onsite Risk Assessments	\$ 155,260	\$ 66,250	\$ 33,250	\$ 33,000		
52201	Outside Training	\$ 25,000	\$ 30,000	\$ 15,000	\$ 15,000		
52202	Risk Mgmt Comm Mtg Expense	\$ 1,000	\$ 1,000	\$ 500	\$ 500		
52204	Bickmore Police Risk Mgmt Comm Training	\$ 12,000	\$ 12,400	\$ 6,200	\$ 6,200		
52204	Bickmore Risk Control Service Days	\$ -	\$ 31,500	\$ 15,750	\$ 15,750		
52204	Bickmore Phone Consultation	\$ -	\$ 18,600	\$ 9,300	\$ 9,300		
52204	Bickmore Newsletter	\$ -	\$ 5,580	\$ 2,790	\$ 2,790		
52207	Seminars and PARMA	\$ 63,200	\$ 72,600	\$ 40,000	\$ 32,600		
52208	Lexipol Law Enforcement Policy Manual Updates DTBs	\$ 100,000	\$ 110,000	\$ 7,500	\$ 102,500		
52209	Safety Contingency (Police cameras?)	\$ -	\$ 12,000	\$ 6,000	\$ 6,000		
52204	Bickmore Safety/Training Coordination	\$ -	\$ 14,880	\$ 7,440	\$ 7,440		
52204	Bickmore Meeting Preparation	\$ -	\$ 9,300	\$ 4,650	\$ 4,650		
52214	OCCUMED Occupational Health Consulting	\$ 18,000	\$ 18,000	\$ 18,000	\$ -		
52215	Online Risk Management Services - TargetSolutions	\$ 20,000	\$ 14,000	\$ 7,000	\$ 7,000		
52217	ACI - Wellness Optional	\$ 13,840	\$ 14,150	\$ 14,150	\$ -		
	<b>Total Safety Services Expense</b>	<b>\$ 408,300</b>	<b>\$ 430,260</b>	<b>\$ 187,530</b>	<b>\$ 242,730</b>		
Claims Administration							
52302	Claims Administration Fee**(Paid through claims costs)	\$ 49,250	\$ 554,468	\$ 534,668	\$ 19,800		
Less WC Claims Administrative Costs \$534,668			\$ (534,668)	\$ (534,668)			
52303	Fraud Hotline	\$ -	\$ -	\$ -	\$ -		
52305	MPN Services*	\$ 12,000	\$ 24,900	\$ 24,900	\$ -		
52304	State Funding/Fraud Assessment	\$ 135,000	\$ 145,000	\$ 145,000	\$ -		
	<b>Total Claims Admin Expenses</b>	<b>\$ 196,250</b>	<b>\$ 189,700</b>	<b>\$ 169,900</b>	<b>\$ 19,800</b>		
*MPN services are based o all members using program.							
Program Administration							
52401	Program Administration Fee	\$ 270,000	\$ 286,000	\$ 130,000	\$ 156,000		
52403	Accounting Services	\$ 62,100	\$ 65,826	\$ 32,913	\$ 32,913		
	<b>Total Program Admin Expenses</b>	<b>\$ 332,100</b>	<b>\$ 351,826</b>	<b>\$ 162,913</b>	<b>\$ 188,913</b>		
Board Expenses							
52501	Executive Committee	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52502	Executive Committee Member Travel	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
52503	Board of Directors Meetings (includes Travel)	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
XXXXX	Board of Directors Long Range Planning Session (every 3 years)	\$ -	\$ -	\$ -	\$ -		
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
	<b>Total Board Expenses</b>	<b>\$ 19,000</b>	<b>\$ 19,000</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>		
Other Administration Expenses - Not identified with above budget line items							
52000	Administrative Expense	\$ -	\$ -	\$ -	\$ -		
52001	Administration Expense - Other	\$ -	\$ -	\$ -	\$ -		
	Total Other Admin	\$ -	\$ -	\$ -	\$ -		
	<b>Total Admin Expenses</b>	<b>\$ 1,020,750</b>	<b>\$ 1,052,636</b>	<b>\$ 563,393</b>	<b>\$ 489,243</b>		
Program Admin Fee							
		\$ 664,075	\$ 687,751	\$ 377,473	\$ 310,278		
General Admin Fee							
		\$ 368,075	\$ 364,885	\$ 185,920	\$ 178,965		
	<b>Total Admin Expenses</b>	<b>\$ 1,032,150</b>	<b>\$ 1,052,636</b>	<b>\$ 563,393</b>	<b>\$ 489,243</b>		



**PRELIMINARY 2104/15 DEPOSIT CALCULATIONS  
 WORKERS' COMPENSATION**

**ACTION ITEM**

**ISSUE:** The annual actuarial review, *based on 12/31/13 loss information*, has been received in DRAFT form and has been reviewed. Exhibit 2 Page 2a provides the estimated ultimate cost of claims and expenses for the banking layer and the shared risk layer for the 2014/2015 Program Year. They are shown excluding 4850 & 4850 TD. These exhibits also provide the outstanding liabilities including ALAE for the banking and pooling layers projected for 12/31/13 and projected for 6/30/14. By having these studies done, NCCSIF is able to project their funding for the upcoming year.

The NCCSIF Banking Layer is in a negative position at the 90% confidence level. As a result funding should increase for the next fiscal year from the current 60% confidence level. Rates are shown at 60%, 65%, 70% and 75%

Year	Discount Rate	Rate & Confidence Level
2012/13	3.0%	\$3.967@60%
2013/14	1.5%	\$4.092@60%
<b>2014/15</b>	<b>1.5%</b>	<b>\$4.092@60%</b>
<b>2014/15</b>	<b>1.5%</b>	<b>\$4.23@65%</b>
<b>2014/14</b>	<b>1.5%</b>	<b>\$4.373@70%</b>
<b>2014/15</b>	<b>1.5%</b>	<b>\$4.621@75%</b>

**RECOMMENDATION:** The calculations remain PRELIMINARY due to the fact that excess costs are not yet finalized and the service contract renewals are not finalized. These costs are finalized by May. It is the recommendation of the Executive Committee that funding be increased from the current 60% confidence level to the 65%. 65% results in a deposit increase of 8.97% and 70% results in a deposit increase of 11.94%. The Shared Layer refund and Banking Layer assessment add an additional 2.5%. Costs vary by Member based on their losses and payroll. The recommended maximum increase by Member is 40%, but this does not include any assessments.



**FISCAL IMPACT:** Varies by confidence level selected and varies by Member. See funding options summary attached which shows the total deposit at the various confidence levels, shared layer refund, and banking layer assessment.

**BACKGROUND:** The actuary estimates that the NCCSIF Banking Layer will be funded below the 80% discounted confidence level as of June 30, 2014. The Shared Risk Layer is estimated to have assets of approximately \$1,828,000 above the 90% confidence level as of June 30, 2014.

It is suggested that for the next fiscal year funding of the Banking Layer increase to the 65% discounted confidence level. Funding should be reviewed closely next year and if there is further deterioration in the Banking Assets a higher funding level will be recommended for that layer.

Current year losses compared to the prior year are mixed. Please see the chart below:

Estimated Ultimate at 12/31/13			Estimated Ultimate at 12/31/12*	
Year	Ultimate	Paid	Ultimate	Paid
2009-10	\$4,334,000	\$2,739,692	\$5,262,000	\$3,103,841
2010-11	\$3,614,000	\$1,829,608	\$4,811,000	\$2,045,630
2011-12	\$6,114,000	\$2,349,578	\$6,529,000	\$2,079,366
2012-13	\$5,116,000	\$1,098,678	\$6,312,000	\$802,974
2013-14	\$3,131,000	\$169,631	\$6,486,000	

\*Included TD amount on 4850 claims, not included in the 2013 numbers.

**ATTACHMENTS:**

1. Preliminary 14/15 Workers’ Compensation Deposit Funding Options Summary
2. Preliminary Deposit Allocation
3. Banking Layer Allocation Calculation page
4. Shared Layer Allocation Calculation page



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**Worker's Compensation Program**

**PRELIMINARY Funding Option A @ 60%**

**July 1, 2014 to June 30, 2015**

<b>Funding Confidence Level:</b>		<b>60% Discount Rate</b>		<b>1.50%</b>
		<b>CJPRMA</b>		
<b>Banking Layer Funding</b>	<b>\$ 5,037,361</b>	<b>Premium:</b>	<b>\$</b>	<b>988,000</b>
		<b>Admin</b>		
<b>Shared Risk Layer Funding</b>	<b>\$ 2,515,912</b>	<b>Expenses:</b>	<b>\$</b>	<b>552,330</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED REFUND*</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 184,892	0.39%	\$ (3,860)	\$ 40,806	\$ 221,838
Auburn	\$ 297,536	10.90%	\$ (4,336)	\$ 57,732	\$ 350,932
Colusa	\$ 111,867	2.68%	\$ (2,926)		\$ 108,941
Corning	\$ 157,189	9.00%	\$ (2,918)	\$ 18,826	\$ 173,097
Dixon	\$ 345,899	-12.52%	\$ (5,553)		\$ 340,346
Elk Grove	\$ 1,307,913	2.12%			\$ 1,307,913
Folsom	\$ 1,877,675	9.12%	\$ (32,328)		\$ 1,845,347
Galt	\$ 368,389	-5.53%	\$ (7,451)	\$ 11,974	\$ 372,912
Gridley	\$ 130,301	-1.98%	\$ (3,394)		\$ 126,907
Ione	\$ 46,819	-34.31%	\$ (338)		\$ 46,481
Jackson	\$ 146,431	3.96%	\$ (1,840)		\$ 144,591
Lincoln	\$ 566,002	30.57%	\$ (5,967)	\$ 30,156	\$ 590,191
Marysville	\$ 303,387	40.00%	\$ (4,319)	\$ 34,457	\$ 333,525
Nevada City	\$ 96,700	-13.16%	\$ (1,896)		\$ 94,804
Oroville	\$ 297,687	-8.09%	\$ (6,961)		\$ 290,726
Town of Paradise	\$ 234,936	-22.29%	\$ (5,399)	\$ 3,378	\$ 232,915
Placerville	\$ 271,328	-18.25%	\$ (5,961)	\$ 618	\$ 265,985
Red Bluff	\$ 323,192	-14.42%	\$ (6,333)	\$ 27,593	\$ 344,452
Rio Vista	\$ 114,298	13.73%	\$ (2,476)		\$ 111,822
Rocklin	\$ 717,229	13.15%	\$ (13,347)		\$ 703,882
Willows	\$ 145,821	1.17%	\$ (2,243)		\$ 143,578
Yuba City	\$ 1,055,486	35.09%	\$ (11,911)	\$ 152,096	\$ 1,195,671
<b>Total:</b>	<b>\$ 9,100,975</b>	<b>5.90%</b>	<b>\$ (131,757)</b>	<b>\$ 377,636</b>	<b>\$ 9,346,854</b>

\* Refund less \$200,000 Risk Management Grants and \$600,000 Banking Layer Offset

NOTE: No one is eligible for Banking Layer Refund as no one is funded in XS of 90%

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**Worker's Compensation Program**

**PRELIMINARY Funding Option B @65%**

**July 1, 2014 to June 30, 2015**

<b>Funding Confidence Level:</b>	<b>65% Discount Rate</b>	<b>1.50%</b>
	<b>CJPRMA</b>	
<b>Banking Layer Funding</b>	<b>\$ 5,190,568</b>	<b>Premium: \$ 988,000</b>
		<b>Admin</b>
<b>Shared Risk Layer Funding</b>	<b>\$ 2,619,280</b>	<b>Expenses: \$ 552,330</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED REFUND*</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 190,174	3.26%	\$ (3,860)	\$ 40,806	\$ 227,120
Auburn	\$ 306,221	14.11%	\$ (4,336)	\$ 57,732	\$ 359,617
Colusa	\$ 114,964	5.50%	\$ (2,926)	\$ -	\$ 112,038
Corning	\$ 161,702	12.12%	\$ (2,918)	\$ 18,826	\$ 177,610
Dixon	\$ 355,928	-10.01%	\$ (5,553)	\$ -	\$ 350,375
Elk Grove	\$ 1,347,462	5.18%	\$ -	\$ -	\$ 1,347,462
Folsom	\$ 1,933,289	12.34%	\$ (32,328)	\$ -	\$ 1,900,961
Galt	\$ 379,345	-2.74%	\$ (7,451)	\$ 11,974	\$ 383,868
Gridley	\$ 134,120	0.83%	\$ (3,394)	\$ -	\$ 130,726
Ione	\$ 48,023	-32.66%	\$ (338)	\$ -	\$ 47,685
Jackson	\$ 150,429	6.81%	\$ (1,840)	\$ -	\$ 148,589
Lincoln	\$ 582,257	34.30%	\$ (5,967)	\$ 30,156	\$ 606,446
Marysville	\$ 303,387	40.00%	\$ (4,319)	\$ 34,457	\$ 333,525
Nevada City	\$ 99,348	-10.80%	\$ (1,896)	\$ -	\$ 97,452
Oroville	\$ 306,499	-5.40%	\$ (6,961)	\$ -	\$ 299,538
Town of Paradise	\$ 241,755	-20.03%	\$ (5,399)	\$ 3,378	\$ 239,734
Placerville	\$ 279,346	-15.86%	\$ (5,961)	\$ 618	\$ 274,003
Red Bluff	\$ 332,518	-11.95%	\$ (6,333)	\$ 27,593	\$ 353,778
Rio Vista	\$ 117,531	16.89%	\$ (2,476)	\$ -	\$ 115,055
Rocklin	\$ 738,473	16.48%	\$ (13,347)	\$ -	\$ 725,126
Willows	\$ 149,854	3.98%	\$ (2,243)	\$ -	\$ 147,611
Yuba City	\$ 1,086,770	39.07%	\$ (11,911)	\$ 152,096	\$ 1,226,955
<b>Total:</b>	<b>\$ 9,359,396</b>	<b>8.88%</b>	<b>\$ (131,757)</b>	<b>\$ 377,636</b>	<b>\$ 9,605,275</b>

\* Refund less \$200,000 Risk Management Grants and \$600,000 Banking Layer Offset

**NOTE: No one is eligible for Banking Layer Refund as no one is funded in XS of 90%**

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**Worker's Compensation Program**

**PRELIMINARY Funding Option C @ 70%**

**July 1, 2014 to June 30, 2015**

<b>Funding Confidence Level:</b>		<b>70% Discount Rate</b>		<b>1.50%</b>
<b>Banking Layer Funding</b>	<b>\$ 5,349,312</b>	<b>CSAC EIA</b>	<b>\$</b>	<b>988,000</b>
		<b>Admin</b>		
<b>Shared Risk Layer Funding</b>	<b>\$ 2,722,649</b>	<b>Expenses:</b>	<b>\$</b>	<b>552,330</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED REFUND*</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 196,228	6.51%	\$ (3,860)	\$ 40,806	\$ 233,174
Auburn	\$ 316,053	17.74%	\$ (4,336)	\$ 57,732	\$ 369,449
Colusa	\$ 118,486	8.71%	\$ (2,926)	\$ -	\$ 115,560
Corning	\$ 166,852	15.65%	\$ (2,918)	\$ 18,826	\$ 182,760
Dixon	\$ 367,303	-7.16%	\$ (5,553)	\$ -	\$ 361,750
Elk Grove	\$ 1,392,078	8.64%	\$ -	\$ -	\$ 1,392,078
Folsom	\$ 1,996,457	15.97%	\$ (32,328)	\$ -	\$ 1,964,129
Galt	\$ 391,705	0.40%	\$ (7,451)	\$ 11,974	\$ 396,228
Gridley	\$ 138,338	3.99%	\$ (3,394)	\$ -	\$ 134,944
Ione	\$ 49,364	-30.78%	\$ (338)	\$ -	\$ 49,026
Jackson	\$ 155,072	10.07%	\$ (1,840)	\$ -	\$ 153,232
Lincoln	\$ 600,765	38.52%	\$ (5,967)	\$ 30,156	\$ 624,954
Marysville	\$ 303,387	40.00%	\$ (4,319)	\$ 34,457	\$ 333,525
Nevada City	\$ 102,359	-8.12%	\$ (1,896)	\$ -	\$ 100,463
Oroville	\$ 316,421	-2.36%	\$ (6,961)	\$ -	\$ 309,460
Town of Paradise	\$ 249,572	-17.47%	\$ (5,399)	\$ 3,378	\$ 247,551
Placerville	\$ 288,405	-13.15%	\$ (5,961)	\$ 618	\$ 283,062
Red Bluff	\$ 343,203	-9.15%	\$ (6,333)	\$ 27,593	\$ 364,463
Rio Vista	\$ 121,137	20.46%	\$ (2,476)	\$ -	\$ 118,661
Rocklin	\$ 762,473	20.23%	\$ (13,347)	\$ -	\$ 749,126
Willows	\$ 154,535	7.19%	\$ (2,243)	\$ -	\$ 152,292
Yuba City	\$ 1,093,163	40.00%	\$ (11,911)	\$ 152,096	\$ 1,233,348
<b>Total:</b>	<b>\$ 9,623,354</b>	<b>11.94%</b>	<b>\$ (131,757)</b>	<b>\$ 377,636</b>	<b>\$ 9,869,233</b>

\* Refund less \$200,000 Risk Management Grants and \$600,000 Banking Layer Offset

NOTE: No one is eligible for Banking Layer Refund as no one is funded in XS of 90%

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**Worker's Compensation Program**

**PRELIMINARY Funding Option D @ 75%**

**July 1, 2014 to June 30, 2015**

<b>Funding Confidence Level:</b>		<b>75% Discount Rate</b>		<b>1.50%</b>
<b>Banking Layer Funding</b>	<b>\$ 5,543,128</b>	<b>CSAC EIA</b>	<b>\$</b>	<b>988,000</b>
		<b>Admin</b>		
<b>Shared Risk Layer Funding</b>	<b>\$ 2,857,397</b>	<b>Expenses:</b>	<b>\$</b>	<b>552,330</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED REFUND*</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 207,275	10.93%	\$ (3,860)	\$ 40,806	\$ 244,221
Auburn	\$ 334,828	22.70%	\$ (4,336)	\$ 57,732	\$ 388,224
Colusa	\$ 125,242	13.09%	\$ (2,926)	\$ -	\$ 122,316
Corning	\$ 176,418	20.47%	\$ (2,918)	\$ 18,826	\$ 192,326
Dixon	\$ 388,907	-3.27%	\$ (5,553)	\$ -	\$ 383,354
Elk Grove	\$ 1,477,133	13.33%	\$ -	\$ -	\$ 1,477,133
Folsom	\$ 2,114,489	20.91%	\$ (32,328)	\$ -	\$ 2,082,161
Galt	\$ 415,446	4.68%	\$ (7,451)	\$ 11,974	\$ 419,969
Gridley	\$ 147,245	8.34%	\$ (3,394)	\$ -	\$ 143,851
Ione	\$ 52,266	-28.17%	\$ (338)	\$ -	\$ 51,928
Jackson	\$ 163,250	14.49%	\$ (1,840)	\$ -	\$ 161,410
Lincoln	\$ 606,427	40.00%	\$ (5,967)	\$ 30,156	\$ 630,616
Marysville	\$ 303,387	40.00%	\$ (4,319)	\$ 34,457	\$ 333,525
Nevada City	\$ 108,169	-4.44%	\$ (1,896)	\$ -	\$ 106,273
Oroville	\$ 335,673	1.79%	\$ (6,961)	\$ -	\$ 328,712
Town of Paradise	\$ 263,725	-14.00%	\$ (5,399)	\$ 3,378	\$ 261,704
Placerville	\$ 305,740	-9.47%	\$ (5,961)	\$ 618	\$ 300,397
Red Bluff	\$ 362,659	-5.35%	\$ (6,333)	\$ 27,593	\$ 383,919
Rio Vista	\$ 128,570	25.37%	\$ (2,476)	\$ -	\$ 126,094
Rocklin	\$ 808,380	25.34%	\$ (13,347)	\$ -	\$ 795,033
Willows	\$ 162,736	11.54%	\$ (2,243)	\$ -	\$ 160,493
Yuba City	\$ 1,093,163	40.00%	\$ (11,911)	\$ 152,096	\$ 1,233,348
<b>Total:</b>	<b>\$ 10,081,128</b>	<b>15.76%</b>	<b>\$ (131,757)</b>	<b>\$ 377,636</b>	<b>\$ 10,327,007</b>

\* Refund less \$200,000 Risk Management Grants and \$600,000 Banking Layer Offset

NOTE: No one is eligible for Banking Layer Refund as no one is funded in XS of 90%

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**WORKERS' COMPENSATION PROGRAM**

**July 1, 2014 to June 30, 2015**

Banking                      Shared

Funding Confidence Level:	70%	70% Discounting Factor	1.50%
Banking Layer Funding	\$5,349,312	CSAC-EIA Premium:	\$988,000
Shared Risk Layer Funding	\$2,722,649	Administrative Expenses:	\$563,393

**Capped  
Percentage  
40%**

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC PREMIUM (I)	ADMIN EXPENSE	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$113,912	\$48,088	\$17,044	\$15,911	\$194,954	\$183,914	6.00%	\$196,228	6.70%
Auburn	\$167,613	\$92,576	\$33,140	\$20,672	\$314,001	\$268,030	17.15%	\$316,053	17.92%
Colusa	\$59,439	\$33,116	\$12,342	\$12,821	\$117,717	\$108,743	8.25%	\$118,486	8.96%
Corning	\$93,292	\$43,791	\$13,943	\$14,743	\$165,769	\$143,992	15.12%	\$166,852	15.88%
Dixon	\$196,480	\$104,955	\$40,775	\$22,709	\$364,919	\$395,064	-7.63%	\$367,303	-7.03%
Elk Grove	\$763,453	\$421,852	\$134,306	\$63,431	\$1,383,042	\$1,280,050	8.05%	\$1,392,078	8.75%
Folsom	\$1,131,434	\$554,358	\$210,257	\$87,448	\$1,983,497	\$1,719,697	15.34%	\$1,996,457	16.09%
Galt	\$207,779	\$119,259	\$38,445	\$23,678	\$389,162	\$389,606	-0.11%	\$391,705	0.54%
Gridley	\$54,155	\$53,838	\$15,836	\$13,610	\$137,440	\$132,747	3.54%	\$138,338	4.21%
Ione	\$15,741	\$17,746	\$5,482	\$10,075	\$49,044	\$71,018	-30.94%	\$49,364	-30.49%
Jackson	\$93,531	\$31,448	\$14,811	\$14,275	\$154,065	\$140,606	9.57%	\$155,072	10.29%
Lincoln	\$329,075	\$163,081	\$72,723	\$31,986	\$596,865	\$433,162	37.79%	\$600,765	38.69%
Marysville	\$235,590	\$52,723	\$25,213	\$21,514	\$335,040	\$216,705	54.61%	\$303,387	40.00%
Nevada City	\$50,085	\$28,782	\$10,647	\$12,180	\$101,695	\$111,121	-8.48%	\$102,359	-7.89%
Oroville	\$162,772	\$98,821	\$32,087	\$20,687	\$314,367	\$323,594	-2.85%	\$316,421	-2.22%
Town of Paradise	\$149,316	\$60,612	\$19,993	\$18,030	\$247,952	\$301,935	-17.88%	\$249,572	-17.34%
Placerville	\$153,628	\$86,154	\$27,177	\$19,573	\$286,533	\$331,579	-13.59%	\$288,405	-13.02%
Red Bluff	\$201,962	\$84,539	\$32,723	\$21,751	\$340,975	\$377,235	-9.61%	\$343,203	-9.02%
Rio Vista	\$50,115	\$42,670	\$14,639	\$12,927	\$120,351	\$100,335	19.95%	\$121,137	20.73%
Rocklin	\$407,768	\$228,186	\$83,157	\$38,412	\$757,524	\$633,442	19.59%	\$762,473	20.37%
Willows	\$95,193	\$31,129	\$12,956	\$14,254	\$153,532	\$143,882	6.71%	\$154,535	7.40%
Yuba City	\$616,979	\$324,925	\$120,302	\$52,707	\$1,114,913	\$780,830	42.79%	\$1,093,163	40.00%
<b>Total</b>	<b>\$5,349,312</b>	<b>\$2,722,649</b>	<b>\$988,000</b>	<b>\$563,393</b>	<b>\$9,623,354</b>	<b>\$8,587,289</b>	<b>12.07%</b>	<b>\$9,623,354</b>	<b>12.07%</b>

**Northern California Cities Self Insurance Fund**  
**July 1, 2014 to June 30, 2015**  
**Funding Distribution Recommended Plan**  
**Workers' Compensation Program**

**Average Workers' Compensation Banking Layer Losses for Past 5 Years Beginning 2007**

Members	Incurred Banking Layer Losses \$0 to \$100,000					5-Year Average	Prior Year Average	% Change From P/Y	Relative %	(A)	(B)
	2008-09 Prog. Yr.	2009-10 Prog. Yr.	2010-11 Prog. Yr.	2011-12 Prog. Yr.	2012-13 Prior Yr.					0.75 Distribution	0.25 Distribution
Anderson	\$25,502	\$84,362	\$175,288	\$27,828	\$85,820	\$79,760	\$68,819	15.90%	2.33%	1.75%	0.58%
Auburn	\$8,868	\$6,857	\$109,328	\$231,543	\$160,433	\$103,406	\$41,120	151.47%	3.02%	2.27%	0.76%
Colusa	\$0	\$12,368	\$95,737	\$34,603	\$35,538	\$35,649	\$21,462	66.10%	1.04%	0.78%	0.26%
Corning	\$71,880	\$50,797	\$101,074	\$101,223	\$1,773	\$65,349	\$42,049	55.41%	1.91%	1.43%	0.48%
Dixon	\$101,759	\$226,272	\$157,714	\$69,332	\$34,319	\$117,879	\$164,157	-28.19%	3.45%	2.58%	0.86%
Elk Grove	\$544,007	\$261,351	\$742,280	\$531,313	\$420,096	\$499,809			14.61%	10.96%	3.65%
Folsom	\$716,131	\$1,014,035	\$365,454	\$791,431	\$719,451	\$721,300	\$540,975	33.33%	21.09%	15.81%	5.27%
Galt	\$109,397	\$140,369	\$113,661	\$153,769	\$146,558	\$132,751	\$118,902	11.65%	3.88%	2.91%	0.97%
Gridley	\$3,463	\$13,439	\$15,268	\$73,393	\$17,094	\$24,531	\$17,338	41.49%	0.72%	0.54%	0.18%
Ione*	\$18,267	\$9,470	\$0	\$0	\$304	\$5,608	\$20,429	-72.55%	0.16%	0.12%	0.04%
Jackson	\$186,157	\$43,904	\$852	\$59,004	\$30,464	\$64,076	\$44,327	44.55%	1.87%	1.40%	0.47%
Lincoln	\$105,690	\$215,078	\$251,345	\$291,987	\$84,696	\$189,759	\$111,341	70.43%	5.55%	4.16%	1.39%
Marysville	\$215,393	\$230,691	\$211,952	\$96,860	\$156,771	\$182,333	\$97,765	86.50%	5.33%	4.00%	1.33%
Nevada City	\$50,612	\$640	\$54,990	\$39,450	\$2,361	\$29,611	\$52,122	-43.19%	0.87%	0.65%	0.22%
Oroville	\$164,168	\$56,270	\$143,266	\$111,381	\$27,842	\$100,585	\$106,045	-5.15%	2.94%	2.21%	0.74%
Town of Paradise	\$154,336	\$106,712	\$79,245	\$152,586	\$50,193	\$108,614	\$148,273	-26.75%	3.18%	2.38%	0.79%
Placerville	\$87,465	\$204,966	\$52,635	\$95,529	\$60,975	\$100,314	\$123,304	-18.65%	2.93%	2.20%	0.73%
Red Bluff	\$116,283	\$143,701	\$46,168	\$261,086	\$118,144	\$137,076	\$121,006	13.28%	4.01%	3.01%	1.00%
Rio Vista	\$14,928	\$3,273	\$17,600	\$24,898	\$52,944	\$22,729	\$17,696	28.44%	0.66%	0.50%	0.17%
Rocklin	\$367,455	\$266,651	\$180,230	\$83,364	\$338,196	\$247,179	\$217,870	13.45%	7.23%	5.42%	1.81%
Willows	\$46,675	\$101,669	\$22,204	\$100,000	\$73,856	\$68,881	\$27,099	154.18%	2.01%	1.51%	0.50%
Yuba City	\$298,084	\$211,989	\$197,597	\$741,632	\$468,465	\$383,553	\$118,696	223.14%	11.21%	8.41%	2.80%
<b>Total</b>	<b>\$3,406,520</b>	<b>\$3,404,864</b>	<b>\$3,133,888</b>	<b>\$4,072,212</b>	<b>\$3,086,293</b>	<b>\$3,420,755</b>	<b>\$2,220,798</b>	<b>54.03%</b>	<b>100.00%</b>	<b>75.00%</b>	<b>25.00%</b>

\*First Year Ione's SIR is at 100k

Members	WCIRB Premium					Funding Distribution		Banking	Excess
	2013/14 Estimated Payroll	Prior Year Estimated Payroll	% Change From P/Y	143.7857143 WCIRB Loss Est. Costs	Relative %	(C) 0.25 Distribution	(D) 0.75 Distribution	Layer Distribution (A)+(C)	Insurance Distribution (B)+(D)
Anderson	\$2,980,840	\$3,222,390	-7.50%	13967842.12%	1.52%	0.38%	1.14%	2.13%	1.73%
Auburn	\$5,771,736	\$5,222,775	10.51%	31778184.46%	3.46%	0.87%	2.60%	3.13%	3.35%
Colusa	\$2,114,666	\$2,113,616	0.05%	12089832.92%	1.32%	0.33%	0.99%	1.11%	1.25%
Corning	\$2,520,406	\$2,518,744	0.07%	11417503.09%	1.24%	0.31%	0.93%	1.74%	1.41%
Dixon	\$7,054,542	\$6,073,037	16.16%	39934383.84%	4.35%	1.09%	3.27%	3.67%	4.13%
Elk Grove	\$32,893,379			121570050.22%	13.25%	3.31%	9.94%	14.27%	13.59%
Folsom	\$37,712,204	\$37,283,398	1.15%	195783686.19%	21.35%	5.34%	16.01%	21.15%	21.28%
Galt	\$8,789,810	\$9,132,370	-3.75%	35721417.47%	3.89%	0.97%	2.92%	3.88%	3.89%
Gridley	\$3,906,886	\$3,889,448	0.45%	17409352.00%	1.90%	0.47%	1.42%	1.01%	1.60%
Ione	\$1,172,567	\$1,127,857	3.96%	6284780.17%	0.69%	0.17%	0.51%	0.29%	0.55%
Jackson	\$1,849,285	\$1,813,035	2.00%	12605667.15%	1.37%	0.34%	1.03%	1.75%	1.50%
Lincoln	\$10,800,033	\$10,895,620	-0.88%	73054525.43%	7.97%	1.99%	5.97%	6.15%	7.36%
Marysville	\$2,630,261	\$2,956,992	-11.05%	14911959.14%	1.63%	0.41%	1.22%	4.40%	2.55%
Nevada City	\$1,886,473	\$1,903,936	-0.92%	10532228.95%	1.15%	0.29%	0.86%	0.94%	1.08%
Oroville	\$6,558,926	\$6,119,016	7.19%	30726405.85%	3.35%	0.84%	2.51%	3.04%	3.25%
Town of Paradise	\$3,586,338	\$5,489,647	-34.67%	15039748.65%	1.64%	0.41%	1.23%	2.79%	2.02%
Placerville	\$5,339,675	\$4,659,271	14.60%	24673783.61%	2.69%	0.67%	2.02%	2.87%	2.75%
Red Bluff	\$5,181,441	\$4,762,135	8.81%	28252431.90%	3.08%	0.77%	2.31%	3.78%	3.31%
Rio Vista	\$2,997,744	\$2,301,396	30.26%	16088655.79%	1.75%	0.44%	1.32%	0.94%	1.48%
Rocklin	\$17,103,780	\$16,273,878	5.10%	80837969.05%	8.81%	2.20%	6.61%	7.62%	8.42%
Willows	\$1,759,825	\$1,740,281	1.12%	9880815.08%	1.08%	0.27%	0.81%	1.78%	1.31%
Yuba City	\$19,975,532	\$19,343,272	3.27%	114626376.70%	12.50%	3.12%	9.37%	11.53%	12.18%
<b>Total</b>	<b>\$184,586,349</b>	<b>\$148,842,114</b>	<b>24.01%</b>	<b>917187599.77%</b>	<b>100.00%</b>	<b>25.00%</b>	<b>75.00%</b>	<b>100.00%</b>	<b>100.00%</b>

WCIRB Loss Est. Costs  
comes from the Payest  
pages.

\$7,391,403  
\$110,481,238

FTE

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**Shared Risk Layer Calculation at 70% Confidence Level**  
**WORKERS' COMPENSATION FY 13/14 at \$100,000 to \$500,000**

City	Total Incurred \$20,000-\$120,000 7/1/07-6/30/12 Losses	Percentage of Total Losses	2013/2014 Est. Payroll	Percentage of Total Payroll	Relative Loss Rate (C/D)	Credibility Factor	Experience Modification	Total Exposure	%Total Exposure	Pool Deposit
Anderson	\$176,591	1.98%	\$2,980,840	1.61%	1.2251	0.1298	1.17	\$3,491,930	1.77%	\$48,088
Auburn	\$326,277	3.66%	\$5,771,736	3.13%	1.1690	0.2242	1.16	\$6,722,349	3.40%	\$92,576
Colusa	\$90,867	1.02%	\$2,114,666	1.15%	0.8886	0.0957	1.14	\$2,404,676	1.22%	\$33,116
Corning	\$248,618	2.79%	\$2,520,406	1.37%	2.0399	0.1120	1.26	\$3,179,862	1.61%	\$43,791
Dixon	\$288,252	3.23%	\$7,054,542	3.82%	0.8450	0.2610	1.08	\$7,621,270	3.85%	\$104,955
Elk Grove	\$1,257,021	14.08%	\$32,893,379	17.82%	0.7903	0.6222	0.93	\$30,632,659	15.49%	\$421,852
Folsom	\$1,853,816	20.77%	\$37,712,204	20.43%	1.0165	0.6537	1.07	\$40,254,590	20.36%	\$554,358
Galt	\$246,613	2.76%	\$8,789,810	4.76%	0.5802	0.3056	0.99	\$8,659,979	4.38%	\$119,259
Gridley	\$31,798	0.36%	\$3,906,886	2.12%	0.1683	0.1636	1.00	\$3,909,463	1.98%	\$53,838
Ione	\$0	0.00%	\$1,172,567	0.64%	0.0000	0.0554	1.10	\$1,288,587	0.65%	\$17,746
Jackson	\$179,403	2.01%	\$1,849,285	1.00%	2.0062	0.0847	1.23	\$2,283,607	1.16%	\$31,448
Lincoln	\$507,955	5.69%	\$10,800,033	5.85%	0.9726	0.3509	1.10	\$11,842,062	5.99%	\$163,081
Marysville	\$467,291	5.24%	\$2,630,261	1.42%	3.6739	0.1164	1.46	\$3,828,492	1.94%	\$52,723
Nevada City	\$47,389	0.53%	\$1,886,473	1.02%	0.5195	0.0863	1.11	\$2,089,995	1.06%	\$28,782
Oroville	\$279,977	3.14%	\$6,558,926	3.55%	0.8827	0.2472	1.09	\$7,175,890	3.63%	\$98,821
Paradise	\$274,460	3.07%	\$3,586,338	1.94%	1.5826	0.1522	1.23	\$4,401,335	2.23%	\$60,612
Placerville	\$310,404	3.48%	\$5,339,675	2.89%	1.2021	0.2109	1.17	\$6,256,034	3.16%	\$86,154
Red Bluff	\$317,436	3.56%	\$5,181,441	2.81%	1.2669	0.2060	1.18	\$6,138,780	3.11%	\$84,539
Rio Vista	\$24,392	0.27%	\$2,997,744	1.62%	0.1683	0.1305	1.03	\$3,098,447	1.57%	\$42,670
Rocklin	\$613,207	6.87%	\$17,103,780	9.27%	0.7414	0.4613	0.97	\$16,569,700	8.38%	\$228,186
Willows	\$226,189	2.53%	\$1,759,825	0.95%	2.6579	0.0810	1.28	\$2,260,417	1.14%	\$31,129
Yuba City	\$1,158,054	12.97%	\$19,975,532	10.82%	1.1989	0.5000	1.18	\$23,594,350	11.93%	\$324,925
<b>Totals</b>	<b>\$8,926,010</b>	<b>100.00%</b>	<b>\$184,586,349</b>	<b>100.00%</b>	<b>1.1635</b>			<b>\$197,704,473</b>		<b>\$2,722,649</b>

NOTE: Remember losses do not include 4850 loss costs.





**PRELIMINARY 2104/15 DEPOSIT CALCULATIONS  
 LIABILITY**

**ACTION ITEM**

**ISSUE:** The FY 2014/2015 Deposit Calculations for Liability are provided to the Executive Committee for their review and discussion as necessary. The Liability program rates reflect a slight increase from last year. Other factors that impact the program are a Shared Risk Layer assessment of \$332,429; Banking Layer refunds at 35% (\$167,128) and Banking Layer assessments of \$134,887. Included within the 2014/2015 Liability Deposit Calculations is a \$399,360 refund from CJPRMA of which \$131,789 has been applied to the 2014/15 deposit with the remainder being applied to the Shared Risk layer fund.

**RECOMMENDATION:** The calculations remain PRELIMINARY due to the fact that excess costs are not yet finalized and the service contract renewals are not finalized. These costs are finalized by May. It is the recommendation of the Executive Committee that funding be increased from the current 60% confidence level to the 65% discounted confidence level. 65% results in a deposit increase of 7.9% and 70% results in a deposit increase of 12.54%. The Shared Layer assessment and Banking Layer adjustments add an additional 6.5%. Costs vary by Member based on their losses and payroll. The recommended maximum increase by Member is 25%.

**Rates at the various SIR levels are:**

Year	Discount Rate	Rate & Confidence Level
2013/14	1.5%	\$1.77@60%
2014/15	1.5%	\$1.92@60%
2014/15	1.5%	\$2.04@65%
2014/14	1.5%	\$2.17@70%
2014/15	1.5%	\$2.31@75%



**FISCAL IMPACT:** Varies by confidence level selected and varies by Member. See funding options summary attached which shows the total deposit at the various confidence levels, shared layer assessment, and banking layer adjustments.

**BACKGROUND:** In 2013/2014 NCCSIF lowered its Self Insured Retention from \$1,000,000 to \$500,000. A decision was also made to lower the discounting rate on investment returns from 3% to 1.5%. During the April 25, 2013, Board meeting a Liability Shared Risk Assessment was approved in the amount of \$647,200, with \$207,200 of the CJPRMA refund applied to that assessment. It was also approved to continue the Shared Risk Layer assessment for the next four years in an amount to vary between \$600,000 and \$800,000 annually depending on latest equity.

The annual actuarial review is completed and Exhibit 2 - Page 2(a) provides the estimated ultimate cost of claims and expenses for the banking layer and the shared risk layer for the 2014/2015 Program Year. These exhibits also provide the outstanding liabilities, including ALAE, for the banking and pooling layers for 12/31/13 and projected for 6/30/14. By having these studies done, NCCSIF is able to project their funding for the upcoming year.

**ATTACHMENT(S):**

1. Preliminary 14/15 Liability Deposit Funding Options Summary
2. Preliminary Deposit Allocation
3. Banking Layer Allocation Calculation page
4. Shared Layer Allocation Calculation page

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**LIABILITY PROGRAM**

**PRELIMINARY Funding Option A @ 60%**

July 1, 2014 to June 30, 2015

<b>Funding Confidence Level:</b>	<b>60% Discount Rate</b>	<b>1.50%</b>
	<b>CJPRMA</b>	
<b>Banking Layer Funding</b>	<b>\$ 1,597,586</b>	<b>Premium: \$ 969,778</b>
		<b>Admin</b>
<b>Shared Risk Layer Funding</b>	<b>\$ 1,247,515</b>	<b>Expenses: \$ 501,470</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED ASSESSMENT</b>	<b>BANKING REFUND 35%</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 93,822	-7.87%	\$ 9,296	\$ (12,819)		\$ 90,299
Auburn	\$ 196,017	18.49%	\$ 23,640	\$ (7,145)		\$ 212,512
Colusa	\$ 59,666	-29.75%	\$ 8,656		\$ 97	\$ 68,418
Corning	\$ 81,105	9.67%	\$ 10,405		\$ 28,137	\$ 119,647
Dixon	\$ 144,865	-8.50%	\$ 20,379	\$ (15,783)		\$ 149,462
Elk Grove						\$ -
Folsom	\$ 999,698	6.48%	\$ 35,484	\$ (53,736)		\$ 981,446
Galt	\$ 311,233	18.29%	\$ 22,912		\$ 35,358	\$ 369,503
Gridley	\$ 133,066	18.71%	\$ 7,360		\$ 1,927	\$ 142,353
Ione*	\$ 44,818	5.29%	\$ (828)		\$ 2,501	\$ 46,491
Jackson	\$ 78,645	25.00%	\$ 7,333		\$ 6,331	\$ 92,309
Lincoln	\$ 320,484	0.72%	\$ 27,124	\$ (16,998)		\$ 330,610
Marysville	\$ 154,802	22.34%	\$ 21,612		\$ 32,871	\$ 209,285
Oroville	\$ 195,367	-12.81%	\$ 28,892	\$ (12,856)		\$ 211,403
Town of Paradise	\$ 142,082	-21.30%	\$ 19,043		\$ 20,861	\$ 181,986
Red Bluff	\$ 238,498	15.43%	\$ 25,134		\$ 6,804	\$ 270,435
Rio Vista	\$ 77,848	12.17%	\$ 9,200	\$ (517)		\$ 86,530
Rocklin	\$ 430,216	-0.60%	\$ 20,830	\$ (19,222)		\$ 431,824
Willows	\$ 50,976	4.39%	\$ 4,055	\$ (6,779)		\$ 48,253
Yuba City	\$ 456,919	-1.99%	\$ 31,902	\$ (21,273)		\$ 467,549
<b>Total:</b>	<b>\$ 4,184,560</b>	<b>3.26%</b>	<b>\$ 332,429</b>	<b>\$ (167,128)</b>	<b>\$ 134,887</b>	<b>\$ 4,484,748</b>

\*Ione has refund from participation with SCORE in xs of assessment %  
 Shared assessment of \$600,000 is reduced by \$267,571 from CJPRMA refund

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**LIABILITY PROGRAM**

**PRELIMINARY Funding Option B @65%**

July 1, 2014 to June 30, 2015

<b>Funding Confidence Level:</b>	<b>65% Discount Rate</b>	<b>1.50%</b>
	<b>CJPRMA</b>	
<b>Banking Layer Funding</b>	<b>\$ 1,692,775</b>	<b>Premium: \$ 969,778</b>
		<b>Admin</b>
<b>Shared Risk Layer Funding</b>	<b>\$ 1,340,310</b>	<b>Expenses: \$ 501,470</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED ASSESSMENT</b>	<b>BANKING REFUND 35%</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 97,865	-3.75%	\$ 9,296	\$ (12,819)		\$ 94,342
Auburn	\$ 205,045	24.15%	\$ 23,640	\$ (7,145)		\$ 221,541
Colusa	\$ 62,060	-26.82%	\$ 8,656		\$ 97	\$ 70,813
Corning	\$ 84,517	14.47%	\$ 10,405		\$ 28,137	\$ 123,060
Dixon	\$ 150,944	-4.49%	\$ 20,379	\$ (15,783)		\$ 155,541
Elk Grove						\$ -
Folsom	\$ 1,045,056	11.47%	\$ 35,484	\$ (53,736)		\$ 1,026,804
Galt	\$ 325,729	24.20%	\$ 22,912		\$ 35,358	\$ 383,998
Gridley	\$ 138,903	24.24%	\$ 7,360		\$ 1,927	\$ 148,191
Ione*	\$ 46,532	9.45%	\$ (828)		\$ 2,501	\$ 48,205
Jackson	\$ 78,645	25.00%	\$ 7,333		\$ 6,331	\$ 92,309
Lincoln	\$ 335,465	5.61%	\$ 27,124	\$ (16,998)		\$ 345,591
Marysville	\$ 156,410	25.00%	\$ 21,612		\$ 32,871	\$ 210,893
Oroville	\$ 204,249	-8.68%	\$ 28,892	\$ (12,856)		\$ 220,285
Town of Paradise	\$ 148,631	-17.55%	\$ 19,043		\$ 20,861	\$ 188,535
Red Bluff	\$ 250,158	21.25%	\$ 25,134		\$ 6,804	\$ 282,096
Rio Vista	\$ 81,081	17.01%	\$ 9,200	\$ (517)		\$ 89,764
Rocklin	\$ 449,100	3.94%	\$ 20,830	\$ (19,222)		\$ 450,708
Willows	\$ 52,942	8.59%	\$ 4,055	\$ (6,779)		\$ 50,218
Yuba City	\$ 476,992	2.49%	\$ 31,902	\$ (21,273)		\$ 487,622
<b>Total:</b>	<b>\$ 4,372,543</b>	<b>7.90%</b>	<b>\$ 332,429</b>	<b>\$ (167,128)</b>	<b>\$ 134,887</b>	<b>\$ 4,672,731</b>

\*Ione has refund from participation with SCORE in xs of assessment %

Shared assessment of \$600,000 is reduced by \$267,571 from CJPRMA refund

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**LIABILITY PROGRAM**

**PRELIMINARY Funding Option C @ 70%**

July 1, 2014 to June 30, 2015

<b>Funding Confidence Level:</b>	<b>70%</b>	<b>Discount Rate</b>	<b>1.50%</b>
		<b>CJPRMA</b>	
<b>Banking Layer Funding</b>	<b>\$ 1,787,963</b>	<b>Premium:</b>	<b>\$ 969,778</b>
		<b>Admin</b>	
<b>Shared Risk Layer Funding</b>	<b>\$ 1,433,104</b>	<b>Expenses:</b>	<b>\$ 501,470</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED ASSESSMENT</b>	<b>BANKING REFUND 35%</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 103,504	1.40%	\$ 9,296	\$ (12,819)		\$ 99,981
Auburn	\$ 205,016	25.00%	\$ 23,640	\$ (7,145)		\$ 221,511
Colusa	\$ 65,456	-23.12%	\$ 8,656		\$ 97	\$ 74,209
Corning	\$ 89,309	20.48%	\$ 10,405		\$ 28,137	\$ 127,851
Dixon	\$ 159,555	0.53%	\$ 20,379	\$ (15,783)		\$ 164,151
Elk Grove						\$ -
Folsom	\$ 1,107,498	17.63%	\$ 35,484	\$ (53,736)		\$ 1,089,246
Galt	\$ 325,729	25.00%	\$ 22,912		\$ 35,358	\$ 383,998
Gridley	\$ 138,903	25.00%	\$ 7,360		\$ 1,927	\$ 148,191
Ione*	\$ 48,971	14.76%	\$ (828)		\$ 2,501	\$ 50,643
Jackson	\$ 78,645	25.00%	\$ 7,333		\$ 6,331	\$ 92,309
Lincoln	\$ 355,921	11.61%	\$ 27,124	\$ (16,998)		\$ 366,046
Marysville	\$ 156,410	25.00%	\$ 21,612		\$ 32,871	\$ 210,893
Oroville	\$ 216,538	-3.58%	\$ 28,892	\$ (12,856)		\$ 232,574
Town of Paradise	\$ 157,538	-12.92%	\$ 19,043		\$ 20,861	\$ 197,443
Red Bluff	\$ 255,403	25.00%	\$ 25,134		\$ 6,804	\$ 287,341
Rio Vista	\$ 85,629	23.09%	\$ 9,200	\$ (517)		\$ 94,311
Rocklin	\$ 475,433	9.58%	\$ 20,830	\$ (19,222)		\$ 477,041
Willows	\$ 55,770	13.92%	\$ 4,055	\$ (6,779)		\$ 53,047
Yuba City	\$ 504,866	8.04%	\$ 31,902	\$ (21,273)		\$ 515,495
<b>Total:</b>	<b>\$ 4,560,526</b>	<b>12.54%</b>	<b>\$ 332,429</b>	<b>\$ (167,128)</b>	<b>\$ 134,887</b>	<b>\$ 4,860,714</b>

\*Ione has refund from participation with SCORE in xs of assessment %  
 Shared assessment of \$600,000 is reduced by \$267,571 from CJPRMA refund

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**LIABILITY PROGRAM**

**PRELIMINARY Funding Option D @ 75%**

July 1, 2014 to June 30, 2015

<b>Funding Confidence Level:</b>	<b>75%</b>	<b>Discount Rate</b>	<b>1.50%</b>
<b>Banking Layer Funding</b>	<b>\$ 1,912,980</b>	<b>CJPRMA Premium:</b>	<b>\$ 969,778</b>
<b>Shared Risk Layer Funding</b>	<b>\$ 1,560,209</b>	<b>Admin Expenses:</b>	<b>\$ 501,470</b>

<b>MEMBER ENTITY</b>	<b>FINAL DEPOSIT</b>	<b>FINAL % CHANGE</b>	<b>SHARED ASSESSMENT</b>	<b>BANKING REFUND 35%</b>	<b>BANKING ASSESSMENT</b>	<b>Total All Costs</b>
Anderson	\$ 110,808	9.78%	\$ 9,296	\$ (12,819)		\$ 107,285
Auburn	\$ 205,016	25.00%	\$ 23,640	\$ (7,145)		\$ 221,511
Colusa	\$ 69,891	-17.04%	\$ 8,656		\$ 97	\$ 78,644
Corning	\$ 91,816	25.00%	\$ 10,405		\$ 28,137	\$ 130,358
Dixon	\$ 170,803	8.74%	\$ 20,379	\$ (15,783)		\$ 175,399
Elk Grove						\$ -
Folsom	\$ 1,172,621	25.00%	\$ 35,484	\$ (53,736)		\$ 1,154,369
Galt	\$ 325,729	25.00%	\$ 22,912		\$ 35,358	\$ 383,998
Gridley	\$ 138,903	25.00%	\$ 7,360		\$ 1,927	\$ 148,191
Ione*	\$ 52,157	23.52%	\$ (828)		\$ 2,501	\$ 53,829
Jackson	\$ 78,645	25.00%	\$ 7,333		\$ 6,331	\$ 92,309
Lincoln	\$ 382,125	21.32%	\$ 27,124	\$ (16,998)		\$ 392,251
Marysville	\$ 156,410	25.00%	\$ 21,612		\$ 32,871	\$ 210,893
Oroville	\$ 232,398	4.69%	\$ 28,892	\$ (12,856)		\$ 248,434
Town of Paradise	\$ 168,919	-5.45%	\$ 19,043		\$ 20,861	\$ 208,823
Red Bluff	\$ 255,403	25.00%	\$ 25,134		\$ 6,804	\$ 287,341
Rio Vista	\$ 86,175	25.00%	\$ 9,200	\$ (517)		\$ 94,858
Rocklin	\$ 509,553	18.76%	\$ 20,830	\$ (19,222)		\$ 511,161
Willows	\$ 59,493	22.74%	\$ 4,055	\$ (6,779)		\$ 56,769
Yuba City	\$ 540,889	17.08%	\$ 31,902	\$ (21,273)		\$ 551,519
<b>Total:</b>	<b>\$ 4,812,648</b>	<b>18.76%</b>	<b>\$ 332,429</b>	<b>\$ (167,128)</b>	<b>\$ 134,887</b>	<b>\$ 5,112,836</b>

\*Ione has refund from participation with SCORE in xs of assessment %  
 Shared assessment of \$600,000 is reduced by \$267,571 from CJPRMA refund

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
LIABILITY PROGRAM**

**July 1, 2014 to June 30, 2015**

Banking                      Shared

Funding Confidence Level:	70%	70%	Discounting Rate	1.50%	Capped
Banking Layer Funding	\$1,813,989		CJPRMA Premium:	\$969,778	Percentage
Shared Risk Layer Funding	\$1,444,872		Administrative Expenses:	\$489,243	25%

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA PREMIUM	ADMIN EXPENSE	CJPRMA REFUND	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$32,217	\$36,285	\$19,802	\$16,002	(\$2,691)	\$101,615	\$101,108	0.50%	\$103,504	2.37%
Auburn	\$82,052	\$72,582	\$42,273	\$22,262	(\$5,745)	\$213,425	\$164,013	30.13%	\$205,016	25.00%
Colusa	\$18,065	\$22,234	\$12,039	\$13,560	(\$1,636)	\$64,261	\$84,395	-23.86%	\$65,456	-22.44%
Corning	\$26,146	\$31,484	\$17,112	\$15,262	(\$2,325)	\$87,678	\$73,453	19.37%	\$89,309	21.59%
Dixon	\$38,569	\$63,173	\$36,434	\$23,419	(\$4,951)	\$156,642	\$157,486	-0.54%	\$159,555	1.31%
Elk Grove										
Folsom	\$536,150	\$244,564	\$250,294	\$90,288	(\$34,014)	\$1,087,282	\$938,097	15.90%	\$1,107,498	18.06%
Galt	\$142,927	\$114,899	\$63,897	\$27,109	(\$8,683)	\$340,149	\$260,583	30.53%	\$325,729	25.00%
Gridley	\$57,519	\$45,353	\$27,903	\$17,590	(\$3,792)	\$144,574	\$111,123	30.10%	\$138,903	25.00%
Ione	\$14,837	\$14,144	\$8,201	\$12,010	(\$1,115)	\$48,077	\$42,280	13.71%	\$48,971	15.83%
Jackson	\$41,098	\$25,796	\$16,489	\$13,600	(\$2,241)	\$94,743	\$62,916	50.59%	\$78,645	25.00%
Lincoln	\$133,535	\$122,921	\$71,176	\$31,464	(\$9,672)	\$349,424	\$315,487	10.76%	\$355,921	12.82%
Marysville	\$86,686	\$42,017	\$28,749	\$15,338	(\$3,907)	\$168,883	\$125,128	34.97%	\$156,410	25.00%
Oroville	\$67,996	\$82,588	\$43,708	\$24,234	(\$5,940)	\$212,585	\$222,407	-4.42%	\$216,538	-2.64%
Town of Paradise	\$64,844	\$47,923	\$28,544	\$17,231	(\$3,879)	\$154,663	\$178,861	-13.53%	\$157,538	-11.92%
Red Bluff	\$130,408	\$72,619	\$44,845	\$19,091	(\$6,094)	\$260,869	\$204,323	27.67%	\$255,403	25.00%
Rio Vista	\$25,190	\$29,424	\$16,603	\$15,105	(\$2,256)	\$84,066	\$68,940	21.94%	\$85,629	24.21%
Rocklin	\$140,604	\$178,530	\$112,294	\$50,587	(\$15,260)	\$466,755	\$430,160	8.51%	\$475,433	10.52%
Willows	\$12,767	\$20,000	\$10,209	\$13,163	(\$1,387)	\$54,752	\$48,562	12.75%	\$55,770	14.84%
Yuba City	\$162,378	\$178,338	\$119,207	\$51,926	(\$16,200)	\$495,650	\$463,130	7.02%	\$504,866	9.01%
<b>Total:</b>	<b>\$1,813,989</b>	<b>\$1,444,872</b>	<b>\$969,778</b>	<b>\$489,243</b>	<b>(\$131,789)</b>	<b>\$4,586,093</b>	<b>\$4,052,451</b>	<b>13.17%</b>	<b>\$4,586,093</b>	<b>13.17%</b>

**Northern California Cities Self Insurance Fund**  
**July 1, 2014 to June 30, 2015**  
**Banking Plan and Excess Insurance Funding Distribution**

Calculation for All Cities except Folsom  
Average Losses for Past 5 Years

Members	Incurred losses banking layer only \$0 to \$50,000					5-Year Average	Prior Year Average	% Change From P/Y	(A)	(B)
	2008-2009 Prog. Yr.	2009-2010 Prog. Yr.	2010-2011 Prog. Yr.	2011-2012 Prog. Yr.	2012-2013 Prog. Yr.				Distribution 0.75	Distribution 0.25
Anderson	\$21,581	\$122,880	\$1,603	\$5,336	\$151	\$30,310	\$43,230	-29.89%	1.80%	0.60%
Auburn	\$85,940	\$17,004	\$75,042	\$106,637	\$137,280	\$84,381	\$74,843	12.74%	5.02%	1.67%
Colusa	\$4,017	\$5,797	\$46,965	\$2,867	\$21,218	\$16,173	\$42,027	-61.52%	0.96%	0.32%
Corning	\$5,650	\$16,225	\$60,533	\$4,573	\$31,428	\$23,682	\$17,503	35.30%	1.41%	0.47%
Dixon	\$83,681	\$3,905	\$919	\$22,722	\$14,183	\$25,082	\$33,043	-24.09%	1.49%	0.50%
Elk Grove										
Galt	\$169,636	\$106,896	\$252,490	\$23,444	\$225,311	\$155,555	\$115,412	34.78%	9.26%	3.09%
Gridley	\$71,638	\$0	\$0	\$51,388	\$59,000	\$60,675	\$36,780	64.97%	3.61%	1.20%
Ione	\$0	\$0	\$14,617	\$28,263	\$1,421	\$14,767	\$14,133	4.49%	0.88%	0.29%
Jackson	\$11,712	\$891	\$7,091	\$55,526	\$156,723	\$46,389	\$16,196	186.42%	2.76%	0.92%
Lincoln	\$58,642	\$150,596	\$284,587	\$54,523	\$127,802	\$135,230	\$141,187	-4.22%	8.05%	2.68%
Marysville	\$71,254	\$83,240	\$37,367	\$158,290	\$165,616	\$103,153	\$74,897	37.73%	6.14%	2.05%
Oroville	\$124,034	\$120,221	\$56,087	\$7,096	\$3,995	\$62,287	\$88,994	-30.01%	3.71%	1.24%
Town of Paradise	\$113,136	\$8,404	\$22,529	\$51,186	\$159,567	\$70,964	\$78,277	-9.34%	4.22%	1.41%
Red Bluff	\$95,147	\$272,571	\$218,426	\$149,083	\$33,653	\$153,776	\$132,612	15.96%	9.15%	3.05%
Rio Vista	\$8,080	\$24,090	\$2,524	\$37,580	\$41,295	\$22,714	\$22,228	2.19%	1.35%	0.45%
Rocklin	\$46,897	\$179,524	\$118,240	\$165,350	\$37,528	\$109,508	\$105,296	4.00%	6.52%	2.17%
Willows	\$9,218	\$2,847	\$2,681	\$1,906	\$33,013	\$9,933	\$4,949	100.72%	0.59%	0.20%
Yuba City	\$171,976	\$109,190	\$138,629	\$129,282	\$129,366	\$135,688	\$154,457	-12.15%	8.07%	2.69%
<b>Total</b>	<b>\$1,152,238</b>	<b>\$1,224,279</b>	<b>\$1,340,332</b>	<b>\$1,055,054</b>	<b>\$1,378,550</b>	<b>\$1,260,267</b>	<b>\$1,196,062</b>	<b>5.37%</b>	<b>75.00%</b>	<b>25.00%</b>

Members	Payroll			Funding Distribution			
	DE-9 2013 Payroll	2012 Payroll	% Change From P/Y	(C) 0.25 Distribution	(D) 0.75 Distribution	Banking Layer Distribution (A)+(C)	CJPRMA Distribution % Payroll (B)+(D)
Anderson	\$3,188,601	\$3,068,802	3.90%	0.72%	2.08%	2.52%	2.68%
Auburn	\$6,220,673	\$5,251,440	18.46%	1.40%	3.56%	6.42%	5.23%
Colusa	\$2,005,650	\$2,191,999	-8.50%	0.45%	1.49%	1.41%	1.81%
Corning	\$2,830,122	\$2,706,123	4.58%	0.64%	1.83%	2.05%	2.30%
Dixon	\$6,780,826	\$6,862,751	-1.19%	1.53%	4.65%	3.02%	5.15%
Elk Grove							
Galt	\$8,568,322	\$8,108,889	5.67%	1.93%	5.50%	11.19%	8.58%
Gridley	\$3,957,756	\$4,169,705	-5.08%	0.89%	2.83%	4.50%	4.03%
Ione	\$1,254,643	\$1,133,363	10.70%	0.28%	0.77%	1.16%	1.06%
Jackson	\$2,024,994	\$2,164,076	-6.43%	0.46%	1.47%	3.22%	2.39%
Lincoln	\$10,677,761	\$10,492,930	1.76%	2.40%	7.11%	10.45%	9.79%
Marysville	\$2,866,931	\$3,136,790	-8.60%	0.65%	2.13%	6.78%	4.17%
Oroville	\$7,175,455	\$7,583,977	-5.39%	1.61%	5.14%	5.32%	6.38%
Town of Paradise	\$3,783,753	\$5,492,001	-31.10%	0.85%	3.72%	5.07%	5.13%
Red Bluff	\$4,684,635	\$4,711,381	-0.57%	1.05%	3.19%	10.21%	6.24%
Rio Vista	\$2,753,923	\$2,229,267	23.53%	0.62%	1.51%	1.97%	1.96%
Rocklin	\$19,940,154	\$19,736,729	1.03%	4.49%	13.38%	11.00%	15.55%
Willows	\$1,813,502	\$1,857,145	-2.35%	0.41%	1.26%	1.00%	1.46%
Yuba City	\$20,588,701	\$19,773,250	4.12%	4.63%	13.40%	12.71%	16.09%
<b>Total</b>	<b>\$111,116,401</b>	<b>\$110,670,617</b>	<b>0.40%</b>	<b>25.00%</b>	<b>75.00%</b>	<b>100.00%</b>	<b>100.00%</b>



**Northern California Cities Self Insurance Fund**  
**July 1, 2014 to June 30, 2015**  
**Banking Plan and Excess Insurance Funding Distribution**  
**Calculation for Folsom**

Average Losses for Past 5 Years

Members	Incurred losses banking layer only \$0 to \$50,000, except for Folsom at \$0 to \$100,000						Prior Year Average	% Change From P/Y	0.75	0.25
	2008-2009 Prog. Yr.	2009-2010 Prog. Yr.	2010-2011 Prog. Yr.	2011-2012 Prog. Yr.	2012-2013 Prog Yr.	5-Year Average			Distributio (A)	Distributio (B)
Anderson	\$21,581	\$122,880	\$1,603	\$5,336	\$151	\$30,310	\$43,230	-29.89%	1.35%	0.45%
Auburn	\$85,940	\$17,004	\$75,042	\$106,637	\$137,280	\$84,381	\$74,843	12.74%	3.76%	1.25%
Colusa	\$4,017	\$5,797	\$46,965	\$2,867	\$21,218	\$16,173	\$42,027	-61.52%	0.72%	0.24%
Corning	\$5,650	\$16,225	\$60,533	\$4,573	\$31,428	\$23,682	\$17,503	35.30%	1.06%	0.35%
Dixon	\$83,681	\$3,905	\$919	\$22,722	\$14,183	\$25,082	\$33,043	-24.09%	1.12%	0.37%
Elk Grove										
Folsom	\$318,454	\$514,328	\$281,988	\$714,007	\$277,029	\$421,162	\$359,067	17.29%	18.79%	6.26%
Galt	\$169,636	\$106,896	\$252,490	\$23,444	\$225,311	\$155,555	\$115,412	34.78%	6.94%	2.31%
Gridley	\$71,638	\$0	\$0	\$51,388	\$59,000	\$60,675	\$36,780	64.97%	2.71%	0.90%
Ione	\$0	\$0	\$14,617	\$28,263	\$1,421	\$14,767	\$14,133	4.49%	0.66%	0.22%
Jackson	\$11,712	\$891	\$7,091	\$55,526	\$156,723	\$46,389	\$16,196	186.42%	2.07%	0.69%
Lincoln	\$58,642	\$150,596	\$284,587	\$54,523	\$127,802	\$135,230	\$141,187	-4.22%	6.03%	2.01%
Marysville	\$71,254	\$83,240	\$37,367	\$158,290	\$165,616	\$103,153	\$74,897	37.73%	4.60%	1.53%
Oroville	\$124,034	\$120,221	\$56,087	\$7,096	\$3,995	\$62,287	\$88,994	-30.01%	2.78%	0.93%
Town of Paradise	\$113,136	\$8,404	\$22,529	\$51,186	\$159,567	\$70,964	\$78,277	-9.34%	3.17%	1.06%
Red Bluff	\$95,147	\$272,571	\$218,426	\$149,083	\$33,653	\$153,776	\$132,612	15.96%	6.86%	2.29%
Rio Vista	\$8,080	\$24,090	\$2,524	\$37,580	\$41,295	\$22,714	\$22,228	2.19%	1.01%	0.34%
Rocklin	\$46,897	\$179,524	\$118,240	\$165,350	\$37,528	\$109,508	\$105,296	4.00%	4.88%	1.63%
Willows	\$9,218	\$2,847	\$2,681	\$1,906	\$33,013	\$9,933	\$4,949	100.72%	0.44%	0.15%
Yuba City	\$171,976	\$109,190	\$138,629	\$129,282	\$129,366	\$135,688	\$154,457	-12.15%	6.05%	2.02%
<b>Total</b>	<b>\$1,470,692</b>	<b>\$1,738,608</b>	<b>\$1,622,320</b>	<b>\$1,769,061</b>	<b>\$1,655,580</b>	<b>\$1,681,429</b>	<b>\$1,555,130</b>	<b>9.00%</b>	<b>75.00%</b>	<b>25.00%</b>

Members	Payroll		% Change From P/Y	Funding Distribution		Banking Layer Distribution (A)+(C)	CJPRMA Distribution % of Payroll (B)+(D)	
	DE-6 2013 Payroll	DE-9 2012 Payroll		(C) 0.25 Distribution	(D) 0.75 Distribution			
Anderson	\$3,188,601	\$3,068,802	3.90%	0.53%	1.59%	1.88%	2.04%	2.04%
Auburn	\$6,220,673	\$5,251,440	18.46%	1.03%	3.10%	4.80%	4.36%	4.36%
Colusa	\$2,005,650	\$2,191,999	-8.50%	0.33%	1.00%	1.06%	1.24%	1.24%
Corning	\$2,830,122	\$2,706,123	4.58%	0.47%	1.41%	1.53%	1.76%	1.76%
Dixon	\$6,780,826	\$6,862,751	-1.19%	1.13%	3.38%	2.25%	3.76%	3.76%
Elk Grove								
Folsom	\$39,169,361	\$39,828,423	-1.65%	6.52%	19.55%	25.30%	25.81%	25.81%
Galt	\$8,568,322	\$8,108,889	5.67%	1.43%	4.28%	8.36%	6.59%	6.59%
Gridley	\$3,957,756	\$4,169,705	-5.08%	0.66%	1.98%	3.36%	2.88%	2.88%
Ione	\$1,254,643	\$1,133,363	10.70%	0.21%	0.63%	0.87%	0.85%	0.85%
Jackson	\$2,024,994	\$2,164,076	-6.43%	0.34%	1.01%	2.41%	1.70%	1.70%
Lincoln	\$10,677,761	\$10,492,930	1.76%	1.78%	5.33%	7.81%	7.34%	7.34%
Marysville	\$2,866,931	\$3,136,790	-8.60%	0.48%	1.43%	5.08%	2.96%	2.96%
Oroville	\$7,175,455	\$7,583,977	-5.39%	1.19%	3.58%	3.97%	4.51%	4.51%
Town of Paradise	\$3,783,753	\$5,492,001	-31.10%	0.63%	1.89%	3.79%	2.94%	2.94%
Red Bluff	\$4,684,635	\$4,711,381	-0.57%	0.78%	2.34%	7.64%	4.62%	4.62%
Rio Vista	\$2,753,923	\$2,229,267	23.53%	0.46%	1.37%	1.47%	1.71%	1.71%
Rocklin	\$19,940,154	\$19,736,729	1.03%	3.32%	9.95%	8.20%	11.58%	11.58%
Willows	\$1,813,502	\$1,857,145	-2.35%	0.30%	0.91%	0.74%	1.05%	1.05%
Yuba City	\$20,588,701	\$19,773,250	4.12%	3.42%	10.27%	9.48%	12.29%	12.29%
<b>Total</b>	<b>\$150,285,762</b>	<b>\$150,499,039</b>	<b>-0.14%</b>	<b>25.00%</b>	<b>75.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**Shared Risk Layer Calculation at 60% Confidence Level**  
**July 1, 2014 to June 30, 2015**  
**\$50,000 - \$500,000 at 70 %**

City	7/1/07-6/30/12 Losses	% Total Losses	2013 DE 9 PAYROLL	% Total Payroll	Relative Loss Rate	Cred Factor	Exp Mod	Total Exposure	%Total Exposure	Pool Deposit
(C/D)										
Anderson	\$134,587	2.08%	\$3,188,601	2.12%	0.9783	0.1341	1.20	\$3,830,217	2.37%	\$36,285
Auburn	\$326,946	5.04%	\$6,220,673	4.14%	1.2182	0.2320	1.23	\$7,661,818	4.73%	\$72,582
Colusa	\$43,028	0.66%	\$2,005,650	1.33%	0.4972	0.0888	1.17	\$2,346,989	1.45%	\$22,234
Corning	\$88,838	1.37%	\$2,830,122	1.88%	0.7276	0.1208	1.17	\$3,323,498	2.05%	\$31,484
Dixon	\$63,592	0.98%	\$6,780,826	4.51%	0.2174	0.2478	0.98	\$6,668,537	4.12%	\$63,173
Elk Grove				0.00%						
Folsom	\$1,213,346	18.71%	\$39,169,361	26.06%	0.7180	0.6555	0.90	\$35,110,185	21.70%	\$332,607
Galt	\$682,995	10.53%	\$8,568,322	5.70%	1.8476	0.2939	1.42	\$12,128,765	7.50%	\$114,899
Gridley	\$183,370	2.83%	\$3,957,756	2.63%	1.0739	0.1612	1.21	\$4,787,481	2.96%	\$45,353
Ione	\$23,773	0.37%	\$1,254,643	0.83%	0.4392	0.0574	1.19	\$1,493,012	0.92%	\$14,144
Jackson	\$214,300	3.31%	\$2,024,994	1.35%	2.4529	0.0895	1.34	\$2,723,077	1.68%	\$25,796
Lincoln	\$541,577	8.35%	\$10,677,761	7.10%	1.1756	0.3415	1.22	\$12,975,617	8.02%	\$122,921
Marysville	\$467,893	7.22%	\$2,866,931	1.91%	3.7827	0.1222	1.55	\$4,435,304	2.74%	\$42,017
Oroville	\$357,684	5.52%	\$7,175,455	4.77%	1.1554	0.2584	1.21	\$8,717,998	5.39%	\$82,588
Paradise	\$308,168	4.75%	\$3,783,753	2.52%	1.8877	0.1552	1.34	\$5,058,738	3.13%	\$47,923
Red Bluff	\$686,581	10.59%	\$4,684,635	3.12%	3.3970	0.1854	1.64	\$7,665,681	4.74%	\$72,619
Rio Vista	\$38,154	0.59%	\$2,753,923	1.83%	0.3211	0.1180	1.13	\$3,105,978	1.92%	\$29,424
Rocklin	\$554,924	8.56%	\$19,940,154	13.27%	0.6450	0.4920	0.95	\$18,845,707	11.65%	\$178,530
Willows	\$27,501	0.42%	\$1,813,502	1.21%	0.3515	0.0810	1.16	\$2,111,209	1.30%	\$20,000
Yuba City	\$526,734	8.12%	\$20,588,701	13.70%	0.5930	0.5000	0.91	\$18,825,491	11.63%	\$178,338
<b>Totals</b>	<b>\$6,483,992</b>	<b>100.00%</b>	<b>\$150,285,762</b>	<b>100.00%</b>	<b>1.2357</b>	<b>0.2281</b>	<b>1.21</b>	<b>\$161,815,302</b>	<b>100.00%</b>	<b>\$1,532,915</b>

Credibility Factor = Members Payroll / (Members Payroll + Yuba City Payroll )

Experience Modification = (Members Cred. Factor x Members Loss Rate) + (1- Members Credibility Factor x Average Loss Rate)

Note: Rate for the Shared Risk Layer is from the Actuarial page for \$50,000 to \$1,000,000 with Folsom at \$100,000

Losses are for the layer \$7,500 to \$75,000 Total Incurred by Member as of 12/31.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**Shared Risk Layer Calculation at % Confidence Level**

**July 1, 2014 to June 30, 2015**

**\$100,000 - \$500,000 at 70%**

City	7/1/06-6/30/11 Losses	% Total Losses	2013 DE 9 PAYROLL	% Total Payroll	Relative Loss Rate (C/D)	Cred Factor	Exp Mod	Total Exposure	%Total Exposure	Pool Deposit
Anderson	\$134,587	2.08%	\$3,188,601	2.12%	0.9783	0.1341	1.20	\$3,830,217	2.37%	\$26,680
Auburn	\$326,946	5.04%	\$6,220,673	4.14%	1.2182	0.2320	1.23	\$7,661,818	4.73%	\$53,369
Colusa	\$43,028	0.66%	\$2,005,650	1.33%	0.4972	0.0888	1.17	\$2,346,989	1.45%	\$16,348
Corning	\$88,838	1.37%	\$2,830,122	1.88%	0.7276	0.1208	1.17	\$3,323,498	2.05%	\$23,150
Dixon	\$63,592	0.98%	\$6,780,826	4.51%	0.2174	0.2478	0.98	\$6,668,537	4.12%	\$46,450
Elk Grove										
Folsom	\$1,213,346	18.71%	\$39,169,361	26.06%	0.7180	0.6555	0.90	\$35,110,185	21.70%	\$244,564
Galt	\$682,995	10.53%	\$8,568,322	5.70%	1.8476	0.2939	1.42	\$12,128,765	7.50%	\$84,484
Gridley	\$183,370	2.83%	\$3,957,756	2.63%	1.0739	0.1612	1.21	\$4,787,481	2.96%	\$33,348
Ione	\$23,773	0.37%	\$1,254,643	0.83%	0.4392	0.0574	1.19	\$1,493,012	0.92%	\$10,400
Jackson	\$214,300	3.31%	\$2,024,994	1.35%	2.4529	0.0895	1.34	\$2,723,077	1.68%	\$18,968
Lincoln	\$541,577	8.35%	\$10,677,761	7.10%	1.1756	0.3415	1.22	\$12,975,617	8.02%	\$90,383
Marysville	\$467,893	7.22%	\$2,866,931	1.91%	3.7827	0.1222	1.55	\$4,435,304	2.74%	\$30,895
Oroville	\$357,684	5.52%	\$7,175,455	4.77%	1.1554	0.2584	1.21	\$8,717,998	5.39%	\$60,726
Paradise	\$308,168	4.75%	\$3,783,753	2.52%	1.8877	0.1552	1.34	\$5,058,738	3.13%	\$35,237
Red Bluff	\$686,581	10.59%	\$4,684,635	3.12%	3.3970	0.1854	1.64	\$7,665,681	4.74%	\$53,396
Rio Vista	\$38,154	0.59%	\$2,753,923	1.83%	0.3211	0.1180	1.13	\$3,105,978	1.92%	\$21,635
Rocklin	\$554,924	8.56%	\$19,940,154	13.27%	0.6450	0.4920	0.95	\$18,845,707	11.65%	\$131,272
Willows	\$27,501	0.42%	\$1,813,502	1.21%	0.3515	0.0810	1.16	\$2,111,209	1.30%	\$14,706
Yuba City	\$526,734	8.12%	\$20,588,701	13.70%	0.5930	0.5000	0.91	\$18,825,491	11.63%	\$131,131
<b>Totals</b>	<b>\$6,483,992</b>	<b>100.00%</b>	<b>\$150,285,762</b>	<b>100.00%</b>	<b>1.2357</b>	<b>0.2367</b>	<b>1.16</b>	<b>\$161,815,302</b>	<b>100.00%</b>	<b>\$1,127,143</b>

Losses are for the layer \$7,500 to \$75,000 Total Incurred by Member.



## 2014/15 PROPERTY RENEWAL UPDATE

### INFORMATION ITEM

**ISSUE:** The Board of Directors will receive an update on the NCCSIF Property Premiums for 2014/15. Property update requests have been sent to members and program staff is still receiving updates from members at this time. Upon receipt of the preliminary indications staff will provide the calculations to the Executive Committee and the Board of Directors.

**RECOMMENDATION:** None. This is provided as information only.

**FISCAL IMPACT:** 10-15% rate increases. We have not received premium indications at this time.

**BACKGROUND:** NCCSIF provides optional property insurance for their members through the Alliant Property Program PEP. This is a joint purchase insurance program currently providing members up to \$1 Billion in All Risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

**ATTACHMENT(S):** None.



## PROPERTY APPRAISALS UPDATE

### INFORMATION ITEM

**ISSUE:** NCCSIF Property Appraisals have been completed for NCCSIF's members in the property program. Program staff has received the preliminary valuations and will be sending them to members for their review and approval.

**RECOMMENDATION:** None. This information is provided as information only.

**FISCAL IMPACT:** \$96,000 has been invoiced to AssetWorks for the Property Appraisals over two years.

**BACKGROUND:** NCCSIF last had property appraisals done for their members' locations in 2006. The Board of Directors approved having Property Appraisals done at the June Board of Directors meeting over a course of 2 years for NCCSIF members. The members who are scheduled to have appraisals done by March 1, 2013 are Folsom, Rocklin, Marysville, Lincoln and Yuba City. The remaining members had appraisals done during the 13/14 policy year.

**ATTACHMENT(S):** None.



## NCCSIF JPA CRIME POLICY RENEWAL

### INFORMATION ITEM

**ISSUE:** NCCSIF's Crime policy (Bond) expires on July 1, 2014. This year the coverage will be marketed to CSAC-EIA's Crime Insurance Program as well as the current insurer. Staff sent the 2014-2015 Crime Renewal Applications to members with a target deadline of May 1, 2014. Preliminary numbers are expected to be available by mid-May and will be presented to the Board of Directors for approval.

**RECOMMENDATION:** None. This information is provided as information only.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** The NCCSIF Crime Policy is through National Union Fire Insurance Co. of Pittsburg (an AIG company). AIG carries an A.M. Best rating of A, XV (\$2 billion or greater). Member costs are allocated based on number of employees.

**ATTACHMENT(S):** None.



**Agenda Item H.9.**

**RECOMMENDED HOLD HARMLESS INDEMNIFICATION CLAUSE AND  
INSURANCE REQUIREMENTS**

**INFORMATION ITEM**

**ISSUE:** Alliant Insurance Services regularly updates the Insurance Requirements in Contracts (IRIC) Manual and through the IRIC training sessions updates Members regarding new laws and new insurance language. This year there are changes that can have a substantial impact on transferring liability that should be addressed in your contract's Hold Harmless/Indemnification Clause and new language added to the Insurance section.

**RECOMMENDATION:** Staff recommends approving these suggested terms for Hold Harmless/Indemnification Clause and the Insurance section.

**FISCAL IMPACT:** No direct costs. This new additional risk transfer language may assist in the transfer of future liability in construction contracts.

**BACKGROUND:** One of the commonly used General Liability forms used states that unless attorney's fees are specifically included in the indemnification language, then the insurance company is not obligated to provide coverage for attorney's fees. Just requiring defense costs may not be enough.

In January of 2013, SB 474 was passed that limits Public Entity indemnity in construction contracts. Indemnification of the Public Agency's active negligence is not allowed.

New 2014 Insurance Services Offices additional insured endorsements now restrict coverage to the extent permitted by law and also restrict coverage to the limit required in the contract language.

We recommend reviewing with your City Attorney the suggested terms for your City hold harmless/indemnification clause language and Insurance section. ***ONLY language approved by your City Attorney should be used.***



Suggested terms to include in the Hold Harmless section:

- To the fullest extent allowable by law;
- Any and all liability, claims, losses, damages or expenses, *including reasonable attorney's fees*;
- Excluding, however, such liability claims losses, damages or expenses arising from City's sole negligence or willful acts;
- For construction contracts: excluding, however, such liability claims losses, damages or expenses arising from City's *active or* sole negligence or willful acts;

**SAMPLE HOLD HARMLESS**

Hold harmless: to the fullest extent allowable by law, contractor shall hold harmless, defend at its own expense, and indemnify Agency against any and all liability, claims, losses, damages or expenses, **including reasonable attorney's fees**, arising from **all acts or omissions to act of contractor or its officers, agents or employees in rendering services under this contract**; excluding, however, such liability, claims, losses, damages or expenses arising from Agency's sole negligence or willful acts.

**Suggested language for the Insurance requirements section:**

Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of work under this Agreement and the results of that work by Consultant, its agents, representatives, employees, or subcontractors. ***All coverage available to the Consultant as named insured shall be made available to the City, its officers, employees and volunteers as additional insured. Consultant shall provide to City the full policy limits of Consultant's insurance, with coverage at least as broad as, and limits no less than, the following:***





**Agenda Item H.10.**

**ROUND TABLE DISCUSSION**

**INFORMATION ITEM**

**ISSUE:** The floor will be open to the Board of Directors for discussion.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** The item is to the Executive Committee members for any topics or ideas that members would like to address.

**ATTACHMENT(S):** None.

## NCCSIF Organizational Chart

BOARD OF DIRECTORS			
Jeff	Kiser		City of Anderson
Shari	Conley	VP	City of Auburn
Shelly	Kittle		City of Colusa
John	Brewer		City of Corning
Steve	Johnson		City of Dixon
Brad	Koehn		City of Elk Grove
Bruce	Cline		City of Folsom
Paula	Islas		City of Galt
Karin	Helvey	EC	City of Gridley
Ed	Pattison		City of Lone
Michael	Daly		City of Jackson
John	Lee	EC	City of Lincoln
Matt	Michaelis		City of Marysville
Catrina	Olson	EC	City of Nevada City
Harold	Duffey		City of Oroville
Gina	Will	S	Town of Paradise
Dave	Warren		City of Placerville
Sandy	Ryan		City of Red Bluff
Joe	Tanner		City of Rio Vista
Russell	Hildebrand	EC	City of Rocklin
Tim	Sailsbery	T	City of Willows
Steve	Kroeger		City of Yuba City

ALTERNATES		
TBD		City of Anderson
Joanna	Belanger	City of Auburn
TBD		City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Jonathan	Hobbs	City of Elk Grove
Kristine	Wilfong	City of Folsom
Jason	Behrmann	City of Galt
Elisa	Arteaga	City of Gridley
Jane	Wright	City of Lone
TBD		City of Jackson
Sheila	Vanzandt	City of Lincoln
Walter	Munchheimer	City of Marysville
TBD		City of Nevada City
Liz	Ehrenstrom	P City of Oroville
Crystal	Peters	Town of Paradise
John	Driscoll	City of Placerville
Cheryl	Smith	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Michael	Green	City of Rocklin
Steve	Holsinger	City of Willows
Robin	Bertagna	City of Yuba City

EXECUTIVE COMMITTEE			
Liz	Ehrenstrom	P	City of Oroville
Shari	Conley	VP	City of Auburn
Gina	Will	S	Town of Paradise
Tim	Sailsbery	T	City of Willows
Karin	Helvey	EC	City of Gridley
John	Lee	EC	City of Lincoln
Catrina	Olson	EC	City of Nevada City
Russell	Hildebrand	EC	City of Rocklin

RISK MANAGEMENT COMMITTEE		
Juanita	Barnett	City of Anderson
Robert	Richardson	City of Auburn
Shelly	Kittle	City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Brad	Koehn	City of Elk Grove
Bruce	Cline	City of Folsom
Paula	Islas	City of Galt
Karin	Helvey	City of Gridley
Ed	Pattison	City of Lone
Carla	Soracco	City of Jackson
John	Lee	City of Lincoln
Matt	Michaelis	City of Marysville
Catrina	Olson	City of Nevada City
Liz	Ehrenstrom	City of Oroville
Crystal	Peters	Town of Paradise
Dave	Warren	City of Placerville
Sandy	Ryan	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Russell	Hildebrand	City of Rocklin
Wayne	Peabody	City of Willows
Natalie	Walter	City of Yuba City

PROGRAM ADMINISTRATORS		
Susan	Adams	Alliant Insurance Services
Michael	Simmons	Alliant Insurance Services
Joan	Crossley	Alliant Insurance Services
Johnny	Yang	Alliant Insurance Services
Laurence	Voiculescu	Alliant Insurance Services

ADVISORS		
Byrne	Conley	Byrne and Conleys
James	Marta	James Marta & Company

RISK CONTROL CONSULTANTS		
Henri	Castro	Bickmore
Jeff	Johnston	Bickmore
Tom	Kline	Bickmore

P = President	VP = Vice President
S = Secretary	T = Treasurer

# 2014 MEETING CALENDAR

BOARD OF DIRECTORS 12:00 p.m.	EXECUTIVE COMMITTEE 10:30 a.m.	CLAIMS COMMITTEE 12:30 p.m.
April 24	March 13	March 13
June 12	May 29	May 29
October 9	September 18	September 18
December 11	November 13	November 13*

RISK MANAGEMENT COMMITTEE 9:30 a.m.	POLICE RISK MANAGEMENT COMMITTEE 10:30 a.m.	FINANCE COMMITTEE 10:30 a.m.
January 9	February 20	As Needed
April 24	May	
June 12	September	
October 9	December	
December 11		

**ALL MEETINGS ARE SCHEDULED ON THURSDAYS**

*Risk Management Committee meetings are scheduled for 9:30 a.m.*

*Board of Director Meetings will start at 12:00 p.m.*

*\*This meeting will follow the EC meeting, as the Claims Committee members will be selected at that meeting.*

## CJPRMA 2014 MEETING DATES –

EXECUTIVE COMMITTEE	BOARD OF DIRECTORS
January 16	March 20
April 17	May 13,14 & 15
July 17	October 23
September 19	December 18
November 20	

# Northern California Cities State 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 \_\_\_\_\_

## 2013 NCCSIF RESOURCE CONTACT GUIDE

<b>PROGRAM ADMINISTRATION</b> <b>Alliant Insurance Services, Inc.</b> <b>www.alliantinsurance.com</b> <b>Main: (916) 643-2700      Fax: (916) 643-2750</b>		
<b>SUBJECT</b>	<b>MAIN CONTACT</b>	
<b>COVERAGE / RISK MANAGEMENT ISSUES –</b> <ul style="list-style-type: none"> <li>➤ Certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs</li> <li>➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development</li> <li>➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services &amp; audits, third party contract review</li> </ul>	<b>Marcus Beverly</b> Michael Simmons Johnny Yang Joan Crossley	
<b>JPA MANAGEMENT ISSUES –</b> program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<b>Marcus Beverly</b> Marylin Kelley Johnny Yang Joan Crossley	
<b>JPA ADMINISTRATIVE ISSUES –</b> meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members.	<b>Johnny Yang</b> Marcus Beverly Joan Crossley	
<b>COVERAGE ISSUES -</b> coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development	<b>Marcus Beverly</b> Michael Simmons Johnny Yang Joan Crossley	
Mike Simmons Marcus Beverly Johnny Yang Joan Crossley Marylin Kelley	(415) 403-1425 / (925) 708-3374 (cell) (916) 643-2704 (916) 643-2712 (916) 643-2708 (415) 403-1448	msimmons@alliant.com marcus.beverly@alliant.com jyang@alliant.com jcrossley@alliant.com mkelley@alliant.com

# 2013 NCCSIF RESOURCE CONTACT GUIDE

<p style="text-align: center;"><b><u>ACCOUNTING SERVICES</u></b>  <b>James Marta &amp; Company CPAs</b>                  701 Howe Avenue, Suite E3                  Sacramento, California 95825                  Main: (916) 993-9494 · Fax: (916) 993-9489                  www.jpmpca.com                  Jim Marta - jmarta@jpmpca.com</p>	<p style="text-align: center;"><b><u>EMPLOYEE ASSISTANCE PROGRAM</u></b>  <b>ACI Specialty Benefits Corporation</b>                  5414 Oberlin Drive, Suite 240                  San Diego, California 92121                  Main: (858) 452-1254 · Fax: (858) 452-7819                  www.acieap.com                  Tori Barr - tbarr@acieap.com</p>
<p><b><u>CLAIMS ADMINISTRATION / LOSS CONTROL</u></b>  <b>York Risk Services Group, Inc.</b>  <a href="http://www.yorkrsg.com">www.yorkrsg.com</a>                  P.O. Box 619058                  Roseville, CA 95661-9058                  (800) 922-5020 · Fax (800) 921-7683</p>	
<b>LIABILITY CONTACTS</b>	<b>WORKERS' COMPENSATION</b>
<p>Jennifer Nogosek                  Unit Manager                  (916) 960-0997  <a href="mailto:jennifer.nogosek@yorkrsg.com">jennifer.nogosek@yorkrsg.com</a>                  Cameron Dewey                  Senior Adjuster - Redding                  (530) 243-3249  <a href="mailto:cameron.dewey@yorkrsg.com">cameron.dewey@yorkrsg.com</a>                  Shawn Millar                  Senior Adjuster - Chico                  (530) 345-5998  <a href="mailto:shawn.millar@yorkrsg.com">shawn.millar@yorkrsg.com</a>                  Olivia Doney                  Adjuster - Chico                  (530) 345-5883  <a href="mailto:olivia.doney@yorkrsg.com">olivia.doney@yorkrsg.com</a>                  Dan Lamb                  Senior Adjuster - Foothills                  (209) 795-0742  <a href="mailto:dan.lamb@yorkrsg.com">dan.lamb@yorkrsg.com</a></p> <p style="text-align: center;"><b><u>RESOURCES</u></b></p> <p>Tom Baber                  Vice President                  Liability                  (916) 746-8834  <a href="mailto:tom.baber@yorkrsg.com">tom.baber@yorkrsg.com</a>                  Mike Berndt                  Assistant Vice President                  (916) 746-8828  <a href="mailto:mike.berndt@yorkrsg.com">mike.berndt@yorkrsg.com</a></p>	<p>Bernard Sarmiento                  Senior Adjuster - Roseville                  (916) 960-0902  <a href="mailto:bernard.sarmiento@yorkrsg.com">bernard.sarmiento@yorkrsg.com</a>                  D'Ana Seivert                  Adjuster - Roseville                  (916) 960-0987  <a href="mailto:d'ana.seivert@yorkrsg.com">d'ana.seivert@yorkrsg.com</a>                  Erica Nichols                  Adjuster - Roseville                  (916) 960-1026  <a href="mailto:erica.nichols@yorkrsg.com">erica.nichols@yorkrsg.com</a>                  Erik Baldwin                  Adjuster - Roseville                  (916) 746-8856  <a href="mailto:erik.baldwin@yorkrsg.com">erik.baldwin@yorkrsg.com</a>                  John Tucker                  Senior Adjuster - Stockton                  (209) 320-0804  <a href="mailto:john.tucker@yorkrsg.com">john.tucker@yorkrsg.com</a></p> <p style="text-align: center;"><b><u>RESOURCES</u></b></p> <p>Craig Wheaton, J.D.                  Assistant Vice President                  Liability - Roseville                  (916) 960-0988  <a href="mailto:craig.wheaton@yorkrsg.com">craig.wheaton@yorkrsg.com</a></p>
<p>Lela Casey                  Senior Claims Examiner  <a href="mailto:lela.casey@yorkrsg.com">lela.casey@yorkrsg.com</a></p> <p>Federica Simpson                  Future Medical Examiner                  (916) 960-1021  <a href="mailto:federica.simpson@yorkrsg.com">federica.simpson@yorkrsg.com</a>                  MO's and FM's for Kelly's cities                  Michelle Bridges                  Senior Claims Examiner  <a href="mailto:michelle.bridges@yorkrsg.com">michelle.bridges@yorkrsg.com</a></p> <p>Debra Yokota                  Regional Vice President                  Workers' Compensation                  (916) 960-0965  <a href="mailto:debra.yokota@yorkrsg.com">debra.yokota@yorkrsg.com</a></p>	<p>Christine Stillwell                  Future Medical Examiner                  (916) 960-0950  <a href="mailto:christine.stillwell@yorkrsg.com">christine.stillwell@yorkrsg.com</a>                  MO's and FM's for Carol and Teresa's cities                  Ben Burg                  Unit Manager                  (916) 960-0946  <a href="mailto:ben.burg@yorkrsg.com">ben.burg@yorkrsg.com</a></p> <p style="text-align: center;"><b><u>RESOURCES</u></b></p> <p>Kelli Vitale Carson                  Assistant Vice President                  Workers' Compensation                  (916) 960-0998  <a href="mailto:kelli.vitalecarson@yorkrsg.com">kelli.vitalecarson@yorkrsg.com</a></p>