



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

**NCCSIF  
EXECUTIVE COMMITTEE  
MEETING**

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

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

**Secretary**  
Ms. Paula Islas  
City of Galt

**Date:** Thursday, September 25, 2014  
**Time:** 10:30 a.m.

**A – Action**  
**I – Information**

**Location:** Lincoln City Hall (FIRST 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 Executive Committee 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 Executive Committee may request any item to be considered separately.*

pg. 02 1. Executive Committee Meeting Minutes – May 29, 2014

pg. 10 2. Check Register as of June 30, 2014

3. Investment Reports

pg. 12 a. Chandler Asset Management Short/Long Term as of June 30, 2014

pg. 20 b. LAIF Report as of June 30, 2014

pg. 21 4. Utilization Report for Safety Grant Funds as of June 30, 2014

pg. 22 5. Crowe Horwarth Financial Audit Engagement Letter

pg. 33 **E. COMMITTEE REPORTS**

**I**

pg. 34 1. Police RMC Meeting Minutes – August 7, 2014 (Draft)

pg. 38 2. Claims Committee Meeting Minutes – August 4, 2014 (Draft)



- pg. 39      3.    Claims Committee Meeting Minutes – July 8, 2014 (Draft)
- pg. 40      4.    Risk Management Committee Meeting Minutes – June 12, 2014 (Draft)
- pg. 46      5.    Board of Directors Meeting Minutes – June 12, 2014 (Draft)

**F. ADMINISTRATION REPORTS**

- 1.    **President’s Report** I    4  
*Liz Ehrenstrom will address the Board on items pertaining to NCCSIF.*
- 2.    **Program Administrator’s Report** I    4  
*Alliant will address the Board on items pertaining to NCCSIF.*

**G. FINANCIAL REPORTS**

- pg. 55      1.    **Quarterly Financial Report for Period Ending June 30, 2014** A    1  
*James Marta Company will present the quarterly financial report ending June 30, 2014 for the Committee to Accept and File.*
- pg. 84      2.    **Budget to Actual as of June 30, 2014** I    1  
*The Committee will receive an update on the Budget to Actual as of March 31, 2014.*
- 3.    **Update of YE 2014 Financial Audits** I    4  
*The Committee will receive a verbal update regarding the status of the Year Ending 2014 Financial Audits from James Marta & Company.*

**H. JPA BUSINESS**

- pg. 85      1.    **Review of Preliminary 2015 Meeting Calendar** I    1  
*The Committee will be asked to recommend the Preliminary 2015 Meeting Calendar for approval at the October 8, 2014, Board Meeting.*
- pg. 87      2.    **Selection of 2014 WC Claims Auditor** A    1  
*The Committee will be asked to review and select the 2014 Workers’ Compensation Claims Auditor.*
- 3.    **Long Range Planning**
- pg. 90      a.    **Review of Long Range Planning Items from December 13, 2012** I    1  
*The Committee will receive an update on the Long Range Planning Items discussed and addressed during the 2012 NCCSIF Long Range Planning Session.*
- pg. 93      b.    **Discussion of December 11, 2014 Long Range Planning Meeting** A    4  
*The Committee will be asked to discuss the need for a Long Range Planning Session this year.*



pg. 94	<b>4. Administrative Policy and Procedures Revisions</b> <i>The Committee will be asked to review and approve the recommended Administrative Policy and Procedures Revisions by Program Administration.</i>	<b>A</b>	<b>1</b>
	a. A-1, Banking Layer Plan Fund Adjustments		
	b. A-12, Shared Risk Layer Plan Fund Adjustments		
	c. A-17, Shared Risk Layer Target Equity Policy		
pg. 112	<b>5. Police Risk Management Body Camera Update</b> <i>The Committee will receive an update regarding the Police Risk Management Committee Body Cameras and how they were distributed.</i>	<b>I</b>	<b>1</b>
pg. 114	<b>6. Defense Counsel</b>		
	<b>a. Liability Defense Attorney Porter Scott Rate Increase</b> <i>The Committee will be asked to discuss and approve Defense Attorney Porter Scott's rate increase request.</i>	<b>A</b>	<b>1</b>
pg. 116	<b>b. Addition of WC Defense Attorney Kurt Peterson</b> <i>The Committee will be asked to discuss and approve the addition of Workers' Compensation Defense Attorney Kurt Peterson as recommended by the City of Folsom.</i>	<b>A</b>	<b>1</b>
pg. 119	<b>7. 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>I</b>	<b>4</b>
	<b>I. INFORMATION ITEMS</b>	<b>I</b>	<b>1</b>
pg. 120	1. NCCSIF Organizational Chart		
pg. 121	2. NCCSIF Travel Reimbursement Form		
pg. 122	3. NCCSIF Resource Contact Guide		
	<b>J. ADJOURNMENT</b>		
	<b>UPCOMING MEETINGS</b>		
	Risk Management Committee Meeting – October 9, 2014		
	Board of Directors Meeting – October 9, 2014		
	Police Risk Management Committee Meeting – November 7, 2014		
	Executive Committee Meeting – November 13, 2014		
	Claims Committee Meeting – November 13, 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:** Items on the Consent Calendar should be reviewed by the Executive Committee and, if there is any item requiring clarification or amendment, such item(s) should be pulled from the agenda for separate discussion.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Consent Calendar after review by the Executive Committee. *Items pulled from the Consent Calendar by a member will be placed in order, back on the agenda, by the President.*

**FISCAL IMPACT:** None.

**BACKGROUND:** The Executive Committee places the following items on the Consent Calendar for adoption. The Executive Committee may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

### ATTACHMENT(S):

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



**MINUTES OF THE  
NCCSIF EXECUTIVE COMMITTEE MEETING  
MAY 29, 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  
Tim Chapa, City of Rio Vista  
Corey Shaver, City of Nevada City

**MEMBERS ABSENT**

Jim Lindley, City of Dixon

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
Alana Theiss, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:32 a.m.

**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

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

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

**AYES:** Hildebrand, Ehrenstrom, Lee, Islas, Sailsbery, Chapa, Shaver

**NAYS:** None

**ABSENT:** Lindley



**D. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – March 13, 2014
2. Executive Committee Meeting Minutes – April 3, 2014
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term – April 2104
  - b. Treasurer’s Report as of March 31, 2014

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

**MOTION:** Corey Shaver    **SECOND:** Tim Chapa    **MOTION CARRIED**

**AYES:** Hildebrand, Ehrenstrom, Lee, Islas, Sailsbery, Chapa, Shaver

**NAYS:** None

**ABSENT:** Lindley

**E. COMMITTEE REPORTS**

1. Police Risk Management Committee Meeting Minutes – May 8, 2014 (Draft)
2. Risk Management Committee Meeting Minutes – April 24, 2014 (Draft)
3. Board of Directors Meeting Minutes – April 24, 2014 (Draft)

There was no discussion on these items.

**F. FINANCIAL REPORTS**

**F1. Quarterly Financial Report for Period Ending March 31, 2014**

Ms. Alana Theiss provided the Committee with a brief report on the Quarterly Financials ending March 31, 2014. She explained that the new actuarial report is incorporated into the Financial Report advising that operating expenses has dropped due to the correction of 4850 losses. Ms. Theiss also advised that she will be including a Safety Fund Utilization sheet along with the Budget to Actual Report going forward.

*A motion was made to receive and file the Quarterly Financial Report for Period Ending March 31, 2014.*

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

**AYES:** Hildebrand, Ehrenstrom, Lee, Islas, Sailsbery, Chapa, Shaver

**NAYS:** None

**ABSENT:** Lindley

**F2. Budget to Actual as of March 31, 2014**

Ms. Theiss explained that the Budget to Actual reflects  $\frac{3}{4}$  of the actual revenue vs. annual budgeted revenue and that a summary sheet is included with a few explanations from the accountant.



**G. JPA BUSINESS**

**G1. Administrative Surplus Budget**

Mr. Marcus Beverly explained that over time the budget for Administration of the NCCSIF programs develops a surplus as a result of expenses less than projected. As of June 30, 2013, the administrative budget had a surplus of \$223,959 in the liability program and \$564,121 in the Workers' Compensation program. He explained that historically this surplus has been used to offset administrative costs but have not been done since around 2010.

Mr. Beverly noted that at the December 12, 2013 Board meeting, members approved using a total of \$238,763 of the surplus as a credit toward the 2014/15 administrative budget. This year the Program Administrator has rounded up the amount to \$120,000 for each program which has been included the budget and deposit calculations to be discussed later on this agenda. Mr. Beverly recommends the development of a policy for treating surplus that accrues in the administrative budgets for the coverage programs, to include a contingency fund of at least 150% of the largest member's contribution. He also recommends developing and maintaining budget documents that will more clearly track for the accumulation and distribution of surplus in the future specifically the Safety Grant funds as they are currently being included in the Workers' Compensation Administration budget.

Mr. Beverly advised that this idea would help keep members' administrative expenses from increasing the first year in the event of a member leaving the organization. He explained that the City of Folsom is currently the largest member and their admin expense this year is roughly \$90,000 - \$98,000 in either program. Mr. Simmons provided a couple instances with other pools that have had this problem which prompted the Program Administrator's recommendation.

There was concern from the Committee regarding the amount of funding that should be incorporated into the policy and if using a percentage would be ideal as it would present a moving target that needs to be calculated on an annual basis depending on the largest members' administrative expense. Upon further discussion the Committee suggested a contingency of fund of \$100,000 in each program.

Mr. Sailsbery expressed that he would not like to see any increases in administrative surplus to help get to the recommended contingency reserve amount. Currently the administrative surplus amount does not require additional funding to meet the suggested amount.

***A motion was made to recommend approval of the adoption of an administrative surplus policy and procedure to include a contingency fund of at least \$100,000 in each program.***

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

**AYES:** Hildebrand, Ehrenstrom, Lee, Islas, Sailsbery, Chapa, Shaver

**NAYS:** None

**ABSENT:** Lindley





## **G2. 2014/15 NCCSIF Budget**

Mr. Johnny Yang explained that the 2014/15 NCCSIF Budget will be approved at the upcoming June 12, 2014 Board of Directors meeting. He noted that Legal Services have decreased from \$15,000 to \$10,000. Actuarial Services are included at \$6,300 for the liability program and \$4,200 for Workers' Compensation which includes the \$2,000 credit received from CSAC for actuarial services each year. Bickmore's services have increased by \$4,960 to reflect the addition of Elk Grove. Lexipol's Law Enforcement Policy Manual was increased from \$100,000 to \$110,000 to reflect the addition of Elk Grove as well. Property Appraisals has been removed from the budget as they have been completed in 12/13 and 13/14. State Funding/Fraud Assessment has been increased from \$135,000 to \$145,000 in anticipation of increased as seen in prior years. Program Administration costs have been increased from \$332,100 to \$351,826 as approved by the Executive Committee. He then noted that this year \$50,000 has been requested by the Police Risk Management Committee for the initial purchase of Body Cameras for participating member agencies which will be reviewed and approved by the Board.

The committee asked that funding for a December meeting be included in the Budget. The Committee then briefly discussed situations with Occu-med noting that there have been issues and delays with respects to pre-employment services provided. With respects to the more complex cases Occu-med has provided great service.

*A motion was made to recommend approval of the 2014/15 NCCSIF Budget as presented*

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

## **G3. 2014/15 Deposit Calculations**

### **G3a. Liability**

### **G3b. Workers' Compensation**

Mr. Yang provided the Committee with an updated handout on the 2014/15 Liability and Workers' Compensation Deposit Calculations explaining that there had been updates on the CSAC-EIA premium and how the administrative surplus is applied. The calculations provided are solid pending approval of the Budget at the upcoming June 12, 2014 Board meeting.

*A motion was made to recommend approval of the 2014/15 Liability and Workers' Compensation Deposit Calculations as presented.*

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



#### **G4. 2014/15 NCCSIF Liability Memorandum of Coverage**

Mr. Beverly explained that the NCCSIF Liability Memorandum of Coverage (MOC) is an underlying coverage to the CJPRMA MOC. This year CJPRMA has approved two changes to their coverage that will be effective July 1, 2014.

This first change limits the coverage provided to any additional covered party to the amount specified in the contract. This amount is likely to be in excess of the coverage provided by NCCSIF and therefore NCCSIF should not follow this language.

The second change is with respects to coverage provided for fireworks displays or demonstrations “sponsored or controlled” by a Member. The new language states that in the event of a fireworks loss, any Member of CJPRMA that did not require the fireworks vendor to provide evidence of coverage and additional insured status with a limit of liability of at least \$5,000,000 on a project specific basis will have to pay 150% of their retained limit for that loss. In addition, the retained limit cannot be satisfied by the vendor’s insurance, as would normally be the case. This means that NCCSIF will be subject to a retained limit of \$750,000 in the event of a fireworks loss where the fireworks vendor was NOT required to provide additional insured coverage with a \$5,000,000 limit on a project specific basis. If NCCSIF were to follow this language in its MOC then Member would be subject to a retained or Banking Layer limit of \$75,000, or \$150,000 for Folsom.

Mr. Simmons explained that fireworks vendors will have trouble with this requirement as most carriers do not provide this amount of coverage on a project specific basis and that the Program Administrator recommends that NCCSIF follow the CJPRMA language with respects to fireworks vendors, but only as respects the increase on the Banking Layer. This is due to the fact that NCCSIF will be penalized \$750,000 from the Shared Risk Fund in the event of a firework loss where an NCCSIF Member does not require the property coverage. Having a 50% increase in the Banking Layer could be an incentive to NCCSIF Members to vigorously pursue the higher limits being required by CJPRMA.

The Program Administrator also recommends that NCCSIF does not follow the limitation of coverage provided by NCCSIF to limit coverage to any additional covered party to the amount specified in the contract. This is because almost all contracts require limits in excess of the limits provided by NCCSIF. NCCSIF’s limit of liability is \$500,000 and most contracts require a minimum of \$1,000 or \$2,000. Because NCCSIF has a separate section in the MOC for the NCCSIF Limit of Liability, NCCSIF is not subject to the CJPRMA MOC language and no change is required.

***A motion was made to recommend approval of the 2014/15 NCCSIF Liability Memorandum of Coverage as recommended by the Program Administrator.***

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

**AYES:** Hildebrand, Ehrenstrom, Lee, Islas, Sailsbery, Chapa, Shaver

**NAYS:** None

**ABSENT:** Lindley



**G5. Documentation of 4850 Benefits**

**G5a. NCCSIF Workers' Compensation Memorandum of Coverage**

Mr. Beverly explained that NCCSIF Members have made the policy decision to not provide coverage for full salary continuation benefits payable under Labor Code 4850. The 4850 benefits are typically divided into two parts: the "regular" Temporary Disability (4850 TD) every employee receives and the amount that makes up the difference between the TD benefit and full salary (4850 Diff). In order to document NCCSIF's decision not to cover either portion of the 4850 benefits changes the Program Administrator recommends changes to the NCCSIF Workers' Compensation Memorandum of Coverage. He explained the recommended changes were made to Section G. Payments You Must Make, 6. "of your obligation to pay salary in lieu of temporary disability benefits are required under Labor Cost Section 4850 , **INCLUDING** to the extent you be responsible for temporary disability benefits if Labor code Section 4850 did not apply." There were a couple other grammatical revisions recommended. A red-line strikeout version of the recommended Workers' Compensation MOC was provided in the agenda packet.

*A motion was made to recommend approval of the 2014/15 NCCSIF Workers' Compensation Memorandum of Coverage as recommended by the Program Administrator.*

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

**G5b. Policies and Procedures**

Mr. Beverly advised that similar to the previous item the issue on 4850 should be addressed in the Workers' Compensation Policies and Procedures to correctly reflect how NCCSIF is currently addressing 4850 benefits. Copies of the recommended changed has been included in the agenda packet for the Committee's review.

*A motion was made to recommend approval of the revisions to the NCCSIF Workers' Compensation Policies and Procedures as recommended by the Program Administrator.*

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

**G6. 14-15 Property Renewal Update**

Mr. Yang provided the Committee with the 2014/15 Property Deposit Calculations and Proposal. He explained that the rates have decreased by 2.12% from the prior year and that Total Insurable Values have increased 2.76% due to various changes throughout the year. The total premium increased .58% over the last year but costs for property appraisals were also included in last



year's premium. This would mean an overall decrease over the prior as property appraisals will not be included in the premium this year. The projected total premium is \$850,362 for NCCSIF's 2014/15 property coverage based on total insured values of \$852,917,151.

**G7. 14-15 Crime Renewal Update**

Mr. Yang explained that the Program Administrator is currently waiting for a couple of applications from members to obtain a quote from the underwriter. He does not expect much of an increase if any over the prior year and is currently working with the underwriter to obtain the quote to be provided at the upcoming Board meeting for approval.

**G8. Vendor Contract Renewals**

**G8a. Bickmore**

Mr. Beverly explained that Bickmore has provided an amendment to reflect the costs associated with the addition of the City of Elk Grove. This will increase the original not-to-exceed fee by \$4,960 for an amended not-to-exceed amount of \$160,220 annually. This revised amount will include mileage and travel expenses.

**G8b. Crowe Horwath**

Mr. Simmons explained that the Program Administrator has reached out to Crowe Horwath regarding renewal terms for Financial Auditing Services. Crowe has advised that a three year engagement letter for Financial Auditing Services will be provided at a flat fee of \$26,100 per year. The Program Administrator has not received the engagement letter but recommends approval of the three year engagement at no fee increase. A copy of the engagement letter will be provided to the Board for their records.

***A motion was made to approve the Amendment to the Risk Control Services Agreement with Bickmore and renewal with Crowe Horwath for Financial Auditing Services.***

**MOTION:** Russell Hildebrand      **SECOND:** John Lee      **MOTION CARRIED**  
**AYES:** Cities of Rocklin, Oroville, Lincoln, Galt, Willows, Rio Vista, Nevada  
**NAYS:** None.  
**ABSENT:** City of Dixon

**G9. Identity Fraud Coverage**

Mr. Simmons explained that at the last EC meeting the Program Administrator discussed the preliminary quotation to provided Identity Fraud coverage to the employees of NCCSIF Members. The cost for this coverage is \$8,848 at a limit of liability of \$10,000 with a \$0 retention for coverage for ID Theft Resolution services for employees and their families. For a limit of liability of \$25,000 it will cost \$9,853.



*A motion was made to recommend approval of the purchase of Identity Fraud Coverage for NCCSIF at the \$25,000 limit.*

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

**G10. Medical Provider Network Update**

Mr. Beverly provided the Committee with an update regarding NCCSIF's new MPN program with WellComp explaining that the Program Administrator and Claims Administrator is aiming for an initial roll out of the MPN program by June 1, 2014.

**G11. Round Table Discussion**

Ms. Paula Islas asked that a presentation be provided to members regarding the Alliant Property Insurance Program and the coverages offered.

**E. INFORMATION ITEMS**

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

**F. ADJOURNMENT**

The meeting was adjourned at 12:21 p.m.

Northern California Cities Self Insurance Fund  
 Check/Voucher Register - Check Register - Last Quarter  
 From 4/1/2014 Through 6/30/2014

11010 - Cash - General

Check Number	Vendor Name	Effective Date	Check Amount
8269	Simple Pleasures	4/3/2014	294.23 ^
8321	Chandler Asset Management, Inc.	4/11/2014	4,273.00 ^
8322	York	4/11/2014	43,682.50
8323	York Risk Services Group, Inc.	4/11/2014	32,186.45
8324	James Marta	4/11/2014	5,175.00
8325	Alliant Insurance Services	4/11/2014	22,500.00
8326	Occu-Med Inc.	4/11/2014	1,500.00
8327	Bickmore Risk Services Inc.	4/11/2014	13,806.34
8328	PDI	4/11/2014	1,000.00
8329	DKF Solutions Group, LLC	4/11/2014	1,050.00
8330	AssetWORKS	4/11/2014	16,000.00
8331	Liz Ehrenstrom	4/11/2014	136.08
8332	Simple Pleasures	4/24/2014	501.47
8333	AGRIP	4/29/2014	1,490.46
8334	City of Galt	4/29/2014	14,153.00
8335	MICHAEL DALY	4/29/2014	68.32
8336	Gina Will	4/29/2014	78.40
8337	Edwin Pattison	4/29/2014	80.64
8338	Sandy Ryan	4/29/2014	142.24
8339	Kristine Wilfong	4/29/2014	24.64
8340	Simple Pleasures	5/9/2014	287.84
8341	Simple Pleasures	5/9/2014	370.98
8342	Chandler Asset Management, Inc.	5/9/2014	4,275.00
8343	York	5/9/2014	43,682.50
8344	York Risk Services Group, Inc.	5/9/2014	26,713.21
8345	James Marta	5/9/2014	5,205.80
8346	Alliant Insurance Services	5/9/2014	22,500.00
8347	Occu-Med Inc.	5/9/2014	1,500.00
8348	Bickmore Risk Services Inc.	5/9/2014	13,806.33
8349	City of Folsom	5/9/2014	49,072.00
8350	City of Anderson	5/9/2014	5,860.00
8351	PDI	5/9/2014	1,000.00
8352	DKF Solutions Group, LLC	5/9/2014	1,050.00
8353	Liz Ehrenstrom	5/9/2014	115.36
8354	The Bank of New York Mellon	5/9/2014	2,912.50
8355	Gibbons & Conley	5/22/2014	986.56
8356	City of Nevada City	5/22/2014	2,878.00
8357	CITY OF MARYSVILLE	5/22/2014	10,875.00
8358	ACI Specialty Benefits	5/22/2014	13,838.40
8359	Simple Pleasures	5/29/2014	321.10
8360	Chandler Asset Management, Inc.	6/9/2014	4,292.00
8361	York Risk Services Group, Inc.	6/9/2014	27,113.10
8362	James Marta	6/9/2014	5,175.00
8363	Alliant Insurance Services	6/9/2014	22,500.00
8364	Occu-Med Inc.	6/9/2014	1,500.00
8365	Bickmore Risk Services Inc.	6/9/2014	13,806.33
8366	City of Dixon	6/9/2014	29,765.00 %
8368	LEXIPOL LLC	6/9/2014	0.00 %
8369	CITY OF COLUSA	6/9/2014	5,662.00
8370	PAULA ISLAS	6/9/2014	171.36
8371	City of Placerville	6/9/2014	13,594.00

Northern California Cities Self Insurance Fund  
 Check/Voucher Register - Check Register - Last Quarter  
 From 4/1/2014 Through 6/30/2014

11010 - Cash - General

Check Number	Vendor Name	Effective Date	Check Amount
8372	PDI	6/9/2014	1,000.00
8373	DKF Solutions Group, LLC	6/9/2014	1,050.00
8374	CALPELRA	6/9/2014	645.00
8375	Corey Shaver	6/9/2014	91.64 *
8377	LEXIPOL LLC	6/9/2014	96,412.50 *
8378	City of Ione	6/9/2014	9,750.00
8379	Simple Pleasures	6/12/2014	548.16
8380	City of Folsom	6/11/2014	21,073.34
8381	York	6/18/2014	43,682.50
8382	MICHAEL DALY	6/18/2014	68.32
8383	Liz Ehrenstrom	6/18/2014	115.36
8384	James C. Wheeler	6/18/2014	3,405.00
8385	Edwin Pattison	6/18/2014	80.64
8386	Corey Shaver	6/18/2014	45.82
8387	Kristine Wilfong	6/18/2014	<u>24.64</u>
Report Total			<u>666,965.06</u>

NOTES:

^Gap in check sequence listed here is due to checks 8270 - 8321 being written in Quarter 3 and not last quarter.

%Check 8368 was voided and reissued at check 8377. Accounting system printed remittance information on Check 8367.

\*Accounting system printed remittance information on Check 8376.

# Monthly Account Statement

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

June 1, 2014 through June 30, 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	3.73
Average Coupon	2.39 %
Average Purchase YTM	2.04 %
Average Market YTM	1.33 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.12 yrs
Average Life	3.97 yrs

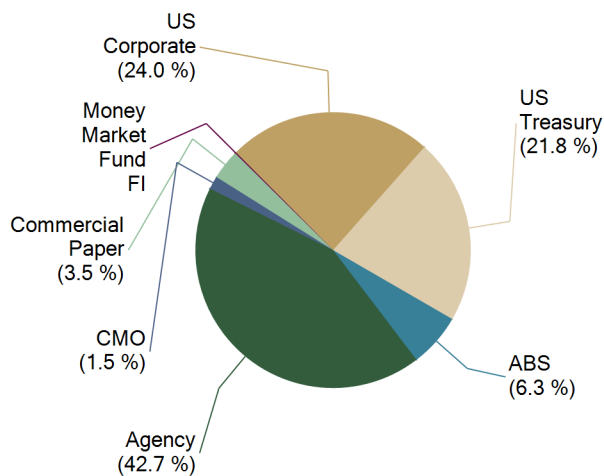
ACCOUNT SUMMARY

	Beg. Values as of 5/31/14	End Values as of 6/30/14
<b>Market Value</b>	21,007,833	20,996,837
<b>Accrued Interest</b>	128,464	119,150
<b>Total Market Value</b>	<b>21,136,296</b>	<b>21,115,988</b>
<b>Income Earned</b>	34,549	35,093
<b>Cont/WD</b>		0
<b>Par</b>	20,502,106	20,558,722
<b>Book Value</b>	20,620,612	20,665,018
<b>Cost Value</b>	20,926,912	20,976,915

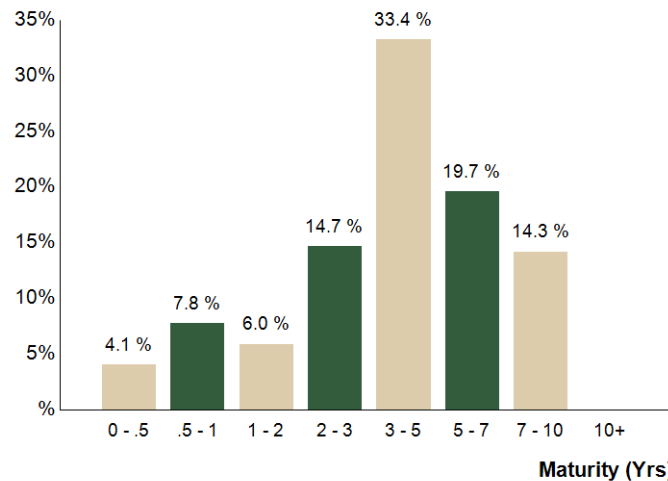
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.8 %
Federal Home Loan Mortgage Corp	11.9 %
Tennessee Valley Authority	10.1 %
Federal National Mortgage Assoc	10.0 %
Federal Home Loan Bank	6.8 %
Federal Farm Credit Bank	5.5 %
JP Morgan Chase & Co	2.4 %
Honda Motor Corporation	1.9 %
	<b>70.3 %</b>

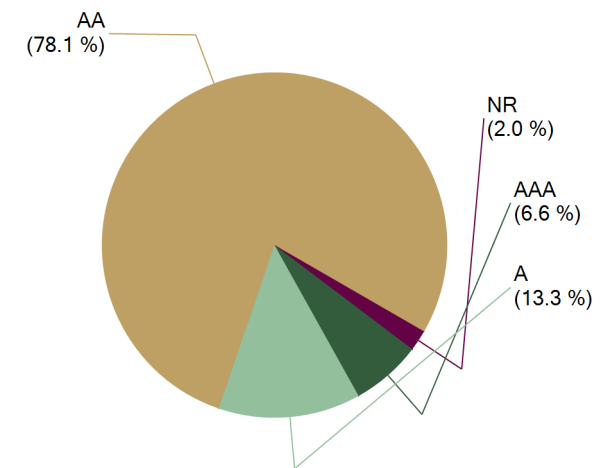
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 6/30/2014	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.10 %	1.21 %	2.13 %	2.38 %	2.39 %	3.38 %	N/A	4.77 %	45.73 %
1-10 yr Govt	-0.14 %	1.00 %	1.73 %	1.64 %	2.02 %	2.86 %	N/A	4.37 %	41.30 %
1-10 Year Govt/A Rated or better Corporate	-0.10 %	1.13 %	2.02 %	2.34 %	2.49 %	3.60 %	N/A	4.48 %	42.46 %



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

June 30, 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 6/30/2014

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,620,612.34</b>
<b>Acquisition</b>	
+ Security Purchases	\$483,067.19
+ Money Market Fund Purchases	\$489,548.75
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$972,615.94</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$483,322.80
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$419,681.73
- Calls	\$0.00
- Principal Paydowns	\$19,609.96
<b>Total Dispositions</b>	<b>\$922,614.49</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$5,595.39)
	(\$5,595.39)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$20,665,018.40</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$22,800.66</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$49,938.79
Dividend Received	\$0.00
Principal on Maturities	\$419,681.73
Interest on Maturities	\$318.27
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$19,609.96
<b>Total Acquisitions</b>	<b>\$489,548.75</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$483,067.19
Accrued Interest Paid	\$255.61
<b>Total Dispositions</b>	<b>\$483,322.80</b>
<b>Ending Book Value</b>	<b>\$29,026.61</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

June 1, 2014 through June 30, 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	2.47
Average Coupon	1.43 %
Average Purchase YTM	1.26 %
Average Market YTM	0.87 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.69 yrs
Average Life	2.52 yrs

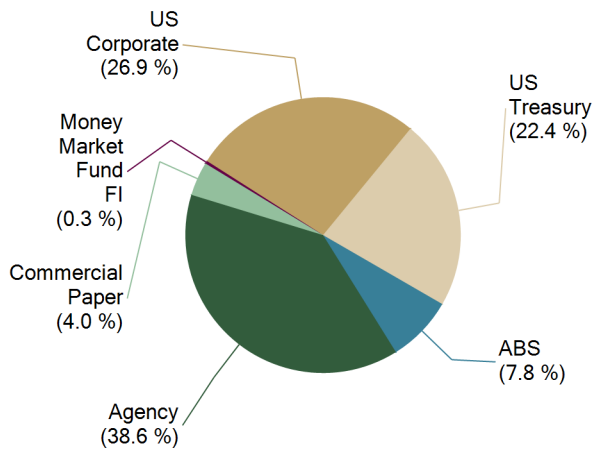
ACCOUNT SUMMARY

	Beg. Values as of 5/31/14	End Values as of 6/30/14
<b>Market Value</b>	20,419,118	20,402,337
<b>Accrued Interest</b>	70,024	73,030
<b>Total Market Value</b>	<b>20,489,142</b>	<b>20,475,368</b>
<b>Income Earned</b>	21,222	21,310
<b>Cont/WD</b>		0
<b>Par</b>	20,270,708	20,295,639
<b>Book Value</b>	20,292,321	20,310,761
<b>Cost Value</b>	20,413,019	20,434,656

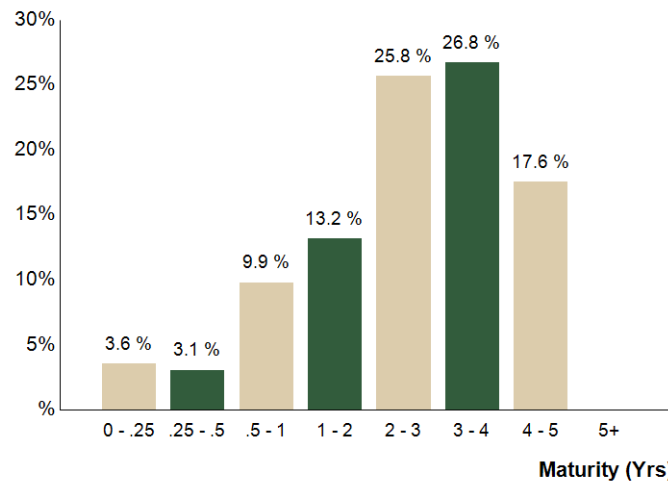
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.4 %
Federal National Mortgage Assoc	11.9 %
Federal Home Loan Bank	10.9 %
Federal Home Loan Mortgage Corp	8.9 %
Federal Farm Credit Bank	5.1 %
Honda Motor Corporation	3.0 %
JP Morgan Chase & Co	2.5 %
John Deere Security Trust	2.4 %
<b>Total</b>	<b>67.0 %</b>

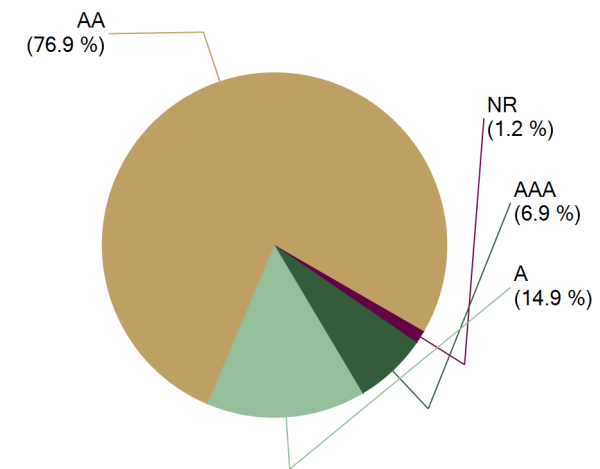
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 6/30/2014	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	-0.07 %	0.61 %	1.02 %	1.66 %	1.47 %	2.24 %	3.56 %	4.51 %	107.03 %
1-5 yr Govt	-0.10 %	0.55 %	0.81 %	1.19 %	1.11 %	1.89 %	3.22 %	4.16 %	95.84 %
1-5 Year Govt/A Rated or better Corporate	-0.07 %	0.63 %	1.00 %	1.64 %	1.47 %	2.42 %	3.36 %	4.34 %	101.63 %



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

June 30, 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 6/30/2014

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,292,320.61</b>
<b>Acquisition</b>	
+ Security Purchases	\$656,044.63
+ Money Market Fund Purchases	\$656,810.42
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$1,312,855.05</b>
<b>Dispositions</b>	
- Security Sales	\$50,193.00
- Money Market Fund Sales	\$606,199.59
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$604,693.10
- Calls	\$0.00
- Principal Paydowns	\$30,679.17
<b>Total Dispositions</b>	<b>\$1,291,764.86</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$2,786.45)
	(\$2,786.45)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$136.54
	\$136.54
<b>Ending Book Value</b>	<b>\$20,310,760.89</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$16,930.11</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$50,193.00
Accrued Interest Received	\$87.09
Interest Received	\$21,131.25
Dividend Received	\$0.00
Principal on Maturities	\$604,693.10
Interest on Maturities	\$306.90
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$30,679.17
<b>Total Acquisitions</b>	<b>\$707,090.51</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$656,044.63
Accrued Interest Paid	\$435.05
<b>Total Dispositions</b>	<b>\$656,479.68</b>
<b>Ending Book Value</b>	<b>\$67,540.94</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 07/15/2014, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2014.

Earnings Ratio		.00000606145493377
Interest Rate		0.22%
Dollar Day Total	\$	316,898,627.61
Quarter End Principal Balance	\$	2,978,797.77
Quarterly Interest Earned	\$	1,920.87



**Northern California Cities Self Insurance Fund  
Safety Grant Historic Usage Report  
As of June 30, 2014**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund					Total funds available FY 2009 - FY 2014 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014			
Anderson	\$ 6,496.00	8,039.00	7,650.00	7,540.00	7,451.00	3,860.00	41,036.00	22,185.00	18,851.00
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	17,737.00	-
Coming	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
Elk Grove	-	-	-	-	-	-	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	235,340.00	121,926.23	113,413.77
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	75,757.00	64,447.00	11,310.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	30,670.00	6,144.00	24,526.00
lone	-	-	-	-	-	514.00	514.00	-	514.00
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	1,896.00	11,179.00	5,665.00	5,514.00
Oroville	7,633.00	-	-	-	-	-	7,633.00	7,633.00	-
Placerville	6,883.00	-	-	-	-	9,048.00	15,931.00	6,883.00	9,048.00
Paradise	7,182.00	-	-	-	-	-	7,182.00	7,182.00	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	44,982.00	44,982.00	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	19,113.00	5,818.00	13,295.00
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	129,606.00	58,451.00	71,155.00
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	18,291.00	14,886.00	3,405.00
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>91,532.00</b>	<b>796,205.00</b>	<b>487,130.70</b>	<b>309,074.30</b>

May 22, 2014

Ms. Marilyn Kelley  
Alliant Insurance Services  
Northern California Cities Self Insurance Fund  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, California 94111

Dear Ms. Kelley:

This letter confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to Northern California Cities Self Insurance Fund ("the Fund" or "you" or "your") for the years ending June 30, 2014, 2015 and 2016. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the financial statements of the Fund for the periods indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining Financial Statements
- Financial Statements by Member

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Reconciliation of Claims Liabilities by Type of Contract
- Claims Development Information

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by

Ms. Marilyn Kelley  
Alliant Insurance Services  
Northern California Cities Self Insurance Fund  
May 22, 2014  
Page 2

error or fraud. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Fund's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the Board of Directors and Members of the Fund. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

*Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

Our audit and work product are intended for the benefit and use of the Fund only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. The working papers for this engagement are the property of Crowe and constitute confidential information.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through agency, as applicable. If we are aware that a federal awarding agency, pass-through agency, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter along with the related letter of comment and response thereto.

#### The Fund's Responsibilities

The Fund's 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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Fund's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, design and implement programs and controls to prevent and detect fraud and devise policies to ensure that the Fund complies with applicable laws and regulations. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Fund from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Fund, and their knowledge of any fraud or suspected fraud affecting the Fund.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the

Ms. Marilyn Kelley  
Alliant Insurance Services  
Northern California Cities Self Insurance Fund  
May 22, 2014  
Page 4

evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the Fund of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

## OTHER SERVICES

### Financial Statement Preparation

The Fund will provide us with the necessary information to prepare the draft financial statements including the notes thereto. We are relying on the Fund to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

### Recordkeeping Assistance

The Fund will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, if applicable. We are relying on the Fund to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

With respect to the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or expertise; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

## FEES

Our fees, including out-of-pocket expenses, will not exceed \$26,100 for each of the years ending June 30, 2014, 2015 and 2016. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Other changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate Fund personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning net position amounts will be reconcilable to prior year audited ending net position. We assume that the Fund will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the Fund will prepare confirmation letters and the MD&A section of the report.

This estimate takes into account the agreed-upon level of preparation and assistance from your personnel. We will advise management should this not be provided or should any other circumstances arise that may cause our time to exceed this estimate. If there is a significant change in your organizational structure, controls or size due to acquisitions or other events, we reserve the right to revise our fees. Further, these fees do not consider any time that might be necessary to assist management in the implementation or adoption of new or existing accounting, reporting, or regulatory requirements that may apply.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

Ms. Marilyn Kelley  
Alliant Insurance Services  
Northern California Cities Self Insurance Fund  
May 22, 2014  
Page 6

TERMINATION CLAUSE

In recognition of the significant start-up investment incurred by Crowe, should the contract be terminated by you at any time during the three-year period for reasons other than failure of Crowe to perform, you agree to pay our fees and expenses for services performed up to the date of termination (which shall be immediately due and payable) and a termination fee of 25% of the next year's fee if terminated after year one or 15% of the next year's fee if terminated after year two.

\* \* \* \* \*

This engagement letter and the attached Crowe Engagement Terms reflect the entire agreement between us relating to the services covered by this letter. The headings included in this letter are to assist in ease of reading only; the letter and attachment are to be construed as a single document, with the provisions of each section applicable throughout. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter. The agreements of the Fund and Crowe contained in this engagement letter shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included. This agreement shall be interpreted and construed under, and governed by the internal laws of the State of Illinois, without regarding for choice of law principles.

If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign and date below and return a copy of this letter at your earliest convenience. If you have any questions, please contact Matthew Nethaway at (916) 441-1000.

Very truly yours,

Crowe Horwath LLP

By: Matthew Nethaway

Crowe Horwath LLP and the Engagement Authorized Signer above are licensed by the California Board of Accountancy.

I have reviewed the arrangements outlined above and in the attached Crowe Engagement Terms, and I accept on behalf of the Fund the terms and conditions as stated.

Northern California Cities Self Insurance Fund

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Crowe Engagement Terms**

We want you to understand the basis under which we offer our services to you and determine our fees, as well as to clarify the relationship and responsibilities between your organization and ours. These terms are part of our engagement letter and apply to all future services, unless a specific engagement letter is entered into for those services. We specifically note that no advice we may provide should be construed to be investment advice. Each of these terms shall survive and apply after termination of this agreement.

**YOUR ASSISTANCE** - For us to provide our services effectively and efficiently, you agree to provide us timely with the information we request and to make your employees available for our questions. You will also provide our personnel with access to the Internet (if available). The availability of your personnel and the timetable for their assistance are key elements in the successful completion of our services and in the determination of our fees. Completion of our work depends on appropriate and timely cooperation from your personnel; complete, accurate, and timely responses to our inquiries; and timely communication by you of all significant accounting and financial reporting matters of which you are aware. If for any reason this does not occur, a revised fee to reflect the additional time or resources required by us will be mutually agreed upon, and you agree to hold us harmless against all matters that arise in whole or in part from any resulting delay.

If circumstances arise that, in our professional judgment, prevent us from completing this engagement, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or withdrawing from the engagement.

**THIRD-PARTY PROVIDER** - We may use a third-party service provider in providing professional services to you which may require our sharing your confidential information with the provider. If we use a third-party service provider, we will enter into a confidentiality agreement with the provider to require them to maintain the confidentiality of your confidential information. The terms of our engagement letter and these engagement terms shall apply to any third-party provider.

**CONFIDENTIALITY** - We will maintain the confidentiality of your confidential information in accordance with professional standards. You agree not to disclose any confidential material you obtain from us without our prior written consent, except to the extent such disclosure is an agreed objective of this engagement. Your use of our work product shall be limited to its stated purpose and to your business use only. We retain the right to use the ideas, concepts, techniques, industry data, and know-how we use or develop in the course of the engagement. You agree to the use of fax, email, and voicemail to communicate both sensitive and non-sensitive matters; provided, however, that nonpublic personal information regarding your customers or consumers shall not be communicated by unencrypted email.

**CHANGES** - We may periodically communicate changes in laws, rules, or regulations to you. However, you have not engaged us to and we do not undertake an obligation to advise you of changes in laws, rules, regulations, industry or market conditions, your own business practices, or other circumstances, except to the extent required by professional standards.

**PUBLICATION** - You agree to obtain our specific permission before using our report or our firm's name in a published document, and you agree to submit to us copies of such documents to obtain our permission before they are filed or published.

**NO PUNITIVE OR CONSEQUENTIAL DAMAGES** - Any liability of Crowe to you shall not include any special, indirect, consequential, incidental, punitive, or exemplary damages or loss nor any lost profits, savings, or business opportunity.

**LIMIT OF LIABILITY** - Except where it is judicially determined that Crowe performed its Services with gross negligence or willful misconduct, Crowe's liability shall not exceed fees paid by you to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid shall be the exclusive remedy for any damages. This limitation of liability is intended to apply to any and all claims to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including (without limitation) to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, statute or common law. This limitation of liability shall also apply after termination of this agreement.



**INDEMNIFICATION FOR THIRD-PARTY CLAIMS** – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed its Services with gross negligence or intentional misconduct, you agree to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs associated with such third-party claim, arising from or relating to any Services, work product, or other work performed by Crowe that you use or disclose to others or this engagement generally. This indemnification is intended to apply to any and all claims to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including (without limitation) to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, statute or common law. This indemnification shall also apply after termination of this agreement.

**NO TRANSFER OR ASSIGNMENT OF CLAIMS** - No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

**TIME LIMIT ON CLAIMS** - In no event shall any action against Crowe arising from or relating to this engagement letter or the services provided by Crowe relating to this engagement be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

**RESPONSE TO LEGAL PROCESS** - If we are requested by subpoena, other legal process, or other proceedings to produce documents pertaining to you and we are not a named party to the proceeding, you will reimburse us for our professional time, plus out-of-pocket expenses, as well as reasonable attorney fees we incur in responding to such request.

**MEDIATION** - If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between you or any of your affiliates or principals, and Crowe, and if the dispute cannot be settled through negotiation, you and Crowe agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. The results of mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation shall be shared equally by both parties.

**JURY TRIAL WAIVER – FOR DISPUTES LITIGATED IN ANY FORUM OTHER THAN CALIFORNIA STATE COURT** -- For all matters not brought in California state court, the parties agree to waive a trial by jury to facilitate judicial resolution and to save time and expense. Each party agrees that it has had the opportunity to have its legal counsel review this waiver. This waiver is irrevocable, may not be modified either orally or in writing, and shall apply to any subsequent amendments, renewals, or modifications to this Agreement. In the event of litigation, this Agreement may be filed as written consent to a trial by court.

**FOR DISPUTES LITIGATED IN CALIFORNIA STATE COURT** – Following mediation, all claims, causes of action or other disputes concerning this engagement (each a "Claim"), including questions of law or fact relating thereto, shall upon either party's request be determined by judicial reference pursuant to the California Code of Civil Procedure ("Reference"). The parties shall select a single neutral referee, who shall be an attorney who is also a certified public accountant. In the event that the parties cannot agree upon a referee, the referee shall be appointed by the court, but such referee shall be an attorney who is also a certified public accountant. The referee shall report a statement of decision to the court. Nothing in this paragraph shall limit the right of any party at any time to cease work or otherwise exercise or obtain self-help or provisional remedies. The parties shall bear the fees and expenses of the referee equally. The referee shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph. The parties acknowledge and agree that the Claims will not be adjudicated by a jury.

**LEGAL AND REGULATORY CHANGE** - The scope of services and the fees for the services covered by the accompanying letter are based on current laws and regulations. If changes in laws or regulations change your requirements or the scope of our work, you and we agree that our fees will be modified to a mutually agreed-upon amount to reflect the changed level of our effort.

**NON-SOLICITATION** - You and we acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement and for one year after its expiration or termination, neither party will solicit any personnel of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

AFFILIATES - Crowe Horwath LLP ("Crowe") is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe.

NOTIFICATION OF NON-LICENSEE OWNERSHIP - Crowe Horwath LLP ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide client services under this agreement. If you have any questions regarding licensure of the personnel performing services under this engagement, please do not hesitate to contact us.

## System Review Report

To the Partners of Crowe Horwath LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Horwath LLP (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations [Service Organizations Control (SOC) 1 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Crowe Horwath LLP applicable to non-SEC issuers in effect for the year ended March 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe Horwath LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Cherry Bekaert LLP  
September 24, 2013

December 12, 2013

Charles M Allen, CPA  
Crowe Horwath LLP  
One Mid America Plaza, Suite 700  
Oakbrook Terrace, IL 60181

Dear Mr. Allen:

It is my pleasure to notify you that on December 12, 2013 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2016. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Betty Jo Charles  
Chair, National Peer Review Committee  
nprc@aicpa.org 919 402-4502

cc: Scot D Ivey, Samuel E Johnson

Firm Number: 10014904

Review Number: 350003



## COMMITTEE REPORTS

### INFORMATION ITEM

**ISSUE:** Committee Reports are provided to the Executive Committee for their information.

**RECOMMENDATION:** None. These items are presented as information only.

**FISCAL IMPACT:** None.

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

### ATTACHMENT(S):

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



**MINUTES OF THE  
POLICE RISK MANGEMENT COMMITTEE MEETING  
AUGUST 7, 2014**

**MEMBERS PRESENT**

John Ruffcorn, City of Auburn  
Ross Stark, City of Colusa  
Jason Browning, City of Folsom  
William Bowen, City of Galt  
Dean Price, City of Gridley  
Tracy Busby, City of Ione  
Rex Marks, City of Lincoln  
David Baker, City of Marysville  
Tim Foley, City of Nevada  
Allen Byers, City of Oroville  
Ruben Quihuiz, City of Oroville  
Steve Rowe, Town of Paradise  
Paul Nanfita, City of Red Bluff  
Ron Lawrence, City of Rocklin  
Greg Bowman, City of Rio Vista  
Rob Landon, City of Yuba City  
Chad Lizardo, City of Yuba City  
Lincoln Eden, City of Yuba City

**GUESTS & CONSULTANTS**

Liz Ehrenstrom, City of Oroville  
Crystal Peters, Town of Paradise  
Tom Kline, Bickmore Risk Services  
Marcus Beverly, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
James Hillary, VieVu  
Carl Fessenden, Law Offices of Porter Scott

**A. CALL TO ORDER**

The meeting was called to order at 10:05 a.m.

**B. PUBLIC COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**



**C1. 05.08.14 Draft Police Risk Management Committee Meeting Minutes**

A motion was made to approve the May 8, 2014 Draft Police Risk Management Committee Meeting Minutes.

**MOTION:** Dean Price

**SECOND:** Allen Byers

**MOTION CARRIED  
UNANIMOUSLY**

**D. RISK MANAGEMENT**

**D1. 06.12.14 Risk Management Committee Meeting Summary**

Mr. Tom Kline provided an update on the items discussed at the Risk Management Committee meeting pertaining to the Police Risk Management Committee. He explained that originally a budget of \$12,500 was budgeted for the Police Risk Management Committee and upon discussion of Police Body Cameras a recommended amount of \$25,000 was increased to \$50,000 by the Police Risk Management Committee. This amount was brought to the Risk Management Committee and Board of Directors and was approved.

**D2. Police Risk Management Committee Budget**

Mr. Kline explained that the thought process behind the proposed allocation was that it wouldn't make sense if a member only received one camera so a minimum allocation is set at two cameras. The Proposed Camera Allocation is based on VieVu body cameras and is allocated subject to the percentage of each member's administrative allocation to the fiscal year budget.

Mr. Kline then directed the Committee to the VieVu proposal which was included in the packet, explaining that VieVu does not have any additional costs with respects to software and will provide two Training Sessions in the northern and southern areas as well as individual site visits for members. Program Consultants would work with VieVu as respects to training and distribution of cameras.

Mr. Ruffcorn asked if any members had any objections to the use of VieVu cameras and explained that his City has tested the VieVu cameras and provided a brief breakdown of his experience with the cameras. Mr. Nanfito also expressed his support of VieVu cameras as well as Mr. Rowe who is currently using Vidmics.

A member advised that his City has picked up a Taser camera and is currently in the process of testing the body camera. Mr. Johnny Yang advised that Program Consultants have reached out to Taser and noticed that there were a lot of additional costs associated to accessories and storage which is why VieVu is recommended. A member noted that in testing a Wolf system by Taser officers noticed a lot of movement in footage and discomfort with respects to user interface. Mr. Ruffcorn also mentioned that the quality and reliability of cameras is also important in this determination.



The Committee also discussed whether member agencies would be able to purchase additional cameras at the discounted price offered to NCCSIF. Program Consultants will reach out to James Hillary at VieVu to discuss. The topic of policies regarding when to use the cameras will be addressed at future meetings upon reviewing Lexipol and other policies currently in use. Storage will also be contingent upon policies on how long the data is held.

Mr. Yang inquired as to how NCCSIF would like to address those members who wish to opt out of receiving their share of the VieVu camera allocation. Mr. Nanfito suggested that an amount be provided to the agency opting according to the price of how much their allocation is.

Mr. Jason Browning also advised the Committee that Ms. Renaud will be providing the presentation out the Upcoming Police Chief Association meeting in September.

**A motion was made to approve the purchase of 66 cameras with VieVu.**

**MOTION:** Paul Nanfito      **SECOND:** Steve Rowe      **MOTION CARRIED UNANIMOUSLY**

**A second motion was made to approve the allocation of VieVu Body Cameras according to Program Consultants' recommendation.**

**MOTION:** Jason Browning      **SECOND:** Dave Baker      **MOTION CARRIED UNANIMOUSLY**

### **D3. Round Table Discussion**

Mr. Dave Baker advised the Committee of the new guidelines from POST regarding officer mandate on CPR and First Aid. Basically if this new legislative mandate is approved officers will be required to provide a higher standard or expectation of First Aid for first responders on the scene which will require a higher level of training. This level of service would be similar to EMT levels as well as the pushing of medication out on the field. Mr. Baker sees an increase cost in training and expectations. The Committee discussed that the cost savings in decreased fire calls due to trained officers handling EMS calls but increased cost in training officers in EMS services.

Mr. Nanfito requested that policies be shared among the Committee. He also noted his department would like to move away from the traditional vests to low bearing vests so it would be helpful to get additional information regarding claims.

Mr. Beverly suggested reaching out to Lexipol to see if their policies address body cameras and to ask them to review policies.



Mr. Ruffcorn recommended that the Committee reach out to other Body Camera Vendors to test their products along with the VieVu body cameras to compare.

Mr. Cline asked the Committee what they would like to discuss at the next Police Risk Management Committee and gave a brief history of the topics discussed at prior meetings. The Committee suggested reaching out to Chief Cynthia Renaud at the City of Folsom regarding her course on EduChaos which addresses the first 30-45 minutes prior to an emergency response.

**E. The Intersection of Skelly and the Peace Officers Bill of Rights Training**

Mr. Carl Fessenden provided the Committee with The Intersection of Skelly and the Peace Officers Bill of Rights Training with topics focusing on The Skelly Process, Peace Officers Bill of Rights (POBR), Lessons Learned and Request for Personnel Information.

**F. INFORMATION ITEMS**

- F1. NCCSIF Organizational Chart**
- F1. NCCSIF 2014 Meeting Calendar**
- F2. NCCSIF Resource Contact Guide**

These items were provided as information only.

**G. ADJOURNMENT**

The meeting was adjourned at 1:24 p.m.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**MINUTES OF NCCSIF CLAIMS COMMITTEE MEETING**  
**MONDAY, AUGUST 4, 2014**

**MEMBERS PRESENT:** Liz Ehrenstrom, City of Oroville  
Russell Hildebrand, City of Rocklin  
Tim Chapa, City of Rio Vista

**MEMBERS ABSENT:** John Lee, City of Lincoln  
Corey Shaver, City of Nevada City

**CONSULTANTS:** Johnny Yang, Alliant Insurance Services  
Jennifer Nogosek, York Risk Services  
Shawn Millar, York Risk Services

**A. Call to Order**

The Claims Committee was called to order at 1:07 p.m.

**B. Public Comments**

No public comments were made.

**C. Closed Session – The Claims Committee went into closed session in accordance with Government Code Section 54956.95 at 1:38 p.m. and discussed the following claims:**

**Liability**

1. Cunningham vs. City of Colusa\*\*

**MOTION: Liz Ehrenstrom                      SECOND: Tim Chapa                      MOTION CARRIED**

**AYES:** Ehrenstrom, Hildebrand, Chapa

**NAYS:** None

**D. Adjournment – The meeting was adjourned at 1:18 p.m.**

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**MINUTES OF NCCSIF CLAIMS COMMITTEE MEETING**  
**TUESDAY, JULY 8, 2014**

**MEMBERS PRESENT:** Liz Ehrenstrom, City of Oroville  
Corey Shaver, City of Nevada City  
Tim Chapa, City of Rio Vista

**MEMBERS ABSENT:** John Lee, City of Lincoln  
Russell Hildebrand, City of Rocklin

**CONSULTANTS:** Johnny Yang, Alliant Insurance Services  
Ben Burg, York Risk Services  
Lela Casey, York Risk Services

**A. Call to Order**

The Claims Committee was called to order at 1:37 p.m.

**B. Public Comments**

No public comments were made.

**C. Closed Session – The Claims Committee went into closed session in accordance with Government Code Section 54956.95 at 1:38 p.m. and discussed the following claims:**

**Workers' Compensation**

1. NCWA-335236 City of Yuba City\*\*

**MOTION: Liz Ehrenstrom                      SECOND: Corey Shaver      MOTION CARRIED**

**AYES:** Ehrenstrom, Shaver, Chapa

**NAYS:** None

2. NCWA-554678 Town of Paradise\*\*

**MOTION: Liz Ehrenstrom                      SECOND: John Lee                      MOTION CARRIED**

**AYES:** Ehrenstrom, Shaver, Chapa

**NAYS:** None

**D. Adjournment – The meeting was adjourned at 1:56 p.m.**



**MINUTES OF THE  
NCCSIF RISK MANAGEMENT COMMITTEE MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
JUNE 12, 2014**

**MEMBERS PRESENT**

Jeff Kiser, City of Anderson  
Shari Conley, City of Auburn  
George Silva, City of Dixon  
Jim Ramsey, City of Elk Grove  
Kristine Wilfong, City of Folsom  
Elisa Arteaga, City of Gridley  
Ed Pattison, City of Ione  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Russell Hildebrand, City of Rocklin  
Natalie Walter, City of Yuba City

**MEMBERS ABSENT**

City of Colusa  
City of Corning  
City of Galt  
City of Marysville  
City of Placerville  
City of Red Bluff  
City of Rio Vista  
City of Willows  
Town of Paradise

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services, Inc.  
Marcus Beverly, Alliant Insurance Services, Inc.  
Johnny Yang, Alliant Insurance Services, Inc.  
Henri Castro, Bickmore  
Tom Kline, Bickmore

**A. CALL TO ORDER**

The meeting was called to order at 10:25 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:** Jim Lindley    **MOTION CARRIED**  
**AYES:** Kiser, Conley, Silva, Ramsey, Wilfong, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Walter.  
**NAYS:** None.

**D. CONSENT CALENDAR**

1. Minutes of the Risk Management Committee Meeting – April 24, 2014

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

**MOTION:** Russell Hildebrand    **SECOND:** John Lee    **MOTION CARRIED**  
**AYES:** Kiser, Conley, Silva, Ramsey, Wilfong, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Walter.  
**NAYS:** None.

**E. RISK MANAGEMENT BUSINESS**

**E1. Risk Control Services as of June 12, 2014**

Ms. Henri Castro provided an update on the Risk Control Services as of June 12, 2014 noting that this year there has been many programs performed by Bickmore. She listed a few items that were addressed this year which were Cal/OSHA written program development, liability exposures, urban forest maintenance, mandated reporting, on-site safety training, hazard inspections, playground inspections, safety committee participation and ergonomic evaluations.

Ms. Castro advised CalOSHA has added a sub-section requiring employers to assess each employees exposures to identify what type of PPE are required and certified. There was a question as to whether a PPE Assessment is required for administrative employees. Ms. Castro will look further into this but did advise that Bickmore recommends assessments are done by job tasks versus job title. A recommended program will be provided by Bickmore regarding this new requirement.

Ms. Castro advised that with respects to Regional Training Workshops, three were provided during the year. The Hazard Communication which had 25 participants, Traffic Control and Flagger Training with 66 attendees and the Certified Pool Operator Training with 7 attendees.



She also advised that a monthly e-mail is now being sent to members with a risk control topic and a list of training resources that are immediately available. Topics include back safety, heat illness prevention, outdoor hazard awareness and tool safety.

She also touched on upcoming webinars which were aerial lift safety in July, lockout/tagout in August, confined space in September and forklift safety in October. Members also have access to over 300 online streaming videos, sample programs, development guides and safety publications on the Bickmore website.

## **E2. Upcoming Services**

Ms. Castro advised that the 2014/15 Bickmore contract is very similar to what was done last year. She noted that Bickmore was purchased by York but the service plan and contract stays with Bickmore and there will be no changes the risk control services provided to NCCSIF. Two additional consultants have been hired by Bickmore who will assist in servicing NCCSIF members as well. She also asked that members continually provide feedback on the consultants. Another thing that will be done this year is an update of member assessments.

Ms. Castro asked if NCCSIF would like Bickmore to coordinate all Regional Training Workshops for NCCSIF and how many would the group like. Currently with respects to public works the regional workshops planned are tree trimming, commercial vehicle safety, traffic control and NFPA 70 and arc flash. With respects to police the workshops planned are ergonomic for police, post driving safety and liability risk. These workshops will be separate from the PRMC meeting trainings. Other topics would be reasonable suspicion for alcohol and drug testing, slip trips and falls, driving safety, wellness and fitness programs. Ms. Castro will provide a survey to members for Regional Training Workshops. Ms. Ehrenstrom suggested having 4 regional trainings with two different sessions for northern members and southern members. She then touched on Website Resources which are webinars, on-line streaming safety videos, sample program and safety training publications.

Mr. Kline is currently developing best practices with respects to Police such as reducing injury from suspect altercation, vehicle ergonomics, training exercise injury prevention, personal fitness injury prevention, duty belt alternative, slip trip and fall prevention, sleep deprivation and return to work best practices. Ms. Castro also advised that the High Heat Hazards requirements will be decreasing and she will be updating members as the new requirements are being passed.

**A motion was made to approve the recommended NCCSIF Risk Control Service Plan for the 2014/15 policy year.**

**MOTION:** Michael Daly    **SECOND:** Natalie Walter    **MOTION CARRIED**  
**AYES:** Kiser, Conley, Silva, Ramsey, Wilfong, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Walter.  
**NAYS:** None.

### **E3. Train the Trainers Program**

Ms. Castro gave a brief history of the Train the Trainers Program and explained that members discussed the idea of developing a train-the-trainer program to provide additional resources to members for training that is not, generally, paid for by NCCSIF and/or available through Bickmore. The two primary examples include CPR/AED certificate and AB1825 manager and employee training. Ms. Castro suggested that the group focus in on two or three topics to focus in on suggesting CPR training noting that members had firefighters who are able to provide this training. Ms. Ehrenstrom advised that CPR Training is usually combined with First Aid Training and so there may be a need for two instructors.

Mr. George Silva advised that at the City of Dixon, lifeguards are used to train staff on CPR and First training but the problem is usually that the equipment is too old. Ms. Ehrenstrom advised that there was discussion on NCCSIF purchasing the equipment for these types of Regional Training Sessions. Mr. Hildebrand suggested organizing a training session around the available resources. Mr. Jim Ramsey advised that there may be a need for more trainers due to the testing process. Mr. Simmons advised that equipment would be inexpensive to purchase. The majority of the costs would be the maintenance of the equipment. With respects to AED, there may be more costs associated with this equipment.

Upon further discussion it was suggested that a survey be performed to determine which member has what type of trainer available for certain types of training. Also identifying what types of training require a certified trainer will be researched. Ms. Castro suggested a trainer loan program and communication for available training slots within member agencies. Ms. Castro also advised that fit testing may be available through Bickmore in the upcoming future. Direction was given to the program consultants as suggested.

### **E4. Police Risk Management Committee Meeting Summary**

Mr. Tom Kline provided the Committee with a summary of the Police Risk Management Committee meeting on May 8, 2014. He advised that at the meeting there was a body camera presentation by VieVu. There was also discussion on the Police Risk Management Committee budget. Mr. Johnny Yang advised that according to VieVu's proposal the amount of cameras would provide 3 cameras per agency. With respects to Taser it would amount to 2 cameras per agency. Wolfcom cameras were about \$500 per unit and Scorpion cameras were about \$100 per unit. Mr. Kline noted that a Workers' Compensation Claims Analysis was provided at the meeting as well as a Wellness & Fitness Programs for Police Training provided by Mr. Ron Berryhill. During a Round Table Discussion, the PRMC decided to have an Employee Practices attorney will be invited to attend the upcoming PRMC meeting on August 7, 2014 to address concerns of the PRMC Personnel Records, Public Records and Police Officer Bill of Rights.



## **E5. Police Risk Management Funds**

Mr. Kline that the Police Risk Management Committee has discussed and requests \$50,000 for Police Risk Management Funds for the initial purchase of Body Cameras for participating member agencies which is projected to have a significant impact in reducing the severity of future claims. Ms. Ehrenstrom advised that some members currently have policies in place and will provide to assist other agencies in policy development regarding body cameras. Mr. Ed Pattison expressed his concern in the officers' discretion in when to turn the body cameras on and off.

Mr. Kline explained that there are three aspects in the purchase of body cameras. One would be the purchase of the cameras. Second would be the policies regarding the use of body cameras and the third would be the server storage required for the use of the body cameras. Mr. Ramsey expressed that the ease of use in storing the information from the body cameras play a large role in the success of the body cameras implementation.

Ms. Ehrenstrom noted that member agencies have expressed that in using the cameras have, they have seen claims dropped just knowing there was a video recording of the incident. She also noted another discussion that may be required is what happens if an agency is currently using body cameras and how NCCSIF would fairly include them into the body cameras program.

A motion was made for the approval of \$50,000 to be included in the Risk management Budget this year for the initial purchase of Body Cameras for participating member agencies' police departments.

**MOTION:** Russell Hildebrand      **SECOND:** Michael Daly      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Silva, Ramsey, Wilfong, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Walter.  
**NAYS:** None.

## **E6. NCCSIF 2014/15 Risk Management Budget**

Mr. Yang provided a brief summary of the major changes from the prior year for Risk Management Expenses which were as follows:

- Injury and Prevention Training has been removed from the budget this year.
- Risk Management Services & Trainings has been changed to Outside Training and was increased from \$25,000 to \$30,000. These funds will be used for Regional Training Sessions for NCCSIF.
- Increased Police Risk Management Committee Training Budget from \$12,000 to \$12,400 according to the Bickmore contract.
- Increased Bickmore Risk Control Services from \$156,260 to \$160,220. Bickmore expenses have been broken out by service this year.
- Occu-Med Health Consulting remains the same at \$18,000.





- Increased ACI/Welness from \$13,840 to \$14,150.
- A Police Risk Management Fund has been included for the initial purchase of Police Body Cameras required by the Police Risk Management Committee in the amount of \$50,000.

This amount to an increase of

A motion was made to approve the NCCSIF 2014/15 Risk Management Budget as presented.

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

**AYES:** Kiser, Conley, Silva, Ramsey, Wilfong, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Walter.

**NAYS:** None.

**F. INFORMATION ITEMS**

**F1. NCCSIF Travel Reimbursement Form**

**G. ADJOURNMENT**

The meeting was adjourned at 11:48 a.m.

DRAFT



**MINUTES OF THE  
NCCSIF TRAINING DAY/BOARD OF DIRECTORS MEETING  
LINCOLN CITY HALL, LINCOLN, CA  
JUNE 12, 2014**

**MEMBERS PRESENT**

Jeff Kiser, City of Anderson  
Shari Conley, City of Auburn  
John Brewer, City of Corning  
Jim Lindley, City of Dixon  
Bruce Cline, City of Folsom  
Elisa Arteaga, City of Gridley  
Ed Pattison, City of Ione  
Michael Daly, City of Jackson  
John Lee, City of Lincoln  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Russell Hildebrand, City of Rocklin  
Tim Sailsbery, City of Willows  
Natalie Walter, City of Yuba City

**MEMBERS ABSENT**

Toni Benson, City of Colusa  
Brad Koehn, City of Elk Grove  
Paula Islas, City of Galt  
Leigh Keicher, City of Marysville  
Dave Warren, City of Placerville  
Sandy Ryan, City of Red Bluff  
Tim Chapa, City of Rio Vista  
Gina Will, Town of Paradise

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services, Inc.  
Marcus Beverly, Alliant Insurance Services, Inc.  
Johnny Yang, Alliant Insurance Services, Inc.  
Henri Castro, Bickmore  
Tom Kline, Bickmore  
Craig Wheaton, York Risk Services  
D'Ana Seivert, York Risk Services  
Robin Zane, James Marta & Company



**A. CALL TO ORDER**

The meeting was called to order at 12:00 p.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:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**D. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes – April 24, 2014
2. Investment Report
  - a. Chandler Asset Management Short/Long Term – March 2014
  - b. Treasurer’s Report as of March 31, 2014
3. Utilization Report for Safety Grant Funds as of April 23, 2014
4. Alliant Program Administrators Agreement
5. Crowe Horwath Engagement Letter

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

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**E. YORK SUBROGATION PROGRAM (LUNCHTIME PRESENTATION)**

Mr. Craig Wheaton from York Risk Services provided the Board with a presentation regarding the subrogation program they offer to members and the results to date.



**F. MINUTES AND COMMITTEE REPORTS**

1. Risk Management Committee Meeting Minutes – June 12, 2014
2. Executive Committee Meeting Minutes – May 29, 2014 (Draft)
3. Claims Committee Meeting Minutes – May 29, 2014 (Draft)
4. Police Risk Management Committee Meeting Minutes – (Draft)

There was no discussion on this item.

**G. ADMINISTRATION REPORTS**

**G1. President’s Report**

Ms. Liz Ehrenstrom had no items to report.

**G2. Program Administrator’s Report**

**a. Bickmore Purchase by York**

Mr. Marcus Beverly advised that Bickmore has been purchased by York.

**b. Other Administrator Comments**

There were no other administrator comments.

**H. FINANCIAL REPORTS**

**H1. Quarterly Financial Report for Period Ending March 31, 2014**

Ms. Robin Zane, James Marta and Company, presented the Quarterly Financial Report for the period ending March 31, 2014.

**A motion was made to approve the Quarterly Financial Report for Period Ending March 31, 2014.**

**MOTION:** Jeff Kiser      **SECOND:** Michael Daly      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**H2. Budget to Actual as of March 31, 2014**

Ms. Zane explained that the Budget to Actual now includes a notes section which details any items in need additional information.



**I. JPA BUSINESS**

**II. Conflict of Interest Code**

Mr. Beverly explained that the Conflict of Interest Code is approved by the Board of Directors every even-numbered year. The Multi-County Agency Biennial Notice is then sent to the California Fair Political Practices Commission (FPPC) to advise whether any there were any updates or revisions. NCCSIF's Conflict of Interest Code has been amended to comply with the new FPPC Filing requirements. Program Administrators recommend no changes this year.

**A motion was made to approve the Conflict of Interest Code as presented.**

**MOTION:** Bruce Cline      **SECOND:** Natalie Walter      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**I2. Administrative Surplus Budget**

Mr. Beverly advised that, over time, the Administrative budget accrues a surplus as a result of expenses being less than projected. As of June 30, 2013, the administration budget had a Net Position of \$223,959 in the Liability Program and \$253,566 in the Workers' Compensation program. This Workers' Compensation Administration budget shows \$564,121 but \$310,555 is allocated to the Risk Management Grant Fund. In past years, this surplus has been used to help off-set the upcoming member contributions. At a prior meeting the Board approved using a portion of the funds, \$120,000 from each Program, to reduce administrative funding for the 2014/15, leaving approximately \$103,000 in the Liability program and \$133,000 in the Workers' Compensation program.

He explained that Program Administration and Executive Committee recommend approval of a policy which establishes a contingency reserve in the administrative budget surplus that accrues for each program of up to \$100,000. Program Administration also recommends developing and maintaining budget documents that will more clearly track and account for the accumulation and distributions of surplus in the future.

**A motion was made approve the recommendation as stated above.**

**MOTION:** Bruce Cline      **SECOND:** Michael Daly      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.



### **I3. 2014/15 NCCSIF Budget**

Mr. Beverly provided the Board with an update on the recommended 2014/15 NCCSIF Budget explaining Bickmore cost increased by about \$5,000 for the addition of Elk Grove and a decrease for Lexipol services.

Mr. Cline asked how the \$50,000 will be used. Mr. Simmons advised that the budget amount is being recommended for approval. The remaining details as respects to purchase and distribution of the cameras will be decided by the Police Risk Management Committee.

Mr. Cline recommended that the cameras be allocated according to percentage basis relative to the size of each member.

Mr. Beverly then advised that the total administrative cost has not seen much of an increase from the prior at a .03% increase. He also explained that the Administrative Surplus Offset has been shown on the budget as well.

**A motion was made to approve the 2014/15 NCCSIF Budget subject to Mr. Cline's recommendation of the cameras being allocated according to a percentage basis relative to the size of each member and brought back for the Executive Committee's review.**

**MOTION:** Bruce Cline      **SECOND:** John Brewer      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

### **I4. 2014/15 Deposit Calculations**

#### **I4a. Liability**

Mr. Beverly explained that the deposits are capped at a 25% maximum increase over the prior year. The Administrative Surplus has been applied to the Liability Administrative Expenses in the amount of \$120,000. The Board has increased the Confidence Level funding from 60% to 65% and the interest discount rate remains flat at 1.5%. He explained that a portion of the CJPRMA refund was applied to this year's deposit calculations as well as well as to help fund the deficit in the liability shared risk layer. A breakdown has been provided showing the all the refunds, assessments and administrative surplus offsets by member.

#### **I4b. Workers' Compensation**

Mr. Beverly explained that overall the Workers' Compensation program deposit is higher by about 7.2% over the prior year mostly due to deficit in the banking layer. There is a shared risk layer refund of \$131,757 but the banking layer has been assessed in the amount of \$377,636. The Administrative Surplus of \$120,000 was also applied to this program as well.



Mr. Tim Willows reminded members that there was an attempt to share the banking layer deficit which was stopped as the banking is not designed to share funds throughout the members.

**A motion was made to approve the 2014/15 Liability and Workers' Compensation Deposit Calculations.**

**MOTION:** Tim Sailsbery                      **SECOND:** Bruce Cline                      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**15. 2014/15 NCCSIF Liability Memorandum of Coverage**

Mr. Beverly advised the Board that CJPRMA has approved two changes to their coverage effective July 1, 2014. The first change limits the coverage provided to any additional covered party to the amount specified in the contract. This amount is likely to be in excess of the coverage provided by NCCSIF therefore NCCSIF should now follow this language.

The second change is with respect to coverage provided for fireworks displays or demonstrations "sponsored or controlled" by a Member. The new language states that in the event of a fireworks loss, and Member of CJPRMA that did not require the fireworks vendor to provide evidence of coverage and additional insured status with a limit of liability of at least \$5,000,000 on a project specific basis will have to pay 150% of their retained limit for that loss. In addition, the retained limit cannot be satisfied by the vendor's insurance, as would normally be the case. He explains that NCCSIF will be subject to a retained limit of \$750,000 in the event of a fireworks loss where the fireworks vendor was NOT required to provide additional insured coverage with a \$5,000,000 limit on a project specific basis. If NCCSIF were to follow this language in its MOC then Members would be subject to a retained or Banking Layer limit of \$75,000, or \$150,000 for Folsom. Mr. Simmons provided a brief history of how CJPRMA came to this decision and advised that a survey will be done to determine how much and what type of insurance are carried by fireworks vendors. Mr. Cline asked that CJPRMA confirms if "sponsored or controlled" includes when the city issues a permit as he does not believe it should not. Cities should not be held liable for fireworks losses held within the City but hosted by a third party.

**A motion was made to approve the 2014/15 Liability Underlying Memorandum of Coverage subject to the recommendations noted above.**

**MOTION:** Tim Sailsbery                      **SECOND:** Bruce Cline                      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.



## **I6. Documentation of 4850 Benefits**

Mr. Beverly advised that NCCSIF has made the policy decision to not provide coverage for full salary continuation benefits payable under Labor Code 4850 whenever a public safety officer is disabled due to employment-related injuries. He explained that the 4850 benefits are typically divided into two parts: the “regular” Temporary Disability (4850 TD) every employee receives and the amount that makes up the difference between the TD benefit and full salary (4850 Diff).

### **I6a. NCCSIF Workers’ Compensation Memorandum of Coverage**

In order to document NCCSIF’s decision not to cover either portion of the 4850 benefits changes are required to the Memorandum of Coverage. He explains that the 4850 portion is handled differently for each member by York. Most members will receive a 4850 voucher from York. The 4850 benefits will also apply to the excess layer retention. Copies of the recommended changes were included in the agenda packet.

**A motion was made to approve the NCCSIF Workers’ Compensation Memorandum of Coverage with the recommended changes.**

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

### **I6b. Policies and Procedures**

Mr. Beverly explained that changes to the Workers’ Compensation Policies and Procedures are also recommended to reflect how NCCSIF handles the 4850 benefits.

**A motion was made to approve the NCCSIF Workers’ Compensation Policies and Procedures as recommended.**

**MOTION:** Bruce Cline      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

## **I7. 2014/15 Property Renewal**

Mr. Johnny Yang explained that last year the Property premium was around \$900,000 which included an amount for Property Appraisals of around \$50,000. This year the property rates have decreased by 2.12% from the prior year. Total Insurable Values increased by 2.76% due to various changes throughout the year. The total premium increased by .58% over the last year with a total premium of \$850,362 based on total insured values of \$852,917,151.





Mr. Simmons also noted that the APIP (Alliant Property Insurance Program) has two “bolt on” coverages. The first is third party pollution coverage for their members. A Claims Reporting form must be signed and returned which states that all pollution losses must be reported within a week of the loss. The second is cyber liability with a limit of \$2,000,000 per City which also includes privacy notification. Mr. Simmons also reminded members that their property deductible is \$5,000 and APIP also includes a sublimit of \$25,000,000 for Course of Construction coverage.

**A motion was made to approve the 2014/15 Property Renewal.**

**MOTION:** Russell Hildebrand      **SECOND:** Natalie Walter      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**18. 2014/15 Crime Renewal**

Mr. Yang advised that Program Administrators has not yet received a quote from the underwriter as of today. He explained that he does not expect a large increase in premium from the prior year if any, nor any changes to the coverage provided. Currently NCCSIF purchases \$1,000,000 in crime coverage and \$1,000,000 for the NCCSIF Treasurer. Mr. Yang asked that the Board approve the 2014/15 Crime Renewal with authority given to the NCCSIF President for any substantial changes to the coverage or premium.

**A motion was made to approve the 2014/15 Crime Renewal with authority given to the NCCSIF President for any substantial changes to coverage or premium.**

**MOTION:** Natalie Walter      **SECOND:** Russell Hildebrand      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

**19. Identity Fraud Coverage**

Mr. Simmons explained that at the last EC meeting, the Program Administrator discussed the preliminary quotation to provide Fraud ID coverage to employees of NCCSIF Members. The total premium is \$9,853 at a limit of liability \$25,000 with a \$0 retention for coverage for ID Theft Resolution services for employees and their families.

**A motion was made to approve the purchase of Identity Fraud Coverage provided by Travelers Insurance Company.**

**MOTION:** Bruce Cline      **SECOND:** John Lee      **MOTION CARRIED**  
**AYES:** Kiser, Conley, Brewer, Lindley, Cline, Arteaga, Pattison, Daly, Lee, Shaver, Ehrenstrom, Hildebrand, Sailsbery, Walter.  
**NAYS:** None.

#### **I10. Medical Provider Network Update**

Mr. Beverly advised that NCCSIF has moved over to the new Medical Provider Network offered by WellComp effective June 1, 2014. Most members have completed their application for the new MPN.

#### **I11. Round Table Discussion**

Mr. Ed Pattison shared that he learned CJPRMA has a program which helps members track their required certificates for the City. Ms. Ehrenstrom recommended that Program Administration touch on the various services offered by NCCSIF's vendors at the December Board Meeting.

#### **J. INFORMATION ITEMS**

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

This meeting was adjourned at 2:37 p.m.



**QUARTERLY FINANCIAL REPORT FOR PERIOD  
ENDING JUNE 30, 2014**

**ACTION ITEM**

**ISSUE:** The Executive Committee receives a quarterly report on the financial status of NCCSIF. James Marta & Company will present the Financials for Quarter ending June 30, 2014.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** Each quarter the Executive Committee reviews the quarterly financial for accuracy and refers questions for follow-up, or receives and files the report as presented.

**ATTACHMENT(S):** Draft Quarterly Financial Report as of June 30, 2014.

**FINANCIAL REPORT**

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**JUNE 30, 2014**

**AND FOR THE TWELVE MONTHS THEN ENDED**

# **Northern California Cities Self Insurance Fund**

**Northern California Cities Self Insurance Fund**  
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**June 30, 2014**

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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 June 30, 2014, and the related statement of revenues, expenses and changes in net position for the twelve months then ended, and the supplementary information on pages 4 through 24 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 twelve months ended June 30, 2014 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 present designations of net position on the Statement of Net Position as of June 30, 2014, contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

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  
July 24, 2014

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
June 30, 2014**

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**Assets**

Current Assets	
Cash	\$ 3,149,852
Accounts Receivable	804,777
Interest Receivable	194,101
Excess Accounts Receivable	1,295,681
Prepaid Expense	<u>96,413</u>
Total Current Assets	<u>5,540,824</u>
Non-Current Assets	
Investments*	<u>41,399,176</u>
Total Assets	<u>\$ 46,940,000</u>

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	<u>\$ 448,978</u>
Total Current Liabilities	<u>448,978</u>
Non-Current Liabilities	
Outstanding Liabilities*	34,411,823
ULAE*	<u>2,015,266</u>
Total Non-Current Liabilities	<u>36,427,089</u>
Total Liabilities	<u>\$ 36,876,067</u>
Net Position	
Designated for Contingency	200,000
Designated for Safety Grants	309,074
Undesignated	<u>9,554,859</u>
Total Net Position	<u>10,063,933</u>
Liability & Net Position	<u>\$ 46,940,000</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 Twelve Months Ended June 30, 2014**

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Operating Income		
Administration Deposit	\$	1,096,283
Banking Layer Deposit		6,089,593
Shared Risk Layer		3,495,174
Excess Deposit/Premium		1,907,573
Property/Crime Insurance Income		925,160
Banking Layer Assessment		538,414
Shared Risk Refund		(1,331,942)
Shared Risk Layer Assessment		600,000
Banking Layer Refund		(113,392)
Risk Management Grants		145,635
Other Income		919
Excess Insurance Refund		399,360
Dividend Income		600,000
Total Operating Income		<u>14,352,777</u>
Operating Expenses		
Claims Paid		7,180,973
O/S Liability adj.		868,157
ULAE		97,418
Consultants		53,186
Administration-Other		13,226
Safety Service		449,449
Claims Administration		710,583
Program Administration		341,000
Board Expenses		9,912
Excess Insurance		1,810,687
Property/Crime Insurance Expense		925,165
Total Operating Expenses		<u>12,459,756</u>
Operating Income (Loss)		1,893,021
Non-Operating Income		
Change in Fair Market Value		(150,684)
Investment Income		928,091
Total Non-Operating Income		<u>777,407</u>
Change in Net Position		2,670,428
Beginning Net Position		<u>7,393,505</u>
Ending Net Position	\$	<u><u>10,063,933</u></u>

See Accompanying Accountant's Report

## **SUPPLEMENTARY INFORMATION**

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2014**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash	\$ 1,252,993	\$ 24,628	\$ 530,469	\$ 697,896
Accounts Receivable	467,316	-	332,429	134,887
Interest Receivable	40,395	378	7,475	32,542
Excess Accounts Receivable	637,482	-	637,482	-
Prepaid Expense	96,413	96,413	-	-
<b>Total Current Assets</b>	<b>2,494,599</b>	<b>121,419</b>	<b>1,507,855</b>	<b>865,325</b>
<b>Non-Current Assets</b>				
Investments*	8,018,086	208,625	4,076,340	3,733,121
<b>Total Assets</b>	<b>\$ 10,512,685</b>	<b>\$ 330,044</b>	<b>\$ 5,584,195</b>	<b>\$ 4,598,446</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 228,328	\$ 8,222	\$ 132,853	\$ 87,253
<b>Total Current Liabilities</b>	<b>228,328</b>	<b>8,222</b>	<b>132,853</b>	<b>87,253</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	8,621,107	-	6,041,127	2,579,980
<b>Total Non-Current Liabilities</b>	<b>8,621,107</b>	<b>-</b>	<b>6,041,127</b>	<b>2,579,980</b>
<b>Total Liabilities</b>	<b>\$ 8,849,435</b>	<b>\$ 8,222</b>	<b>\$ 6,173,980</b>	<b>\$ 2,667,233</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	1,563,250	221,822	(589,785)	1,931,213
<b>Total Net Position</b>	<b>1,663,250</b>	<b>321,822</b>	<b>(589,785)</b>	<b>1,931,213</b>
<b>Liability &amp; Net Position</b>	<b>\$ 10,512,685</b>	<b>\$ 330,044</b>	<b>\$ 5,584,195</b>	<b>\$ 4,598,446</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2014**

	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	\$ 54,491	\$ 84,475	\$ 650	\$ 646	\$ 65,299	\$ 69,893	\$ 74,622	\$ 21,514	\$ 19,167
Accounts Receivable	-	-	97	28,137	-	-	35,358	1,927	2,501
Interest Receivable	650	1,202	266	337	1,890	10,428	1,847	944	205
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>55,141</b>	<b>85,677</b>	<b>1,013</b>	<b>29,120</b>	<b>67,189</b>	<b>80,321</b>	<b>111,827</b>	<b>24,385</b>	<b>21,873</b>
<b>Non-Current Assets</b>									
Investments*	84,146	36,500	32,167	1,446	101,822	1,418,681	82,808	126,665	4,231
<b>Total Assets</b>	<b>\$ 139,287</b>	<b>\$ 122,177</b>	<b>\$ 33,180</b>	<b>\$ 30,566</b>	<b>\$ 169,011</b>	<b>\$ 1,499,002</b>	<b>\$ 194,635</b>	<b>\$ 151,050</b>	<b>\$ 26,104</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 272	\$ 281	\$ 2,591	\$ 656	\$ 229	\$ 9,549	\$ 1,561	\$ 650	\$ 581
<b>Total Current Liabilities</b>	<b>272</b>	<b>281</b>	<b>2,591</b>	<b>656</b>	<b>229</b>	<b>9,549</b>	<b>1,561</b>	<b>650</b>	<b>581</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	2,379	20,768	56,218	165,364	5,532	712,555	194,659	99,647	24,120
<b>Total Non-Current Liabilities</b>	<b>2,379</b>	<b>20,768</b>	<b>56,218</b>	<b>165,364</b>	<b>5,532</b>	<b>712,555</b>	<b>194,659</b>	<b>99,647</b>	<b>24,120</b>
<b>Total Liabilities</b>	<b>\$ 2,651</b>	<b>\$ 21,049</b>	<b>\$ 58,809</b>	<b>\$ 166,020</b>	<b>\$ 5,761</b>	<b>\$ 722,104</b>	<b>\$ 196,220</b>	<b>\$ 100,297</b>	<b>\$ 24,701</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	136,636	101,128	(25,629)	(135,454)	163,250	776,898	(1,585)	50,753	1,403
<b>Total Net Position</b>	<b>136,636</b>	<b>101,128</b>	<b>(25,629)</b>	<b>(135,454)</b>	<b>163,250</b>	<b>776,898</b>	<b>(1,585)</b>	<b>50,753</b>	<b>1,403</b>
<b>Liability &amp; Net Position</b>	<b>\$ 139,287</b>	<b>\$ 122,177</b>	<b>\$ 33,180</b>	<b>\$ 30,566</b>	<b>\$ 169,011</b>	<b>\$ 1,499,002</b>	<b>\$ 194,635</b>	<b>\$ 151,050</b>	<b>\$ 26,104</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
June 30, 2014**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>										
Cash	\$ 5,226	\$ 30,848	\$ 17,415	\$ 58,389	\$ 38,870	\$ 36,302	\$ 19,177	\$ 24,483	\$ 22,781	\$ 53,648
Accounts Receivable	6,331	-	32,871	-	20,861	6,804	-	-	-	-
Interest Receivable	496	1,445	1,492	1,159	1,787	1,141	408	3,403	641	2,801
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>12,053</b>	<b>32,293</b>	<b>51,778</b>	<b>59,548</b>	<b>61,518</b>	<b>44,247</b>	<b>19,585</b>	<b>27,886</b>	<b>23,422</b>	<b>56,449</b>
<b>Non-Current Assets</b>										
Investments*	2,147	299,671	139,878	114,323	163,879	124,334	42,048	383,422	58,963	515,990
<b>Total Assets</b>	<b>\$ 14,200</b>	<b>\$ 331,964</b>	<b>\$ 191,656</b>	<b>\$ 173,871</b>	<b>\$ 225,397</b>	<b>\$ 168,581</b>	<b>\$ 61,633</b>	<b>\$ 411,308</b>	<b>\$ 82,385</b>	<b>\$ 572,439</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 266	\$ 1,276	\$ 1,859	\$ 13,394	\$ 1,461	\$ 633	\$ 748	\$ 21,229	\$ 6,991	\$ 23,026
<b>Total Current Liabilities</b>	<b>266</b>	<b>1,276</b>	<b>1,859</b>	<b>13,394</b>	<b>1,461</b>	<b>633</b>	<b>748</b>	<b>21,229</b>	<b>6,991</b>	<b>23,026</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	21,931	136,497	284,025	58,604	155,302	179,105	23,238	169,560	35,269	235,207
<b>Total Non-Current Liabilities</b>	<b>21,931</b>	<b>136,497</b>	<b>284,025</b>	<b>58,604</b>	<b>155,302</b>	<b>179,105</b>	<b>23,238</b>	<b>169,560</b>	<b>35,269</b>	<b>235,207</b>
<b>Total Liabilities</b>	<b>\$ 22,197</b>	<b>\$ 137,773</b>	<b>\$ 285,884</b>	<b>\$ 71,998</b>	<b>\$ 156,763</b>	<b>\$ 179,738</b>	<b>\$ 23,986</b>	<b>\$ 190,789</b>	<b>\$ 42,260</b>	<b>\$ 258,233</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	(7,997)	194,191	(94,228)	101,873	68,634	(11,157)	37,647	220,519	40,125	314,206
<b>Total Net Position</b>	<b>(7,997)</b>	<b>194,191</b>	<b>(94,228)</b>	<b>101,873</b>	<b>68,634</b>	<b>(11,157)</b>	<b>37,647</b>	<b>220,519</b>	<b>40,125</b>	<b>314,206</b>
<b>Liability &amp; Net Position</b>	<b>\$ 14,200</b>	<b>\$ 331,964</b>	<b>\$ 191,656</b>	<b>\$ 173,871</b>	<b>\$ 225,397</b>	<b>\$ 168,581</b>	<b>\$ 61,633</b>	<b>\$ 411,308</b>	<b>\$ 82,385</b>	<b>\$ 572,439</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 Twelve Months Ended June 30, 2014**

	<b>Total</b>		<b>Shared</b>	<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Layer</b>	<b>Layer</b>
				<b>(Memo)</b>
Operating Income				
Administration Deposit	\$ 510,655	\$ 510,655	\$ -	\$ -
Banking Layer Deposit	1,531,468	-	-	1,531,468
Shared Risk Layer	1,105,060	-	1,105,060	-
Excess Deposit/Premium	1,112,469	-	1,112,469	-
Property/Crime Insurance Income	925,160	-	925,160	-
Banking Layer Assessment	134,887	-	-	134,887
Shared Risk Refund	(400,185)	-	(400,185)	-
Shared Risk Layer Assessment	600,000	-	600,000	-
Banking Layer Refund	(113,392)	-	-	(113,392)
Other Income	(10)	-	(10)	-
Excess Insurance Refund	399,360	-	399,360	-
<b>Total Operating Income</b>	<b>5,805,472</b>	<b>510,655</b>	<b>3,741,854</b>	<b>1,552,963</b>
Operating Expenses				
Claims Paid	2,890,376	-	1,779,917	1,110,459
O/S Liability adj.	749,085	-	330,280	418,805
Consultants	25,093	25,093	-	-
Administration-Other	113	113	-	-
Safety Service	206,321	206,321	-	-
Program Administration	180,625	180,625	-	-
Board Expenses	4,973	4,973	-	-
Excess Insurance	1,000,868	-	1,000,868	-
Property/Crime Insurance Expense	925,165	-	925,165	-
<b>Total Operating Expense</b>	<b>5,982,619</b>	<b>417,125</b>	<b>4,036,230</b>	<b>1,529,264</b>
Operating Income (Loss)	(177,147)	93,530	(294,376)	23,699
Non-Operating Income				
Change in Fair Market Value	(37,970)	(2,806)	(28,681)	(6,483)
Investment Income	205,018	7,139	86,745	111,134
<b>Total Non-Operating Income</b>	<b>167,048</b>	<b>4,333</b>	<b>58,064</b>	<b>104,651</b>
Change in Net Position	(10,099)	97,863	(236,312)	128,350
Beginning Net Position	1,673,349	223,959	(353,473)	1,802,863
Ending Net Position	\$ 1,663,250	\$ 321,822	\$ (589,785)	\$ 1,931,213

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 Twelve Months Ended June 30, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	37,583	64,704	30,162	19,010	39,974	436,113	99,648	35,877	12,802
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	97	28,137	-	-	35,358	1,927	2,501
Shared Risk Refund	-	-	-	-	-	-	-	-	-
Shared Risk Layer Assessment	-	-	-	-	-	-	-	-	-
Banking Layer Refund	(12,819)	(7,145)	-	-	(15,783)	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-
Total Operating Income	24,764	57,559	30,259	47,147	24,191	436,113	135,006	37,804	15,303
Operating Expenses									
Claims Paid	67	10,632	45,474	55,531	3,971	404,560	70,105	30,704	5,181
O/S Liability adj.	(2,898)	(8,747)	4,500	121,361	(10,110)	(12,655)	94,290	46,872	(648)
Consultants	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
Total Operating Expense	(2,831)	1,885	49,974	176,892	(6,139)	391,905	164,395	77,576	4,533
Operating Income (Loss)	27,595	55,674	(19,715)	(129,745)	30,330	44,208	(29,389)	(39,772)	10,770
Non-Operating Income									
Change in Fair Market Value	(473)	162	(180)	53	436	(2,484)	172	(370)	(2)
Investment Income	3,005	3,258	1,186	894	4,648	36,456	5,136	3,607	614
Total Non-Operating Income	2,532	3,420	1,006	947	5,084	33,972	5,308	3,237	612
Change in Net Position	30,127	59,094	(18,709)	(128,798)	35,414	78,180	(24,081)	(36,535)	11,382
Beginning Net Position	106,509	42,034	(6,920)	(6,656)	127,836	698,718	22,496	87,288	(9,979)
Ending Net Position	\$ 136,636	\$ 101,128	\$ (25,629)	\$ (135,454)	\$ 163,250	\$ 776,898	\$ (1,585)	\$ 50,753	\$ 1,403

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 Twelve Months Ended June 30, 2014**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	15,741	123,257	59,507	80,199	67,658	103,056	21,075	121,477	8,283	155,342
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	6,331	-	32,871	-	20,861	6,804	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-
Shared Risk Layer Assessment	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	(16,998)	-	(12,856)	-	-	(517)	(19,222)	(6,779)	(21,273)
Other Income	-	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>22,072</b>	<b>106,259</b>	<b>92,378</b>	<b>67,343</b>	<b>88,519</b>	<b>109,860</b>	<b>20,558</b>	<b>102,255</b>	<b>1,504</b>	<b>134,069</b>
Operating Expenses										
Claims Paid	19,776	68,909	61,601	2,155	34,146	67,512	25,725	126,506	1,928	75,976
O/S Liability adj.	(52,657)	(44,790)	216,932	45,236	(99,040)	66,523	(22,220)	30,415	4,120	42,321
Consultants	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>(32,881)</b>	<b>24,119</b>	<b>278,533</b>	<b>47,391</b>	<b>(64,894)</b>	<b>134,035</b>	<b>3,505</b>	<b>156,921</b>	<b>6,048</b>	<b>118,297</b>
Operating Income (Loss)	54,953	82,140	(186,155)	19,952	153,413	(24,175)	17,053	(54,666)	(4,544)	15,772
Non-Operating Income										
Change in Fair Market Value	353	(1,360)	(76)	(187)	40	(408)	(177)	(283)	(24)	(1,675)
Investment Income	715	7,291	4,554	3,918	5,326	4,267	1,553	10,529	1,984	12,193
<b>Total Non-Operating Income</b>	<b>1,068</b>	<b>5,931</b>	<b>4,478</b>	<b>3,731</b>	<b>5,366</b>	<b>3,859</b>	<b>1,376</b>	<b>10,246</b>	<b>1,960</b>	<b>10,518</b>
Change in Net Position	56,021	88,071	(181,677)	23,683	158,779	(20,316)	18,429	(44,420)	(2,584)	26,290
Beginning Net Position	(64,018)	106,120	87,449	78,190	(90,145)	9,159	19,218	264,939	42,709	287,916
Ending Net Position	\$ (7,997)	\$ 194,191	\$ (94,228)	\$ 101,873	\$ 68,634	\$ (11,157)	\$ 37,647	\$ 220,519	\$ 40,125	\$ 314,206



**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Net Position – Workers’ Compensation**  
**June 30, 2014**

	<b>Total</b>			<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Layer</b>
				<b>(Memo)</b>
<b>Current Assets</b>				
Cash	\$ 1,896,859	\$ 118,675	\$ 97,743	\$ 1,680,441
Accounts Receivable	337,461	-	-	337,461
Interest Receivable	153,706	2,452	68,087	83,167
Excess Accounts Receivable	658,199	-	658,199	-
<b>Total Current Assets</b>	<b>3,046,225</b>	<b>121,127</b>	<b>824,029</b>	<b>2,101,069</b>
<b>Non-Current Assets</b>				
Investments*	33,381,090	558,529	16,893,369	15,929,192
<b>Total Assets</b>	<b>\$ 36,427,315</b>	<b>\$ 679,656</b>	<b>\$ 17,717,398</b>	<b>\$ 18,030,261</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 220,650	\$ 9,306	\$ 208,501	\$ 2,843
<b>Total Current Liabilities</b>	<b>220,650</b>	<b>9,306</b>	<b>208,501</b>	<b>2,843</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	25,790,716	-	12,904,289	12,886,427
ULAE*	2,015,266	-	1,008,331	1,006,935
<b>Total Non-Current Liabilities</b>	<b>27,805,982</b>	<b>-</b>	<b>13,912,620</b>	<b>13,893,362</b>
<b>Total Liabilities</b>	<b>\$ 28,026,632</b>	<b>\$ 9,306</b>	<b>\$ 14,121,121</b>	<b>\$ 13,896,205</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Designated for Safety Grants	309,074	309,074	-	-
Undesignated	7,991,609	261,276	3,596,277	5,558,441
<b>Total Net Position</b>	<b>8,400,683</b>	<b>670,350</b>	<b>3,596,277</b>	<b>5,558,441</b>
<b>Liability &amp; Net Position</b>	<b>\$ 36,427,315</b>	<b>\$ 679,656</b>	<b>\$ 17,717,398</b>	<b>\$ 19,454,646</b>

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

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
June 30, 2014**

	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	\$ 47,100	\$ 87,946	\$ 36,111	\$ 109,670	\$ 119,783	\$ 160,259	\$ 190,942	\$ 88,400	\$ 58,872	\$ 78,916	\$ 94,879
Accounts Receivable	27,987	50,587	-	18,826	-	25,891	-	11,974	-	-	-
Interest Receivable	1,549	2,867	635	803	4,507	1,613	24,868	4,405	2,250	488	1,182
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>76,636</b>	<b>141,400</b>	<b>36,746</b>	<b>129,299</b>	<b>124,290</b>	<b>187,763</b>	<b>215,810</b>	<b>104,779</b>	<b>61,122</b>	<b>79,404</b>	<b>96,061</b>
<b>Non-Current Assets</b>											
Investments*	230,375	549,666	107,827	108,117	901,238	255,021	4,881,059	923,342	388,793	25,330	211,264
<b>Total Assets</b>	<b>\$ 307,011</b>	<b>\$ 691,066</b>	<b>\$ 144,573</b>	<b>\$ 237,416</b>	<b>\$ 1,025,528</b>	<b>\$ 442,784</b>	<b>\$ 5,096,869</b>	<b>\$ 1,028,121</b>	<b>\$ 449,915</b>	<b>\$ 104,734</b>	<b>\$ 307,325</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 54	\$ 95	\$ 22	\$ 28	\$ 149	\$ 56	\$ 842	\$ 147	\$ 80	\$ 15	\$ 39
<b>Total Current Liabilities</b>	<b>54</b>	<b>95</b>	<b>22</b>	<b>28</b>	<b>149</b>	<b>56</b>	<b>842</b>	<b>147</b>	<b>80</b>	<b>15</b>	<b>39</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	374,058	667,026	71,379	173,134	487,050	477,498	3,472,393	705,739	162,262	5,113	104,949
ULAE*	29,229	52,121	5,577	13,529	38,058	37,311	271,330	55,146	12,679	400	8,201
<b>Total Non-Current Liabilities</b>	<b>403,287</b>	<b>719,147</b>	<b>76,956</b>	<b>186,663</b>	<b>525,108</b>	<b>514,809</b>	<b>3,743,723</b>	<b>760,885</b>	<b>174,941</b>	<b>5,513</b>	<b>113,150</b>
<b>Total Liabilities</b>	<b>\$ 403,341</b>	<b>\$ 719,242</b>	<b>\$ 76,978</b>	<b>\$ 186,691</b>	<b>\$ 525,257</b>	<b>\$ 514,865</b>	<b>\$ 3,744,565</b>	<b>\$ 761,032</b>	<b>\$ 175,021</b>	<b>\$ 5,528</b>	<b>\$ 113,189</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	(96,330)	(28,176)	67,595	50,725	500,271	1,352,304	1,352,304	267,089	274,894	99,206	194,136
<b>Total Net Position</b>	<b>(96,330)</b>	<b>(28,176)</b>	<b>67,595</b>	<b>50,725</b>	<b>500,271</b>	<b>1,352,304</b>	<b>1,352,304</b>	<b>267,089</b>	<b>274,894</b>	<b>99,206</b>	<b>194,136</b>
<b>Liability &amp; Net Position</b>	<b>\$ 307,011</b>	<b>\$ 691,066</b>	<b>\$ 144,573</b>	<b>\$ 237,416</b>	<b>\$ 1,025,528</b>	<b>\$ 1,867,169</b>	<b>\$ 5,096,869</b>	<b>\$ 1,028,121</b>	<b>\$ 449,915</b>	<b>\$ 104,734</b>	<b>\$ 307,325</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
June 30, 2014**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>											
Cash	\$ 41,815	\$ 20,598	\$ 15,595	\$ 96,314	\$ 76,632	\$ 59,653	\$ 64,060	\$ 13,132	\$ 79,344	\$ 61,402	\$ 79,018
Accounts Receivable	-	34,457	-	-	3,378	618	11,647	-	-	-	152,096
Interest Receivable	3,445	3,557	1,214	2,764	4,262	2,740	2,720	973	8,116	1,529	6,680
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>45,260</b>	<b>58,612</b>	<b>16,809</b>	<b>99,078</b>	<b>84,272</b>	<b>63,011</b>	<b>78,427</b>	<b>14,105</b>	<b>87,460</b>	<b>62,931</b>	<b>237,794</b>
<b>Non-Current Assets</b>											
Investments*	543,509	758,439	306,053	475,517	846,288	670,687	503,483	187,543	1,666,683	261,450	1,127,508
<b>Total Assets</b>	<b>\$ 588,769</b>	<b>\$ 817,051</b>	<b>\$ 322,862</b>	<b>\$ 574,595</b>	<b>\$ 930,560</b>	<b>\$ 733,698</b>	<b>\$ 581,910</b>	<b>\$ 201,648</b>	<b>\$ 1,754,143</b>	<b>\$ 324,381</b>	<b>\$ 1,365,302</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 124	\$ 122	\$ 43	\$ 91	\$ 141	\$ 91	\$ 100	\$ 34	\$ 279	\$ 50	\$ 241
<b>Total Current Liabilities</b>	<b>124</b>	<b>122</b>	<b>43</b>	<b>91</b>	<b>141</b>	<b>91</b>	<b>100</b>	<b>34</b>	<b>279</b>	<b>50</b>	<b>241</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	496,426	730,785	152,123	291,933	779,573	481,425	804,131	118,602	921,401	57,607	1,351,820
ULAE*	38,790	57,103	11,887	22,811	60,915	37,618	62,834	9,267	71,998	4,501	105,630
<b>Total Non-Current Liabilities</b>	<b>535,216</b>	<b>787,888</b>	<b>164,010</b>	<b>314,744</b>	<b>840,488</b>	<b>519,043</b>	<b>866,965</b>	<b>127,869</b>	<b>993,399</b>	<b>62,108</b>	<b>1,457,450</b>
<b>Total Liabilities</b>	<b>\$ 535,340</b>	<b>\$ 788,010</b>	<b>\$ 164,053</b>	<b>\$ 314,835</b>	<b>\$ 840,629</b>	<b>\$ 519,134</b>	<b>\$ 867,065</b>	<b>\$ 127,903</b>	<b>\$ 993,678</b>	<b>\$ 62,158</b>	<b>\$ 1,457,691</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	53,429	29,041	158,809	259,760	89,931	214,564	(285,155)	73,745	760,465	262,223	(92,389)
<b>Total Net Position</b>	<b>53,429</b>	<b>29,041</b>	<b>158,809</b>	<b>259,760</b>	<b>89,931</b>	<b>214,564</b>	<b>(285,155)</b>	<b>73,745</b>	<b>760,465</b>	<b>262,223</b>	<b>(92,389)</b>
<b>Liability &amp; Net Position</b>	<b>\$ 588,769</b>	<b>\$ 817,051</b>	<b>\$ 322,862</b>	<b>\$ 574,595</b>	<b>\$ 930,560</b>	<b>\$ 733,698</b>	<b>\$ 581,910</b>	<b>\$ 201,648</b>	<b>\$ 1,754,143</b>	<b>\$ 324,381</b>	<b>\$ 1,365,302</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 Twelve Months Ended June 30, 2014**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
<b>Operating Income</b>				
Administration Deposit	\$ 585,628	\$ 585,628	\$ -	\$ -
Banking Layer Deposit	4,558,125	-	-	4,558,125
Shared Risk Layer	2,390,114	-	2,390,114	-
Excess Deposit/Premium	795,104	-	795,104	-
Banking Layer Assessment	403,527	-	-	403,527
Shared Risk Refund	(931,757)	-	(931,757)	-
Risk Management Grants	145,635	145,635	-	-
Other Income	929	-	929	-
Dividend Income	600,000	-	-	600,000
<b>Total Operating Income</b>	<b>8,547,305</b>	<b>731,263</b>	<b>2,254,390</b>	<b>5,561,652</b>
<b>Operating Expenses</b>				
Claims Paid	4,290,597	-	1,238,732	3,051,865
O/S Liability adj.	119,072	-	(846,751)	965,823
ULAE	97,418	-	(18,967)	116,385
Consultants	28,093	28,093	-	-
Administration-Other	13,113	13,113	-	-
Safety Service	243,128	243,128	-	-
Claims Administration	710,583	186,394	-	524,189
Program Administration	160,375	160,375	-	-
Board Expenses	4,939	4,939	-	-
Excess Insurance	809,819	-	809,819	-
<b>Total Operating Expenses</b>	<b>6,477,137</b>	<b>636,042</b>	<b>1,182,833</b>	<b>4,658,262</b>
<b>Operating Income (Loss)</b>	<b>2,070,168</b>	<b>95,221</b>	<b>1,071,557</b>	<b>903,390</b>
<b>Non-Operating Income</b>				
Change in Fair Market Value	(112,714)	(1,886)	(62,752)	(48,076)
Investment Income	723,073	12,894	347,937	362,243
<b>Total Non-Operating Income</b>	<b>610,359</b>	<b>11,008</b>	<b>285,185</b>	<b>314,167</b>
<b>Change in Net Position</b>	<b>2,680,527</b>	<b>106,229</b>	<b>1,356,742</b>	<b>1,217,557</b>
<b>Beginning Net Position</b>	<b>5,720,156</b>	<b>564,121</b>	<b>2,239,535</b>	<b>2,916,500</b>
<b>Ending Net Position</b>	<b>\$ 8,400,683</b>	<b>\$ 670,350</b>	<b>\$ 3,596,277</b>	<b>\$ 4,134,057</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 Twelve Months Ended June 30, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	105,628	133,352	52,034	77,318	223,397	538,054	972,517	210,879	54,863	38,345	83,650
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	40,806	57,732	-	18,826	-	25,891	-	11,974	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	17,580	19,746	13,325	13,290	25,287	-	147,215	33,930	15,456	1,541	8,377
Total Operating Income	164,014	210,830	65,359	109,434	248,684	563,945	1,119,732	256,783	70,319	39,886	92,027
Operating Expenses											
Claims Paid	181,142	88,503	62,635	23,302	42,702	115,230	681,416	173,210	31,249	-	8,931
O/S Liability adj.	(73,721)	(18,054)	(63,179)	(37,231)	(54,711)	477,498	438,414	(266,570)	(47,924)	2,343	(51,391)
ULAE	(4,224)	941	(4,475)	(2,187)	(2,416)	37,311	44,671	(17,492)	(3,023)	193	(3,479)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	16,016	20,271	7,531	10,214	15,996	10,307	135,638	30,076	9,806	-	5,354
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	119,213	91,661	2,512	(5,902)	1,571	640,346	1,300,139	(80,776)	(9,892)	2,536	(40,585)
Operating Income (Loss)	44,801	119,169	62,847	115,336	247,113	(76,401)	(180,407)	337,559	80,211	37,350	132,612
Non-Operating Income											
Change in Fair Market Value	(901)	(1,714)	(527)	(574)	(2,671)	779	(13,233)	(3,280)	(1,092)	(227)	(932)
Investment Income	6,768	12,733	3,099	3,776	19,818	3,542	105,408	20,929	9,253	2,005	5,799
Total Non-Operating Income	5,867	11,019	2,572	3,202	17,147	4,321	92,175	17,649	8,161	1,778	4,867
Change in Net Position	50,668	130,188	65,419	118,538	264,260	(72,080)	(88,232)	355,208	88,372	39,128	137,479
Beginning Net Position	(146,998)	(158,364)	2,176	(67,813)	236,011	0	1,440,536	(88,119)	186,522	60,078	56,657
Ending Net Position	\$ (96,330)	\$ (28,176)	\$ 67,595	\$ 50,725	\$ 500,271	\$ (72,080)	\$ 1,352,304	\$ 267,089	\$ 274,894	\$ 99,206	\$ 194,136

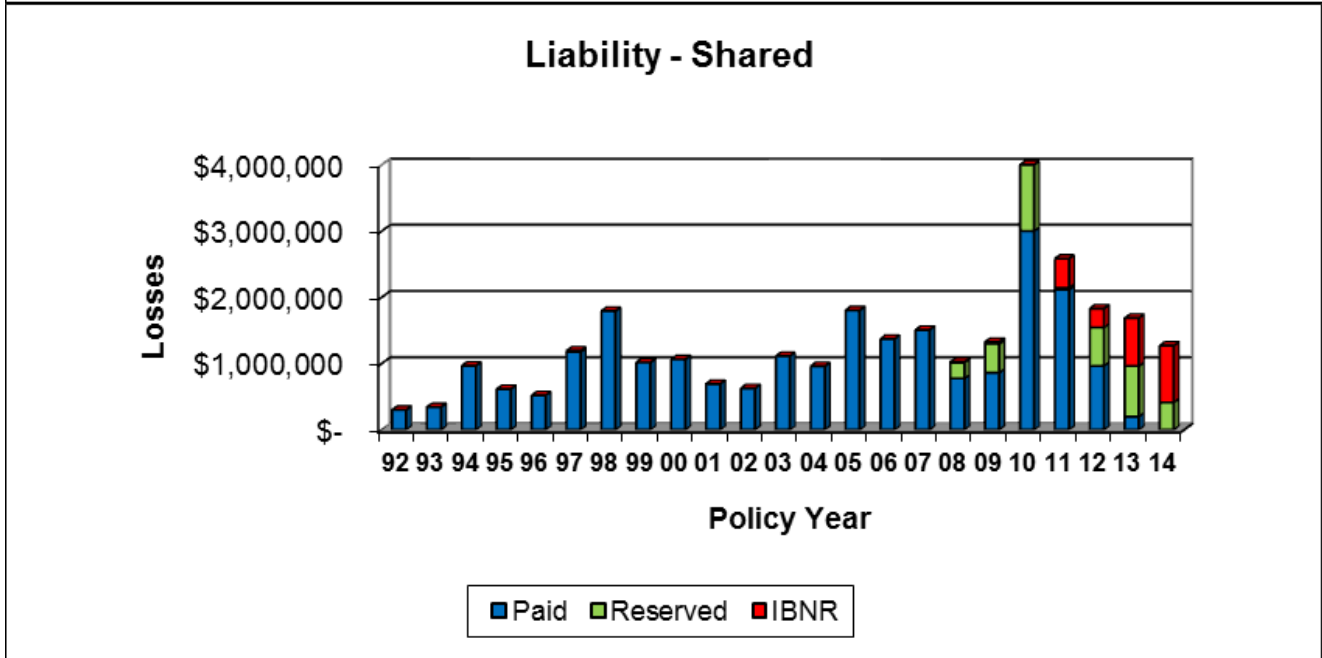
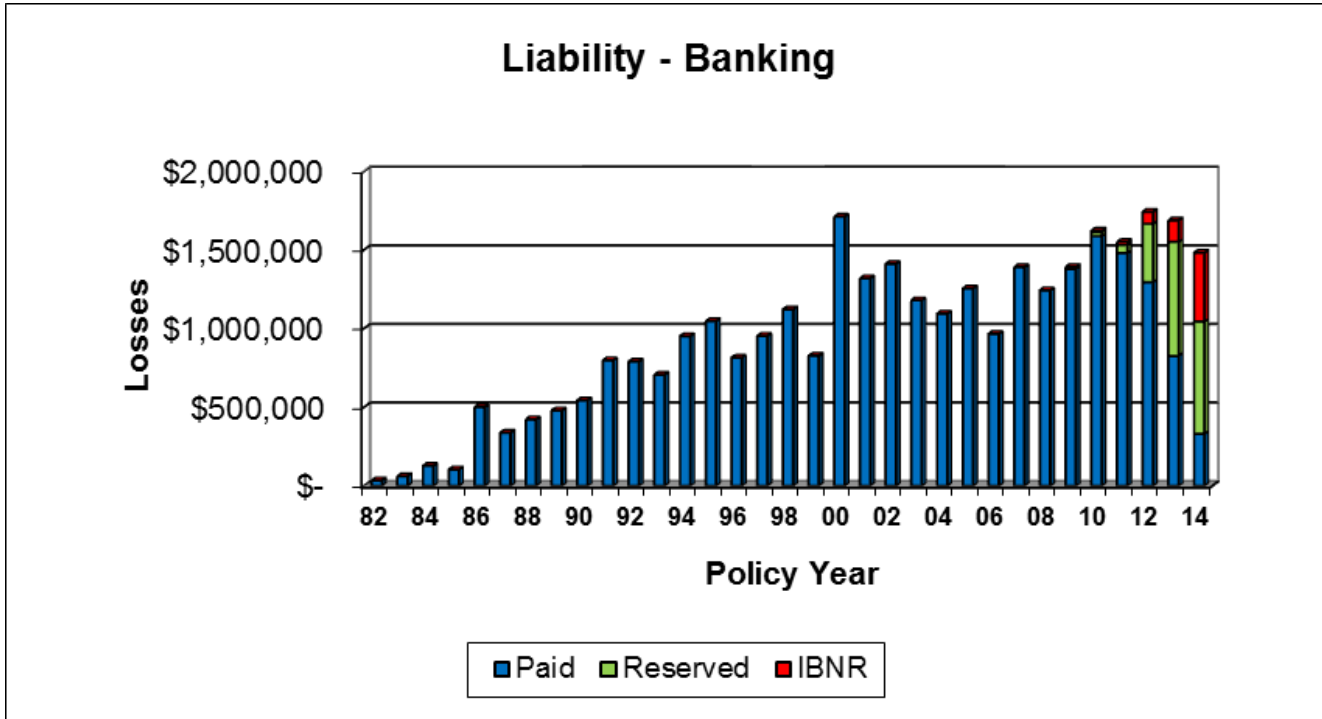
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Twelve Months Ended June 30, 2014**

	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
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	229,615	136,102	60,490	169,748	192,741	198,346	229,259	42,657	334,230	83,834	391,066
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	30,156	34,457	-	-	3,378	618	27,593	-	-	-	152,096
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	27,172	19,668	8,635	31,700	27,145	24,586	28,838	11,276	60,781	10,214	54,238
Total Operating Income	286,943	190,227	69,125	201,448	223,264	223,550	285,690	53,933	395,011	94,048	597,400
Operating Expenses											
Claims Paid	272,687	144,250	28,424	48,192	80,002	84,969	261,956	59,181	193,456	12,962	457,466
O/S Liability adj.	(20,901)	27,432	(3,526)	23,444	76,503	77,344	254,000	24,106	131,453	(71,530)	142,024
ULAE	142	4,558	259	2,753	8,391	7,431	21,736	2,208	12,983	(5,146)	15,250
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	16,319	24,802	7,296	16,804	27,156	23,884	37,141	9,971	42,734	9,287	47,586
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	268,247	201,042	32,453	91,193	192,052	193,628	574,833	95,466	380,626	(54,427)	662,326
Operating Income (Loss)	18,696	(10,815)	36,672	110,255	31,212	29,922	(289,143)	(41,533)	14,385	148,475	(64,926)
Non-Operating Income											
Change in Fair Market Value	(1,370)	(2,662)	(1,146)	(936)	(2,232)	(2,317)	(1,961)	(1,109)	(5,929)	(668)	(3,374)
Investment Income	13,426	16,748	6,246	10,658	18,276	13,741	12,627	5,341	37,654	6,224	28,172
Total Non-Operating Income	12,056	14,086	5,100	9,722	16,044	11,424	10,666	4,232	31,725	5,556	24,798
Change in Net Position	30,752	3,271	41,772	119,977	47,256	41,346	(278,477)	(37,301)	46,110	154,031	(40,128)
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)
Ending Net Position	\$ 53,429	\$ 29,041	\$ 158,809	\$ 259,760	\$ 89,931	\$ 214,564	\$ (285,155)	\$ 73,745	\$ 760,465	\$ 262,223	\$ (92,389)

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of June 30, 2014 and June 30, 2013**

	<b>Liability Banking 2014</b>	<b>Liability Shared Risk 2014</b>	<b>Total Liability Program</b>		<b>WC Banking 2014</b>	<b>WC Shared Risk 2014</b>	<b>Total WC Program</b>		<b>Totals</b>	
			<b>2014</b>	<b>2013</b>			<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,161,176	\$ 5,710,847	\$ 7,872,023	\$ 9,524,918	\$ 12,811,158	\$ 14,778,338	\$ 27,589,496	\$ 24,047,879	\$ 35,461,519	\$ 33,572,797
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,482,188	1,270,359	2,752,547	2,769,500	4,799,598	1,848,544	6,648,142	6,075,112	9,400,689	8,844,612
Increases (Decreases) in provision for insured events of prior fiscal years	47,077	839,837	886,914	485,712	(781,908)	(1,456,562)	(2,238,470)	1,229,056	(1,351,556)	1,714,767
Change in provision for ULAE in current year	-	-	-	-	116,383	(18,967)	97,416	348,561	97,416	348,561
Total incurred claims and claim adjustment expenses	<u>1,529,265</u>	<u>2,110,196</u>	<u>3,639,461</u>	<u>3,255,212</u>	<u>4,134,073</u>	<u>373,015</u>	<u>4,507,088</u>	<u>7,652,729</u>	<u>8,146,549</u>	<u>10,907,940</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	331,504	-	331,504	628,325	912,428	-	912,428	802,974	1,243,932	1,431,299
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	778,956	1,779,916	2,558,872	4,279,783	2,139,441	1,238,733	3,378,174	3,308,138	5,937,046	7,587,921
Total Payments	<u>1,110,460</u>	<u>1,779,916</u>	<u>2,890,376</u>	<u>4,908,108</u>	<u>3,051,869</u>	<u>1,238,733</u>	<u>4,290,602</u>	<u>4,111,112</u>	<u>7,180,978</u>	<u>9,019,220</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,579,981</u>	<u>\$ 6,041,127</u>	<u>\$ 8,621,108</u>	<u>\$ 7,872,022</u>	<u>\$ 13,893,362</u>	<u>\$ 13,912,620</u>	<u>\$ 27,805,982</u>	<u>\$ 27,589,496</u>	<u>\$ 36,427,090</u>	<u>\$ 35,461,518</u>
Claims Liability	\$ 2,579,981	\$ 6,041,127	\$ 8,621,108	\$ 7,872,022	\$ 12,886,427	\$ 12,904,289	\$ 25,790,716	\$ 25,671,646	\$ 34,411,824	\$ 33,543,668
Claims ULAE	-	-	-	-	1,006,935	1,008,331	2,015,266	1,917,850	2,015,266	1,917,850
Total Claim Liabilities	<u>\$ 2,579,981</u>	<u>\$ 6,041,127</u>	<u>\$ 8,621,108</u>	<u>\$ 7,872,022</u>	<u>\$ 13,893,362</u>	<u>\$ 13,912,620</u>	<u>\$ 27,805,982</u>	<u>\$ 27,589,496</u>	<u>\$ 36,427,090</u>	<u>\$ 35,461,518</u>

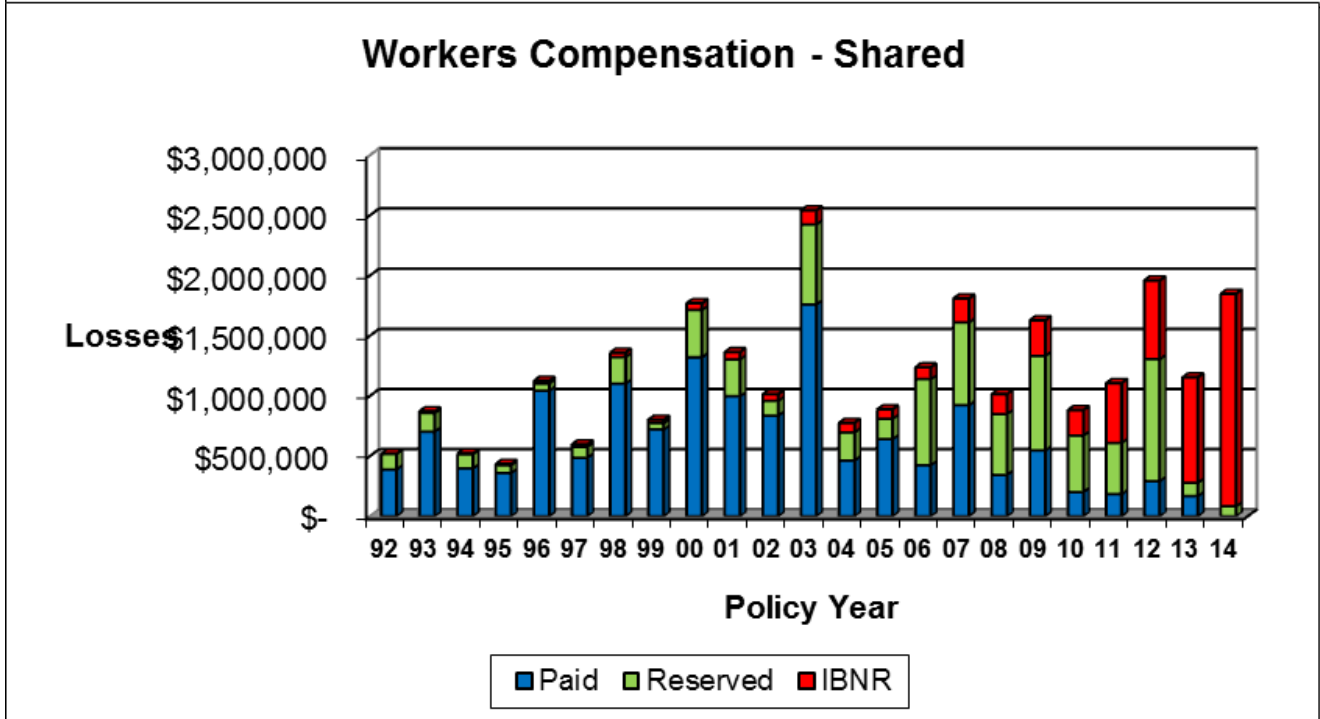
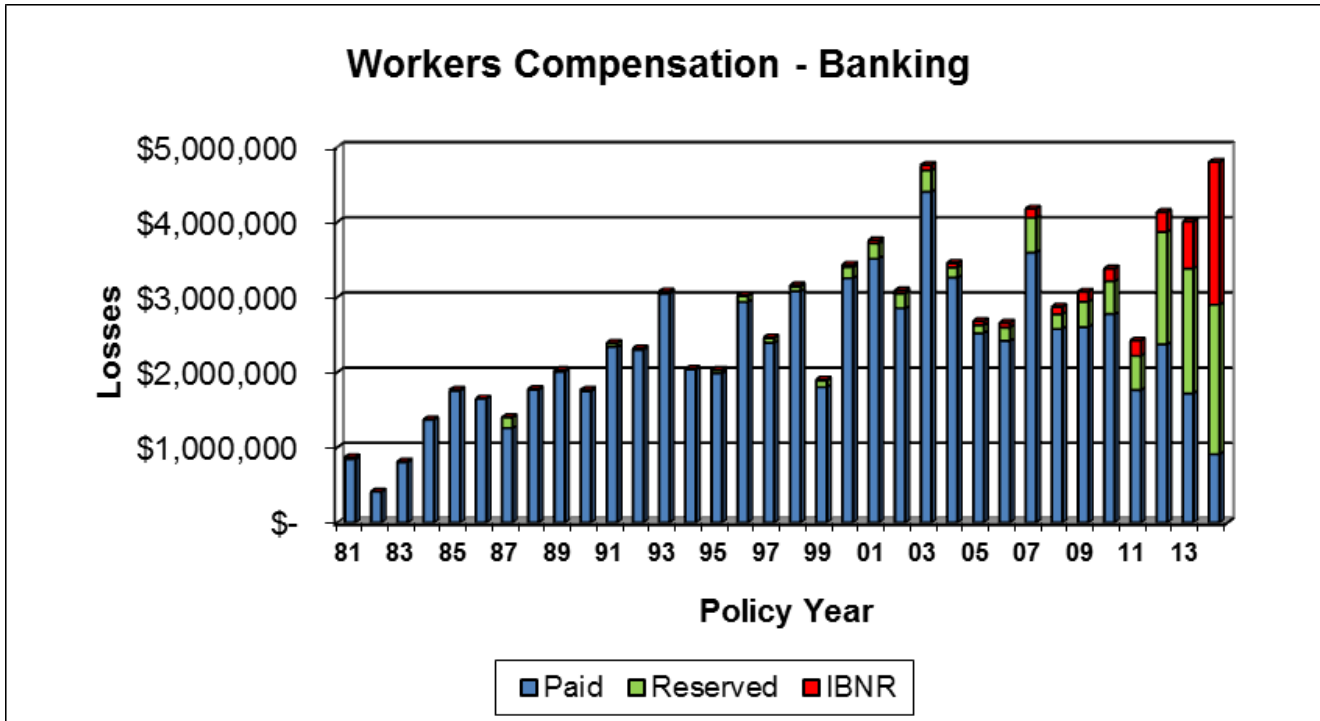
**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of June 30, 2014**



See Accompanying Accountant's Report



**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of June 30, 2014**



See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2014**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 1,096,283	\$ 585,628	\$ 510,655	\$ (50,533)	-5%	\$ (50,533)	\$ -
44030 Change in Fair Value - See Note 2	-	-	-	(4,692)	(1,886)	(2,806)	4,692		1,886	2,806
44040 Interest Income - See Note 2	-	-	-	20,034	12,895	7,139	(20,034)		(12,895)	(7,139)
44080 Risk Management Grants - See Note 3	-	-	-	145,635	145,635	-	(145,635)		(145,635)	-
Total Admin Revenue	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 1,257,260	\$ 742,272	\$ 514,988	\$ (65,875)	-6%	\$ (207,177)	\$ (4,333)
<b>Administrative Expenses</b>										
52100 Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
52101 Claims Audit	7,000	7,000	-	-	-	-	7,000	100%	7,000	-
52102 Financial Audit	26,100	13,050	13,050	26,100	13,050	13,050	-	0%	-	-
52103 Legal Services	15,000	7,500	7,500	987	494	493	14,013	93%	7,006	7,007
52104 Actuarial Services	10,000	4,000	6,000	23,600	13,300	10,300	(13,600)	-136%	(9,300)	(4,300)
52105 Computer Services	-	-	-	-	-	-	-		-	-
52106 JPA Accreditation	-	-	-	-	-	-	-		-	-
52107 Fidelity Bonds	2,000	1,000	1,000	2,500	1,250	1,250	(500)	-25%	(250)	(250)
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
XXXX Errors & Omissions	-	-	-	-	-	-	-		-	-
Total Admin Expenses	\$ 65,100	\$ 35,050	\$ 30,050	\$ 53,187	\$ 28,094	\$ 25,093	\$ 11,913	18%	\$ 6,956	\$ 4,957
<b>Safety Services</b>										
52200 Safety Service	\$ 25,000	\$ -	\$ 25,000	\$ 11,300	\$ 5,650	\$ 5,650	\$ 13,700	55%	\$ (5,650)	\$ 19,350
52201 Risk Mgmt Comm Services	25,000	12,500	12,500	89,252	45,376	43,876	(64,252)	-257%	(32,876)	(31,376)
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	-	-	-	1,000	100%	500	500
52203 Police Risk Mgmt Comm Svcs	12,000	6,000	6,000	58	29	29	11,942	100%	5,971	5,971
52204 On Site	155,260	77,630	77,630	85,908	42,954	42,954	69,352	45%	34,676	34,676
XXXX Yuba City On Site	-	-	-	-	-	-	-		-	-
52205 Hot Line	-	-	-	-	-	-	-		-	-
52206 Safety Library	-	-	-	-	-	-	-		-	-
52207 Seminars and PARMA	63,200	23,200	40,000	11,176	5,217	5,959	52,024	82%	17,983	34,041
52208 Police Risk Mgmt Manual	100,000	-	100,000	106,300	-	106,300	(6,300)	-6%	-	(6,300)
52209 Safety Contingency	-	-	-	-	-	-	-		-	-
52210 Process Safety Mgmt Program	-	-	-	-	-	-	-		-	-
52211 Website Development	-	-	-	-	-	-	-		-	-
XXXX TargetSolutions Fire Training Module	-	-	-	-	-	-	-		-	-
52212 Safety Service - Other do not use	-	-	-	-	-	-	-		-	-
52213 Property Appraisals	-	-	-	-	-	-	-		-	-
52214 OCCUMED	18,000	18,000	-	16,500	16,500	-	1,500	8%	1,500	-
52215 Online Risk Management Services	20,000	10,000	10,000	3,104	1,552	1,552	16,896	84%	8,448	8,448
52216 Backsafe	-	-	-	-	-	-	-		-	-
52217 Wellness Optional	13,840	13,840	-	27,677	27,677	-	(13,837)	-100%	(13,837)	-
Total Safety Services Expenses	\$ 433,300	\$ 161,670	\$ 271,630	\$ 351,275	\$ 144,955	\$ 206,320	\$ 82,025	19%	\$ 16,715	\$ 65,310

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2014**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014				
	Total	WC	Liab	Total	WC	Liab	Total	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	42%	\$ -	\$ 20,900	
52303 Fraud Hotline	-	-	-	-	-	-	-	-	-	-	
52305 MPN Services	12,000	12,000	-	13,000	13,000	-	(1,000)	-8%	(1,000)	-	
52304 State Funding/Fraud Assessment	135,000	135,000	-	158,044	158,044	-	(23,044)	-17%	(23,044)	-	
Total Claims Admin Expenses	\$ 196,250	\$ 175,350	\$ 20,900	\$ 199,394	\$ 199,394	\$ -	\$ (3,144)	-2%	\$ (24,044)	\$ 20,900	
<b>Program Administration</b>											
52401 Program Administration Fee	\$ 270,000	\$ 122,475	\$ 147,525	\$ 278,766	\$ 129,258	\$ 149,508	\$ (8,766)	-3%	\$ (6,783)	\$ (1,983)	
52403 Accounting Services	62,100	31,050	31,050	62,234	31,117	31,117	(134)	0%	(67)	(67)	
Total Program Admin Expenses	\$ 332,100	\$ 153,525	\$ 178,575	\$ 341,000	\$ 160,375	\$ 180,625	\$ (8,900)	-3%	\$ (6,850)	\$ (2,050)	
<b>Board Expenses</b>											
52501 Executive Committee	\$ 2,000	\$ 1,000	\$ 1,000	\$ 322	\$ 161	\$ 161	\$ 1,678	84%	\$ 839	\$ 839	
52502 Executive Committee Member Travel	5,000	2,500	2,500	3,046	1,506	1,540	1,954	39%	994	960	
52503 Board of Directors Meetings (includes Travel)	6,000	3,000	3,000	4,626	2,313	2,313	1,374	23%	687	687	
XXXX Board of Directors Long Range Planning Session (every 3 years, 2012)	-	-	-	-	-	-	-	-	-	-	
52504 Association Memberships	6,000	3,000	3,000	1,490	745	745	4,510	75%	2,255	2,255	
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 9,484	\$ 4,725	\$ 4,759	\$ 9,516	50%	\$ 4,775	\$ 4,741	
<b>Other Administration Expenses - Not identified with above budget line items</b>											
52000 Administrative Expense	\$ -	\$ -	\$ -	\$ 219	\$ 109	\$ 110	\$ (219)	-	\$ (109)	\$ (110)	
52001 Administration Expense - Other	-	-	-	6	3	3	(6)	-	(3)	(3)	
Total Other Admin	\$ -	\$ -	\$ -	\$ 225	\$ 112	\$ 113	\$ (225)	-	\$ (112)	\$ (113)	
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	
<b>Total Admin Expenses</b>	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 954,565	\$ 537,655	\$ 416,910	\$ 91,185	9%	\$ (2,560)	\$ 93,745	
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	\$ -	\$ -	\$ -	\$ 302,695	\$ 204,617	\$ 98,078	\$ (157,060)	-	\$ (204,617)	\$ (98,078)	

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2014**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>BANKING LAYER BUDGET</b>										
<b>Banking Layer Revenue</b>										
41020 Banking Layer Deposit - See Note 1	\$ 5,551,540	\$ 4,020,072	\$ 1,531,468	\$ 6,089,593	\$ 4,558,125	\$ 1,531,468	\$ (538,053)	-10%	\$ (538,053)	\$ -
41050 Banking Layer Refund	-	-	-	(113,392)	-	(113,392)	113,392	-	-	113,392
43010 Banking Layer Assessment	-	-	-	538,414	403,527	134,887	(538,414)	-	(403,527)	(134,887)
41060 Liab Shared Risk Layer Transfer	-	-	-	-	-	-	-	-	-	-
44020 CJPRMA Refund Transfer - See Note 4	(414,401)	-	(414,401)	-	-	-	(414,401)	100%	-	(414,401)
44030 Change in Fair Value - See Note 2	-	-	-	(54,558)	(48,075)	(6,483)	54,558	-	48,075	6,483
44040 Interest Income - See Note 2	-	-	-	473,368	362,239	111,129	(473,368)	-	(362,239)	(111,129)
44010 Other Income	-	-	-	919	929	(10)	(919)	-	(929)	10
Total Banking Layer Revenue	\$ 5,137,139	\$ 4,020,072	\$ 1,117,067	\$ 6,934,344	\$ 5,276,745	\$ 1,657,599	\$ (1,797,205)	-35%	\$ (1,256,673)	\$ (540,532)
<b>Banking Layer Expenses</b>										
51100 Claims Paid - See Note 5	\$ 5,308,000	\$ 3,892,000	\$ 1,416,000	\$ 3,788,962	\$ 3,051,868	\$ 737,094	\$ 1,519,038	29%	\$ 840,132	\$ 678,906
51110 Claims Refunds	-	-	-	(11,202)	(3,037)	(8,165)	11,202	-	3,037	8,165
51000 Claims Adjusting Fee - See Note 5	924,000	540,000	432,000	-	-	-	924,000	100%	519,000	405,000
43030 Banking Layer Refund	-	-	-	-	-	-	-	-	-	-
51050 Voids - claims	-	-	-	(34,212)	(22,005)	(12,207)	34,212	-	22,005	12,207
51115 Claims Subrogation/Recoveries	-	-	-	(258,271)	(257,466)	(805)	258,271	-	257,466	805
51130 Claims Investigation Liab and WC	-	-	-	-	-	-	-	-	-	-
51135 Claims Admin - Liability	-	-	-	373,364	-	373,364	(373,364)	-	-	(373,364)
51140 Claims Excess Adj	-	-	-	(327,308)	(282,237)	(45,071)	327,308	-	282,237	45,071
51400 OS Liability Adjustment	-	-	-	868,155	119,070	749,085	(868,155)	-	(119,070)	(749,085)
51800 ULAE Adjustment	-	-	-	97,416	97,416	-	(97,416)	-	(97,416)	-
52300 Claims Admin - Monthly WC Only	-	-	-	524,190	524,190	-	(524,190)	-	(524,190)	-
Total Banking Layer Expenses	\$ 6,232,000	\$ 4,432,000	\$ 1,848,000	\$ 5,021,094	\$ 3,227,799	\$ 1,793,295	\$ 1,210,906	19%	\$ 1,183,201	\$ 27,705
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	\$ (1,094,861)	\$ (411,928)	\$ (730,933)	\$ 1,913,250	\$ 2,048,946	\$ (135,696)	\$ (3,008,111)		\$ (2,439,874)	\$ (568,237)

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of June 30, 2014**

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>SHARED RISK LAYER BUDGET</b>										
<b>Shared Layer Revenue</b>										
41030 Shared Risk Layer Deposit - See Note 1	\$ 3,179,888	\$ 2,074,828	\$ 1,105,060	\$ 3,495,174	\$ 2,390,114	\$ 1,105,060	\$ (315,286)	-10%	\$ (315,286)	\$ -
41040 Excess Deposit/Premium - See Note 1	1,789,713	677,244	1,112,469	1,907,573	795,104	1,112,469	(117,860)	-7%	(117,860)	-
41060 Shared Risk Refund	-	-	-	(1,331,942)	(931,757)	(400,185)	1,331,942		931,757	400,185
42000 CJPRMA / Shared Risk Admin	-	-	-	-	-	-	-		-	-
43020 Shared Risk Layer Assessment	-	-	-	600,000	-	600,000	(600,000)		-	(600,000)
XXXXX CJPRMA Refund	-	-	-	-	-	-	-		-	-
44030 Change in Fair Value	-	-	-	(91,433)	(62,752)	(28,681)	91,433		62,752	28,681
44040 Interest Income	-	-	-	434,682	347,937	86,745	(434,682)		(347,937)	(86,745)
44060 Property Premium - See Note 1	901,440	-	901,440	901,439	-	901,439	1	0%	-	1
44070 Crime Premium - See Note 1	23,723	-	23,723	23,721	-	23,721	2	0%	-	2
Total Shared Layer Revenue	\$ 5,894,764	\$ 2,752,072	\$ 3,142,692	\$ 5,939,214	\$ 2,538,646	\$ 3,400,568	\$ (44,450)	-1%	\$ 213,426	\$ (257,876)
<b>Shared Layer Expenses</b>										
51100 Claims Paid - See Note 5	\$ 3,396,000	\$ 2,030,000	\$ 1,366,000	\$ 3,649,642	\$ 1,803,477	\$ 1,846,165	\$ (253,642)	-7%	\$ 226,523	\$ (480,165)
52401 CJPRMA/Shared Risk Layer Admin	-	-	-	-	-	-	-		-	-
54100 Excess Deposit/Premium Exp - See Note 6	1,378,682	792,215	586,467	1,810,687	809,819	1,000,868	(432,005)	-31%	(17,604)	(414,401)
54200 Safety Grant Fund	250,000	150,000	-	98,173	98,173	-	151,827	61%	151,827	-
54150 Member Property Coverage - See Note 6	901,440	-	901,440	925,165	-	925,165	(23,725)	-3%	-	(23,725)
54150 Member Crime Coverage - See Note 6	23,723	-	23,723	-	-	-	23,723	100%	-	23,723
Total Shared Layer Expenses	\$ 5,949,845	\$ 2,972,215	\$ 2,877,630	\$ 6,483,667	\$ 2,711,469	\$ 3,772,198	\$ (533,822)	-9%	\$ 360,746	\$ (894,568)
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	<b>\$ (55,081)</b>	<b>\$ (220,143)</b>	<b>\$ 265,062</b>	<b>\$ (544,453)</b>	<b>\$ (172,823)</b>	<b>\$ (371,630)</b>	<b>\$ 489,372</b>	<b>\$ 0</b>	<b>\$ (147,320)</b>	<b>\$ 636,692</b>
<b>OTHER INCOME/(EXPENSE)</b>										
44020 Dividend Income	-	-	-	999,360	600,000	399,360	(999,360)		(600,000)	(399,360)
52500 Board Expenses	-	-	-	(428)	(214)	(214)	428		214	214
Rounding	-	-	-	4	1	3	-		-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ 998,936	\$ 599,787	\$ 399,149	\$ (998,932)		\$ (599,786)	\$ (399,146)
<b>TOTAL INCOME/(EXPENSE)</b>	<b>(1,149,942)</b>	<b>(632,071)</b>	<b>(465,871)</b>	<b>2,670,428</b>	<b>2,680,527</b>	<b>(10,099)</b>	<b>(2,675,799)</b>	<b>-61%</b>	<b>(3,391,597)</b>	<b>(428,769)</b>

**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of June 30, 2014**

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**1. Revenue Recognition**

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

**2. Investment Income**

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

**3. Risk Management Grants**

Individual members have elected to have amounts withheld from past refunds to fund risk management specific to their City. There is no budget for this income as it will be used for individual members' risk management, not for the organization as a whole.

**4. CJPRMA Refund**

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

**5. Claims Expenses**

Claims related expenses are budgeted based on the "claims paid" and "claims adjusting fee" estimates only. Claims related expenses are recorded on the books in several additional categories. Review of the budget to actual performance of claims related items should take this into consideration.

**6. Insurance Expense Recognition**

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

**Northern California Cities Self Insurance Fund  
Safety Grant Historic Usage Report  
As of June 30, 2014**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund					Total funds available FY 2009 - FY 2014 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014			
Anderson	\$ 6,496.00	8,039.00	7,650.00	7,540.00	7,451.00	3,860.00	41,036.00	22,185.00	18,851.00
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	17,737.00	-
Coming	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
Elk Grove	-	-	-	-	-	-	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	235,340.00	121,926.23	113,413.77
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	75,757.00	64,447.00	11,310.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	30,670.00	6,144.00	24,526.00
lone	-	-	-	-	-	514.00	514.00	-	514.00
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	1,896.00	11,179.00	5,665.00	5,514.00
Oroville	7,633.00	-	-	-	-	-	7,633.00	7,633.00	-
Placerville	6,883.00	-	-	-	-	9,048.00	15,931.00	6,883.00	9,048.00
Paradise	7,182.00	-	-	-	-	-	7,182.00	7,182.00	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	44,982.00	44,982.00	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	19,113.00	5,818.00	13,295.00
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	129,606.00	58,451.00	71,155.00
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	18,291.00	14,886.00	3,405.00
Yuba City	8,607.00	-	-	22,184.00	-	-	30,791.00	30,791.00	-
	<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>91,532.00</b>	<b>796,205.00</b>	<b>487,130.70</b>	<b>309,074.30</b>



**BUDGET TO ACTUAL AS OF JUNE 30, 2014**

**INFORMATION ITEM**

**ISSUE:** Members have asked to review this item at each meeting to ensure NCCSIF's progress. The Program Administrators will address items pertaining to the budget, updating members on the status of the current budget-to-actual.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Admin expenses were \$91,185 (9%) less than budgeted. Banking Layer expenses were \$1,210,906 (19%) less than budgeted. Shared Layer expenses were \$533,822 (9%) over budget due to the Liability Program incurring expenses of \$894,568 over budget.

**BACKGROUND:** None.

**ATTACHMENT(S):** See pages 78 to 81 of the agenda packet (pages 19 to 22 of the Financial Report).





## REVIEW OF PRELIMINARY 2015 MEETING CALENDAR

### INFORMATION ITEM

**ISSUE:** The Executive Committee should review the proposed *NCCSIF 2015 Meeting Calendar* to determine if any dates should be modified due to conflicts with other meetings and advise staff so that the calendar can be finalized at the October Board of Directors meeting.

**RECOMMENDATION:** Staff recommends the Executive Committee review the proposed dates and advise staff of any changes to be made at the October Board of Directors meeting for approval.

**FISCAL IMPACT:** None.

**BACKGROUND:** Annually, the Executive Committee reviews and approves the meeting calendar for NCCSIF Board, Executive, Risk Management, Claims, Police Risk Management and Finance Committees.

**ATTACHMENT(S):** Preliminary *NCCSIF 2015 Meeting Calendar*.

# 2015 MEETING CALENDAR

BOARD OF DIRECTORS 12:00 p.m.	EXECUTIVE COMMITTEE 10:30 a.m.	CLAIMS COMMITTEE 12:30 p.m.
April 16	March 19	March 19
June 18	May 21	May 21
October 15	September 24	September 24
December 10	November 19	November 19

RISK MANAGEMENT COMMITTEE 9:30 a.m.	POLICE RISK MANAGEMENT COMMITTEE 10:30 a.m.	FINANCE COMMITTEE 10:30 a.m.
April 16	February	As Needed
June 18	May	
October 15	September	
December 10	December	

**ALL MEETINGS ARE SCHEDULED ON THURSDAYS**

*Risk Management Committee meetings are scheduled for 10:00 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 2015 MEETING DATES –

EXECUTIVE COMMITTEE	BOARD OF DIRECTORS
TBD	TBD



## SELECTION OF 2014 WC CLAIMS AUDITOR

### ACTION ITEM

**ISSUE:** This year NCCSIF will conduct a claims audit for Workers' Compensation. The Executive Committee has requested that a formal RFP for the audit be performed. The Committee will be asked to review a summary of the responses to select a 2014 Workers' Compensation Claims Auditor.

**RECOMMENDATION:** A recommendation will be provided by the Program Administrators at the EC meeting.

**FISCAL IMPACT:** \$7,000 has been included in the budget this year for the WC claims audit.

**BACKGROUND:** Every other year NCCSIF has a Workers' Compensation Claims Audit completed. The prior Workers' Compensation Claims Audits were conducted by North Bay Associates in November of 2012, 2010 and 2008.

**ATTACHMENT(S):** NCCSIF Workers' Compensation Claims Audit Proposals

## Claims Audit RFP Responses

<u>Auditor</u>	<u>Recommendations</u>	<u>Qualifications</u>	<u>Cost of Services</u>
<b>Gary Jennings</b>	<ol style="list-style-type: none"> <li>1. Interview key NCCSIF personnel (York) and other personnel that they designate.</li> <li>2. Review WC loss reports and management reports for the period to be reviewed.</li> <li>3. Review the Risk Management/Claims/Loss Control manuals and other procedural documents that reflect the NCCSIF's culture, procedures, and practices relative to Claims Management.</li> <li>4. Select a random sample of 125 WC indemnity claims for the claims audit</li> <li>5. Perform On-Site Claims Audit</li> </ol>	<p>Gary Jennings has over 40 years of insurance, claims management, and risk management experience. He heads a claims consulting firm which specializes in workers' compensation, liability, and property claims consulting services. His services include the analysis of claims programs and the design, development, and implementation of claims management procedures and processes that improve the efficiency and effectiveness of the programs and result in claims costs and expense savings. He has also worked with numerous self-administered clients to assist them in developing programs that</p>	\$21,500
<b>Angela Livingston</b>	<p>Initiate telephonic contact with the NCCSIF team to review the key areas to be audited. During that conversation ALC will establish any specific concerns of NCCSIF that may not be covered on the standard audit worksheet. This feedback will be used to customize the audit process as needed. ALC will contact York to agree upon an audit date and to secure key information to include an excel loss run, client claim handling standards, UR plan/program for the client, staffing workloads and excess insurance information. A random selection of files will be identified using following criteria:</p> <p><b>70 Open Indemnity</b> - Randomly selected.  <b>10 Open Indemnity</b> - Largest total incurred value.  <b>10 Closed Indemnity</b> - Closed within last year with valu</p>	<p>Similar project work that ALC has ongoing and conducted within the past two years:</p> <p><b>CSAC-Excess Insurance Authority (EIA):</b> ALC has an ongoing multi-year California workers' compensation claim audit engagement with CSAC, conducting approximately 8 audits per year. ALC has audited approximately 750 claim files for CSAC.</p> <p><b>California Restaurant Mutual Benefit Corporation (CRMBC):</b> ALC was engaged by CRMBC to evaluate the claims performance of its TPA and the overall effectiveness of this self-insured groups' claims administration program. ALC audited approximately 50 claim files.</p>	\$19,656

**Auditor**

**Farley Consulting Services**

**Recommendations**

1. Conduct an initial telephone discussion with York to review data requirements and timing of the work. FCS will also attempt to identify specific areas of concern that NCCSIF would like to have evaluated.
  2. Receive a current loss run of open claims in excel from York.
  3. Develop the list of files to be reviewed.
  4. Conduct necessary telephone interviews.
  5. Complete the audit which will be done remotely via access to York's claims system.
  6. Conduct follow-up interview with York personnel to refine the understanding of Settlement Authority and Standards for contesting questionable claims.
  7. Organize, tabulate, and analyze all information received, and develop conclusion.
  8. Submit draft report of findings to NCCSIF.
  9. Discuss draft report with NCCSIF.
  10. Issue final electronic report.
  11. Present report via teleconference at a subsequent Board meeting if requested.
- 90 open active indemnity claims.**

**Qualifications**

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

1. Small Cities Organized Risk Efforts (SCORE)
2. Independent Cities Risk Management Authority (ICRMA)
3. Central San Joaquin Valley Risk Management Authority (CSJVRMA)

**Cost of Services**

\$10,500



**LONG RANGE PLANNING**  
**REVIEW OF LONG RANGE PLANNING ITEMS FROM DECEMBER 13, 2012**

**INFORMATION ITEM**

**ISSUE:** The Long range Planning Items List provides the Board with a document detailing items that have developed from the Long Range Planning meetings, the action to be taken, who is responsible and the status.

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

**FISCAL IMPACT:** None.

**BACKGROUND:** At least every three years the Board conducts a Long Range Planning meeting to consider and develop Action Items to further address during the year(s). Historically this has been held in December. The NCCSIF Board of Directors is tasked with the development of a Long Range Planning to establish its long-range vision for NCCSIF and assigns responsibilities and tasks in order to accomplish its vision. The last planning meeting was held on December 21, 2012.

**ATTACHMENT(S):** December 13, 2012 Long Range Planning Items List.

## **NCCSIF Long Range Planning Items List**

### **Workers' Compensation**

**Claims Administration:** York introduced two new Workers' Compensation Claims Adjusters, Michelle Bridges and Lela Casey. York also addressed the Board's concerns regarding the decline in claims handling services to members. Members expressed that they are currently satisfied with York Risk Services and will continue to inquire upon issues at upcoming Board of Directors and Claims Committee meetings.

**Self-Insured Retention:** Upon review of the Workers' Compensation SIR, NCCSIF decided not to consider increasing the SIR of \$500,000 at this time. The current pricing is more attractive to purchase excess coverage at the current SIR than to fund an additional \$500,000 per occurrence of loss.

**Confidence Level Funding:** NCCSIF has since increased their Confidence Level from 60% to 65% and have plans to gradually increase in the upcoming years.

**Discount Funding for Investment Income:** NCCSIF has lowered their Discount Funding for Investment Income from 3% to 1.5% to account for the low interest rates in LAIF.

**Excess Pooling Partner (CSAC-EIA):** Members expressed that they are currently satisfied with the coverage and services provided by CSAC-EIA. NCCSIF receives a \$7,500 credit annually from CSAC-EUA due to the CAJPA Accreditation with Excellence.

**Retrospective Rating Program:** NCCSIF did not have any issues to discuss regarding this topic.

## **Liability**

**Self-Insured Retention:** NCCSIF has since lowered their Liability SIR from \$1,000,000 to \$500,000. Staff has reached out to CJPRMA and agreed on a “corridor deductible” option of an additional \$113,000 for any loss that reaches the excess layer for the first three years. This additional \$113,000 will only be paid in the event of a loss.

**Confidence Level Funding:** NCCSIF has since increased their Confidence Level from 60% to 65% and have plans to gradually increase in the upcoming years.

**Discount Funding for Investment Income:** NCCSIF has lowered their Discount Funding for Investment Income from 2% to 1.5% to account for the low interest rates in LAIF.

**Excess Pooling Partner (CSAC-EIA):** Members expressed that they are currently satisfied with the coverage and services provided by CSAC-EIA. NCCSIF receives a \$7,500 credit annually from CSAC-EUA due to the CAJPA Accreditation with Excellence.

**Retrospective Rating Program:** NCCSIF did not have any issues to discuss regarding this topic.





**LONG RANGE PLANNING  
DISCUSSION OF DECEMBER 11, 2014 LONG RANGE PLANNING MEETING**

**ACTION ITEM**

**ISSUE:** The Executive Committee should discuss the need for a Long Range Planning meeting to be held in December 11, 2014.

**RECOMMENDATION:** Staff recommends the Executive Committee discuss and provide direction to Program Administration.

**FISCAL IMPACT:** The cost of the meeting is included in the current NCCSIF budget for meetings.

**BACKGROUND:** The NCCSIF Board of Directors is tasked with the development of a Long Range Plan to establish its strategic vision for NCCSIF, and as part of this process, to assign responsibilities of tasks in order to accomplish this vision. The last Long Range Planning meeting was held on December 21, 2012 in combination with the Board of Directors meeting.

**ATTACHMENT(S):** None.



**Agenda Item H.4.**

**ADMINISTRATIVE POLICY AND PROCEDURES REVISIONS**

**ACTION ITEM**

**ISSUE:** NCCSIF maintains three policies that guide its funding decisions, including Banking Layer adjustments, Shared Layer adjustments, and target funding benchmarks. The policies need updating due to changes in the accounting terms they refer to and minor revisions to clarify some provisions. In addition, the benchmarks for refunds or assessments have been added to the Shared Risk Layer Adjustments policy.

**RECOMMENDATION:** The Program Administrators recommend acceptance of the suggested revisions and recommendation by the EC for Board approval.

**FISCAL IMPACT:** None.

**BACKGROUND:** Policy A-1, *Banking Layer Adjustments*, was first approved in 1989 and is now on its ninth proposed revision. Policy A-12, *Shared Risk Layer Adjustments*, was first enacted in 2000 and has been revised twice previously. Policy A-17, *Target Equity Policy*, was passed in 2005 and revised in 2013.

Many of the current recommended changes are made to replace references to Equity with the more precise and current terms Net Assets or Net Position. Changes are also recommended to the definition of “Outstanding Claims Liabilities” to refer to the Actuary’s calculations rather than the Financial Consultant. Lastly, the additions of benchmarks to the Shared Risk Layer Policy reflect the benchmark for refunds in the Target Equity (Funding) Policy and current practice for assessments.

**ATTACHMENT(S):** Redline Strikeout and Final Versions of:

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



## 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 Program's~~ financial status and ~~to~~ evaluate the appropriateness ~~for of~~ declaring either a refund or an assessment to Member ~~s~~ Agencies.

When ~~so~~ determined to be fiscally responsible by the Board of Directors, ~~the any~~ 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 Net Assets" at December 31, "Gross Equity Assets" at December 31, "Outstanding Claims Liabilities" at December 31, "Buffer Allocation" and "Net Equity Available Refund", as defined below,~~ shall be used for purposes of calculating any adjustments.

~~Net Assets" is the shall be that figure amount of Net Position~~ in the Financial Consultant's Financial Report ~~representing total equity~~ at December 31.

~~Outstanding Claims Liabilities" is the Discounted Loss and Loss Adjustment Expense (LAE) 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, as calculated in the annual Actuarial Report.~~

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

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

~~The "Available Refund Net Equity" shall be is~~ the sum of ~~the "Gross Assets Equity"~~ minus the ~~"Buffer Allocation"~~.

### Assessments:

1. A Member ~~with Agency reflecting a~~ negative "~~Gross Equity~~Gross Assets" 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 calendar year is in which the ~~a~~Assessment is declared. If 20% of the negative "~~Gross Assets~~ Equity" is less than \$10,000, ~~then~~ the full amount is due 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 ~~Program~~lan for three years
  - B. A positive ~~Plan~~ "Net Equity Available Refund"
2. The ~~a~~Amount of the Available Refund available to ~~Members be refunded will shall~~ be ~~the~~ "Net Equity" ~~as~~ determined annually by the Board of Directors.
3. Members ~~Agencies~~ may decline the refund and leave such funds or a portion of the funds in their ~~account~~Banking Layer.
4. Members ~~Agencies~~ may elect to allocate the remaining amount available as follows:
  - A. If funds are not being retained in their ~~Aecount~~Banking Layer, then a negative balance in ~~the an~~other Program must first be offset.
  - B. If not used for "35." or "6a4.A." above, remaining available funds, or any portion thereof, may be used to offset the next fiscal year deposits, used for Risk Management Grants, 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

Ninth Revision Date: TBD

## 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 Program's financial status and evaluate the appropriateness of declaring either a refund or an assessment to Members.

When determined to be fiscally responsible by the Board of Directors, any adjustment 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 Net Assets, Gross Assets, Outstanding Claims Liability, Buffer Allocation and Available Refund, as defined below, shall be used for purposes of calculating any adjustments.

Net Assets is the amount of Net Position in the Financial Consultant's Financial Report at December 31.

Outstanding Claims Liability is the Discounted Loss and Loss Adjustment Expense (LAE) at the 90% Confidence Level, at December 31, as calculated in the annual Actuarial Report.

Gross Assets is the sum of the Net Assets minus the Outstanding Claims Liability.

Buffer Allocation is the allocation among Members with positive Gross Assets of the sum of the negative Gross Assets and 10 times the Banking Layer Limit.

Available Refund is the sum of Gross Assets minus the Buffer Allocation.

#### Assessments:

1. A Member with negative Gross Assets shall be required to pay twenty percent (20%) of the negative amount in two installments, due September 15 and December 15, in the calendar year in which the assessment is declared. If 20% of the negative Gross Assets is less than \$10,000, then the full amount is due in the first installment of September 15, rather than two installments.

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

Refunds:

1. A Member shall be eligible for a refund by meeting the following conditions:
  - A. Participation in the Program for three years
  - B. A positive Available Refund
2. The amount of the Available Refund available to Members will be determined annually by the Board of Directors.
3. Members may decline the refund and leave such funds or a portion of the funds in their Banking Layer.
4. Members may elect to allocate the remaining amount available as follows:
  - A. If funds are not being retained in their Banking Layer, then a negative balance in another Program must first be offset.
  - B. If not used for “3.” or “4.A.” above, remaining available funds, or any portion thereof, may be used to offset the next fiscal year deposits, used for Risk Management Grants, 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
Ninth Revision Date:	TBD



## 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”~~ Net Assets, as defined below, will be used for the purposes of calculating any adjustments.
  - ~~“Total Assets” at December 31 shall be that figure~~ is the amount of Total Assets in the ~~Auditor’s Financial Report Statements representing total assets~~ at June 30, minus claims paid between June 30 and December 31.
  - ~~“Outstanding claims-Liabilities” shall be~~ are the Discounted Loss and Loss Adjustment Expense (LAE) that figure in the ~~annual 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 (approximately 55%), discounted or at present value,~~ for open shared risk layer program years, ~~but~~ based upon the December 31, loss statistics.
  - ~~“adjustment Net Assets balance” shall be~~ is 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 Program plan for three years;
- b. Applicable program years ~~determined~~ evaluated separately for liability and workers' compensation results in ~~a positive adjustment~~ Net Assets ~~Balance~~ when Outstanding Liabilities are calculated at a 90% Confidence Level.
- c. ~~Any The~~ amount above the 90% Confidence Level to be refunded shall be ~~a certain percentage of the "adjustment balance"~~ as determined annually by the Board of Directors.

4. Assessments:

~~A Members~~ will be assessed if the ~~"adjustment balance"~~ Net Assets for the open Shared Risk Layer Program Years (determined separately for liability and workers' compensation) is ~~are~~ negative when Outstanding Liabilities are calculated at a 60% Confidence Level.

The ~~amount of the~~ assessment declared will be 100% of the deficit below the 60% Confidence Level ~~"adjustment balance"~~. The amount of the assessment will be collected over a period of seven (7) years. ~~The Each~~ member shall be required to pay their proportional share for each program year in a deficit position. The proportional share is the Member's<sup>2</sup> % 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  
Third Revision Date: **TBD**



## **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 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 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 Liabilities" at December 31 and Net Assets, as defined below, will be used for the purposes of calculating any adjustments.
  - Total Assets at December 31 is the amount of Total Assets in the Audited Financial Statements at June 30, minus claims paid between June 30 and December 31.
  - Outstanding Liabilities are the Discounted Loss and Loss Adjustment Expense (LAE) in the annual Actuarial Review stated at an Expected Confidence Level (approximately 55%), for open shared risk layer program years, based upon the December 31, loss statistics.
  - Net Assets is the sum for each applicable shared risk layer program year of the Total Assets minus the Outstanding Liabilities.
3. Refunds:

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

  - a. Participation in the Program for three years;
  - b. Applicable program years evaluated separately for liability and workers' compensation results in positive Net Assets Balance when Outstanding Liabilities are calculated at a 90% Confidence Level.

c. Any amount above the 90% Confidence Level to be refunded shall be determined annually by the Board of Directors.

4. Assessments:

Members will be assessed if the Net Assets for the open Shared Risk Layer Program Years (determined separately for liability and workers' compensation) is negative when Outstanding Liabilities are calculated at a 60% Confidence Level.

The assessment declared will be 100% of the deficit below the 60% Confidence Level. The amount of the assessment will be collected over a period of seven (7) years. Each member shall be required to pay their proportional share **for each program year in a deficit position**. The proportional share is the Member's % 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

Third Revision Date: TBD



## ADMINISTRATIVE POLICY AND PROCEDURE # A-17

**SUBJECT:** SHARED RISK LAYER PLAN TARGET ~~EQUITY FUNDING~~ 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 ~~NCCSIF this policy is~~ to develop guidelines setting target funding levels for the Shared Risk Layers in the Liability and Workers’ Compensation programs. ~~This~~ policy seeks to establish a prudent funding threshold to ensure the programs are ~~actuarially sound. – able to meet their financial obligations.~~ When ~~Net Asset~~equity exceeds ~~or fall below~~ the target(s) the Board may ~~determine any surplus to be distributed through a dividend~~ make adjustments by issuing refunds or declaring assessments 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. 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 assets are sufficient to pay the actual claim costs. Expected value is equal to a 55% probability funds are sufficient to pay claims. A 90% confidence level refers to an estimate for which there is only a 10% probability there is insufficient funding to pay the Ultimate net Loss.

**Risk Margin Fund:** Net Aassets held to pay claims above “Expected Liabilities”.

~~**Dividend:** Amount payable to members from Net Assets in a program.~~

**Expected Liabilities:** Claim Reserves plus IBNR and Loss Adjustment Expense (LAE), discounted, and reported at an approximately 55% CL for all program years.

**Net Assets:** Total assets less Expected Liabilities. Stated as Net Position in the Statement of Net Position (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.

## 2. FUNDING CRITERIA

The programs shall utilize Expected Liabilities ~~at a 55% confidence level (CL) as calculated by an actuary~~ when reporting liabilities in the NCCSIF Financial Statements and Audit.

~~Each~~ The program's goal ~~is will be~~ to maintain a "~~contingency fund~~ Risk Margin Fund" with assets equal to the difference between Expected Liabilities ~~(55% CL)~~ and Discounted Liabilities at a ~~(90% CL)~~.

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

The programs may use Net Assets surplus for rate stabilization.

The programs will initially fund ~~each program~~ current years at a 60% CL or higher.

## 3. FUNDING BENCHMARKS

In addition to the program maintaining ~~a discounted target equity of~~ assets equal to Liabilities at a 90% CL, other benchmark ratios will be reviewed annually to ensure prudent funding levels ~~are~~ maintained.

The programs will endeavor to meet the following ratios:

☞ **Equity-Net Assets to SIR**

**Target = 3 to 5:1**

This ratio is a measure of the ~~maximum amount equity could decline due to a single full number of full SIR losses that could be paid from Net Assets-limits loss~~. It also measures the funds available to take a higher SIR. A high ratio is desirable.

- ☞ **Net Contributions to Equity/Net Assets** Target  $\leq$  2 to 1  
 This ratio measures whether inadequate funding for new years could adversely affect Net Asstesequity. A low ratio is desirable.
  
- ☞ **Claims Reserves plus IBNR/Expected Liabilities to Net Assets** Target =  
**Less than  $\leq$  3 to 1**  
 This ratio is a measure of how equity—Net Assets areis leveraged against total reserves/Outstanding Liabilities. A low ratio is desirable.
  
- ☞ **Change in Prior Year's/Ultimate 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. Increases over successive years indicate a trend that may need addressing through additional funding.
  
- ☞ **Change in Member Equity/Net Assets** Target  $\geq -10\%$   
 This ratio measures the annual change in Net Assets. 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. ———Decreases over successive years indicate a trend that may need addressing through additional funding.

#### 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

**Second Revision Date:** TBD





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

**SUBJECT: SHARED RISK LAYER PLAN TARGET FUNDING 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 is the goal of NCCSIF to develop guidelines setting target funding levels for the Shared Risk Layers in the Liability and Workers’ Compensation programs. This policy seeks to establish a prudent funding threshold to ensure the programs are able to meet their financial obligations. When Net Assets exceed or fall below the target(s) the Board may make adjustments by issuing refunds or declaring assessments in accordance with Policy and Procedure A – 12, Shared Risk Layer Plan Fund Adjustments.

### **1. DEFINITIONS**

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

**Claim 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 assets are sufficient to pay the actual claim costs. Expected value is equal to a 55% probability funds are sufficient to pay claims. A 90% confidence level refers to an estimate for which there is only a 10% probability there is insufficient funding to pay the Ultimate Loss.

**Risk Margin Fund:** Net Assets held to pay claims above Expected Liabilities.

**Expected Liabilities:** Claim Reserves plus IBNR and Loss Adjustment Expense (LAE), discounted, and reported at an approximately 55% CL for all program years.

**Net Assets:** Total assets less Expected Liabilities. Stated as Net Position in the Statement of Net Position (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 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.

## 2. FUNDING CRITERIA

The programs shall utilize Expected Liabilities as calculated by an actuary when reporting liabilities in the NCCSIF Financial Statements and Audit.

Each program's goal is to maintain a Risk Margin Fund with assets equal to the difference between Expected Liabilities and Discounted Liabilities at a 90% CL.

The programs may pay refunds when Net Assets exceed the 90% discounted CL and as per Policy and Procedure A – 12.

The programs may use Net Assets for rate stabilization.

The programs will initially fund each program year at a 60% CL or higher.

## 3. FUNDING BENCHMARKS

In addition to the program maintaining assets equal to Liabilities at a 90% CL, other benchmark ratios will be reviewed annually to ensure prudent funding levels are maintained.

The programs will endeavor to meet the following ratios:

☞ **Net Assets to SIR** **Target = 3 to 5:1**  
This ratio is a measure of the number of full SIR losses that could be paid from Net Assets. It also measures the funds available to take a higher SIR. A high ratio is desirable.

☞ **Net Contributions to Net Assets** **Target =  $\leq$  2 to 1**  
This ratio measures whether inadequate funding for new years could adversely affect Net Assets. A low ratio is desirable.

☞ **Expected Liabilities to Net Assets** **Target =  $\leq$  3 to 1**

This ratio is a measure of how Net Assets are leveraged against Outstanding Liabilities. A low ratio is desirable.

☞ **Change in Ultimate Loss Development**      **Target  $-20\% < x < 20\%$**

This ratio is a measure of the development in Ultimate Loss from one year to the next. Increases over successive years indicate a trend that may need addressing through additional funding.

☞ **Change in Net Assets**      **Target  $\geq -10\%$**

This ratio measures the annual change in Net Assets. Decreases over successive years indicate a trend that may need addressing through additional funding.

#### 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

Second Revision Date: TBD



## **POLICE RISK MANAGEMENT BODY CAMERA UPDATE**

### **INFORMATION ITEM**

**ISSUE:** The Executive Committee will receive an update on the allocation of the Police Risk Management Body Cameras purchased by NCCSIF. An amount of \$50,000 was approved at the June 12, 2014 Board of Directors for the initial purchase of Body Cameras for participating member agencies subject to a recommendation that the cameras are being allocated according to a percentage basis relative to the size of each member. The Cameras were allocated to each member based on their percentage of contribution to the Administrative Budget for the 2014/15 year with a minimum of 2 cameras per member. Three members have opted out of receiving VieVu Cameras (Anderson, Elk Grove and Placerville) and will receive reimbursement or assistance for the purchase of Police Body Cameras.

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

**FISCAL IMPACT:** \$50,000 was budgeted for the purchase of Body Cameras for participating member agencies.

**BACKGROUND:** At the May 8, 2014 Police Risk Management Committee (PRMC) the PRMC suggested recommending a budget of \$50,000 to be approved by the Risk Management Committee and the Board of Directors. Program Administration (Alliant) and Risk Control Services Provider (Bickmore) spoke with 4 vendors regarding Body Cameras and their pricing. Upon researching different vendors and products and discussion with the Police Risk Management Committee a quote was received by VieVu.

**ATTACHMENT(S):** 2014/15 Police Body Camera Allocation.

<b>Admin Alloc</b>
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<b>Nevada City</b>	\$12,585	1.17%	2	
<b>Placerville</b>	\$20,222	1.87%	2	\$1,515
<b>lone</b>	\$22,646	2.10%	2	
<b>Colusa</b>	\$27,054	2.51%	2	
<b>Willows</b>	\$28,136	2.61%	2	
<b>Jackson</b>	\$28,600	2.65%	2	
<b>Rio Vista</b>	\$28,724	2.66%	2	
<b>Corning</b>	\$30,763	2.85%	2	
<b>Gridley</b>	\$31,944	2.96%	2	
<b>Anderson</b>	\$32,719	3.03%	2	\$1,515
<b>Paradise</b>	\$36,153	3.35%	3	
<b>Marysville</b>	\$37,845	3.51%	3	
<b>Red Bluff</b>	\$41,882	3.88%	3	
<b>Auburn</b>	\$43,972	4.08%	4	
<b>Oroville</b>	\$45,980	4.26%	4	
<b>Dixon</b>	\$47,248	4.38%	4	
<b>Galt</b>	\$51,982	4.82%	4	
<b>Lincoln</b>	\$64,982	6.02%	4	
<b>Elk Grove</b>	\$65,529	6.07%	4	\$3,030
<b>Rocklin</b>	\$90,967	8.43%	4	
<b>Yuba City</b>	\$107,094	9.93%	4	
<b>Folsom</b>	\$181,820	16.85%	5	
	<b>\$1,078,846</b>		<b>66</b>	



## LIABILITY DEFENSE ATTORNEY PORTER SCOTT RATE INCREASE

### ACTION ITEM

**ISSUE:** NCCSIF Liability Defense Attorney Porter Scott has requested a rate increase of \$5 per hour. Porter Scott has been doing work for NCCSIF for many years and due to the state of the economy and the impact on public entities, Porter Scott has not raised their rates since April of 2009.

#### **Proposed Rates**

Attorneys - \$195/hr  
Paralegals - \$95/hr

#### **Current Rates**

Attorneys – \$190/hr  
Paralegals – \$90/hr

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Various rate increases per table above.

**BACKGROUND:** None.

**ATTACHMENT(S):** September 2, 2014 letter from Porter Scott requesting an increase in rates.

**P O R T E R | S C O T T**

ATTORNEYS

September 2, 2014

Jennifer Nogosek  
Unit Manager  
YORK RISK SERVICES GROUP, INC.  
P.O. Box 619079  
Roseville, CA 95661

350 University Avenue  
Suite 200  
Sacramento, CA 95825  
TEL: 916.929.1481  
FAX: 916.927.3706

Dear Ms. Nogosek:

This follows my conversation with Mr. Millar, and our email exchange. We are requesting that NCCSIF consider an increase in our hourly rate.

[www.porterscott.com](http://www.porterscott.com)

Porter Scott has been doing work for NCCSIF for many years. Because of the state of the economy and the impact on public entities, we have not raised our rates since April of 2009. At this point, it is necessary for us to increase our rates. We are requesting a rate increase of five dollars per hour. The new proposed rates are \$195 per hour for attorneys and \$95 per hour for paralegals.

Thank you for your consideration. If you need any other additional information, please let me know.

Very truly yours,

PORTER SCOTT  
A Professional Corporation

By



Carl L. Fessenden

CLF/sbh



**ADDITION OF WORKERS' COMPENSATION ATTORNEY  
KURT PETERSON**

**ACTION ITEM**

**ISSUE:** The Committee will be asked to approve the addition of Workers' Compensation Defense Attorney Kurt Peterson of Peterson, Martin & Reynolds, LLP, to the Workers' Compensation Defense Attorney List as recommended by Mr. Bruce Cline with the City of Folsom.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** According to Administrative Policy & Procedure A-9, Any Member City wishing to recommend a law firm for inclusion on the list of recommended law firms may do so by submitting justification and experience of the individual and/or firm to the JPA staff. The JPA Legal Counsel and the Claims Administrator will review the recommended firm and/or individual, research the firm's and/or individual's qualifications and submit a written recommendation to the Claims Committee for review and approval or disapproval.

**ATTACHMENT(S):**

1. Admin P&P A-9 – Defense Counsel Selection & Employment Practices Recommended Investigators.
2. Kurt Peterson Bio.





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

**SUBJECT: DEFENSE COUNSEL SELECTION & EMPLOYMENT PRACTICES  
 RECOMMENDED INVESTIGATORS**

The following Policy and Procedure is established to govern the selection of defense counsel and employment practices recommended investigators.

1. The Claims Administrator shall recommend and assign, with the approval of the Member City, and direct defense counsel in cases requiring legal representation. The Member City may make a change in the choice of defense firms as long as it keeps to the defense firms and/or individuals on the approved lists.
2. The Claims Administrator shall maintain the list of recommended law firms to which litigation will be assigned. This list of recommended law firms is attached to this Policy and Procedure as “Attachment A” for Liability defense firms, “Attachment B” for Workers’ Compensation defense firms and “Attachment C” for Employment Practices Recommended Investigators. It is assumed that the use of legal counsel (including City staff), other than those on the approved list, shall not be approved. In special cases, other defense counsel not on the recommended list may be used for particular expertise or where a conflict of interest may arise. Exceptions shall be reviewed and approved on a case-by-case basis by the Claims Committee.
3. Any Member City wishing to recommend a law firm for inclusion on the list of recommended law firms may do so by submitting justification and experience of the individual and/or firm to the JPA staff. The JPA Legal Counsel and the Claims Administrator will review the recommended firm and/or individual, research the firm’s and/or individual’s qualifications and submit a written recommendation to the Claims Committee for review and approval or disapproval.
4. If any Member City or the Claims Administrator wishes to delete a law firm from the list of recommended law firms, this may be done by submitting the request to the JPA staff. The JPA Legal Counsel and the TPA will make written recommendation to the Claims Committee for approval or disapproval of the deletion.
5. Once approved by the Claims Committee, any changes to the approved lists of law firms/attorneys for Liability and Workers’ Compensation claims shall be brought to the Executive Committee and Board of Directors for review, revision (if needed) and adoption..
6. The Claims Administrator shall recommend, but the Member shall have final approval of outside investigators for Employment Practices claims.

<b>Effective Date:</b>	October 4, 1996	Ninth Revision:	September 16, 2005
First Revision:	September 18, 1998	Tenth Revision:	June 23, 2006
Second Revision:	August 19, 1999	Eleventh Revision:	October 27, 2006
Third Revision:	October 26, 2001	Twelfth Revision:	April 25, 2008
Fourth Revision:	November 9, 2001	Thirteenth Revision:	October 16, 2009
Fifth Revision:	April 12, 2002	Fourteenth Revision:	December 17, 2009
Sixth Revision:	June 21, 2002	Fifteenth Revision:	October 21, 2010
Seventh Revision:	May 16, 2003	Sixteenth Revision:	December 1, 2010
Eighth Revision:	April 22, 2005	<b>Seventeenth Revision:</b>	<b>May 9, 2013</b>

**Peterson  
Martin  
Reynolds**

P. Kurt Peterson Founding partner of Peterson, Martin & Reynolds LLP.

Mr. Peterson specializes in litigation and trials involving real estate and business disputes, regularly representing the firm's clients in lawsuits involving business and real property holdings, transactions, and investments.

Mr. Peterson has a distinguished record, having successfully tried numerous cases to verdict and judgment in California state and U.S. federal courts. He enjoys a leading reputation for professionalism and has consistently achieved winning results for his clients. He also has served as an advocate in a variety of Alternative Dispute Resolution forums, including International Chamber of Commerce arbitration.

Mr. Peterson is a former faculty member of the National Institute of Trial Advocacy. He is past Chairperson of the Real Estate Section of the Bar Association of San Francisco. Mr. Peterson regularly appears as a lecturer and speaker in real estate industry forums and programs throughout California, and is the author of articles on a variety of litigation topics.

Mr. Peterson is an active member of the State Bar of California, the Bar Association of San Francisco and the Association of Business Trial Attorneys. He is a member of the California Association of Realtors Legal Affairs Forum and is on its Strategic Defense Panel. He has also served on the board of several private corporations and charitable corporations.

Mr. Peterson is a graduate of the University of California, Berkeley, where he received his undergraduate degree in 1971. He attended law school at the University of California, Davis, receiving his Juris Doctor degree in 1975.



## ROUND TABLE DISCUSSION

### INFORMATION ITEM

**ISSUE:** The floor will be open to the EC for discussion.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** The item is to the EC 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		City of Auburn
Toni	Benson		City of Colusa
John	Brewer		City of Corning
Jim	Lindley	EC	City of Dixon
Brad	Koehn		City of Elk Grove
Bruce	Cline		City of Folsom
Paula	Islas		City of Galt
TBD			City of Gridley
Ed	Pattison		City of Lone
Michael	Daly		City of Jackson
John	Lee	EC	City of Lincoln
Matt	Michaelis		City of Marysville
Corey	Shaver	EC	City of Nevada City
Liz	Ehrenstrom	P	City of Oroville
Gina	Will		Town of Paradise
Dave	Warren		City of Placerville
Sandy	Ryan		City of Red Bluff
Tim	Chapa	EC	City of Rio Vista
Russell	Hildebrand	VP	City of Rocklin
Tim	Sailsbery	T	City of Willows
Natalie	Walter		City of Yuba City

ALTERNATES		
TBD		City of Anderson
Joanna	Belanger	City of Auburn
Cathy	Higgins	City of Colusa
Tom	Watson	City of Corning
George	Silva	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
Catrina	Olson	City of Nevada City
TBD		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
Russell	Hildebrand	VP	City of Rocklin
Paula	Islas	S	City of Galt
Tim	Sailsbery	T	City of Willows
Jim	Lindley	EC	City of Dixon
John	Lee	EC	City of Lincoln
Corey	Shaver	EC	City of Nevada City
Tim	Chapa	EC	City of Rio Vista

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		
Marcus	Beverly	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

# 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 \_\_\_\_\_

## 2014 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>		
SUBJECT	MAIN CONTACT	
<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> Marilyn 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 Marilyn 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

# 2014 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>		
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