



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
BOARD OF DIRECTORS MEETING MINUTES
ROCKLIN EVENT CENTER
DECEMBER 16, 2021**

COMMITTEE MEMBERS PRESENT

Liz Cottrell, City of Anderson

Rachel Ancheta, City of Dixon

Stephanie Van Steyn, City of Galt

Dalacie Blankenship, City of Jackson

Veronica Rodriguez, City of Lincoln

Elizabeth Ehrenstrom, City of Oroville

Dave Warren, City of Placerville

Marti Brown, City of Willows

Ishrat Aziz- Khan, City of Colusa

Kara Reddig, City of Elk Grove

Elisa Arteaga, City of Gridley

Michael Rock, City of Ione

Joan Phillipe, City of Nevada City

Ross Gilb, Town of Paradise

Andy Schiltz, City of Rocklin

Spencer Morrison, City of Yuba City

OTHER MEMBERS PRESENT

Alison Garcia, City of Folsom

Jim Ramsey, City of Elk Grove

COMMITTEE MEMBERS ABSENT

Nathan Bagwill, City of Auburn

Steven Wang, City of Folsom

Jennifer Styczynski, City of Marysville

Jose Jasso, City of Rio Vista

Kristina Miller, City of Corning

Yvonne Kimball, City of Jackson

Sandy Ryan, City of Red Bluff

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services

Conor Boughey, Alliant Insurance Services

Jenna Wirkner, Alliant Insurance Services

Erik Baumle, Sedgwick

James Marta, James Marta, and Company

Devora Brainard, Sedgwick

Eric Lucero, Sedgwick

Carlos Oblites, Chandler

Summer Simpson, Sedgwick

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 12:30p.m.

B. ROLL CALL

Roll call was made, and a majority of the members were present constituting a quorum.

C. PUBLIC COMMENTS

There were no public comments.



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D. CONSENT CALENDAR

1. Board of Directors & Long-Range Planning Meeting Minutes – October 27, 2021
2. Check Register November 2021
3. Investment Reports
 - a) Chandler Asset Management Short/Long Term – October 2021 to November 2021
 - b) Chandler Asset Management GASB 40 Reports as of June 30, 2021
 - c) Chandler Asset Management GASB 72 Reports as of June 30, 2021
 - d) Local Agency Investment Fund (LAIF) Report as of November 17, 2021
 - e) Treasurer’s Report as of September 30, 2021
4. FY 22/23 EIA PRISM Excess Workers’ Compensation Premium Estimate v1
5. FY 21/22 Liability Claims Auditing Services Agreement with Risk Management Services
6. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions
7. Agreement for Financial Accounting and Consulting Services, James Marta & Company LLP, effective July 1, 2022.
8. Quarterly Financial Report for Period Ending June 30, 2021

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

MOTION: Liz Ehrenstrom **SECOND:** Dalacie Blankenship **MOTION CARRIED UNANIMOUSLY**
Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison
Nays: None.

E. CAJPA Accreditation with Excellence

James Marta presented the CAJPA Accreditation with Excellence. The pooling isn’t regulated as insurance. CAJPA stepped in to set best practice standards for JPAs’. The CAJPA Accreditation makes sure the appropriate coverages are in place. The process includes reviewing documents against accreditation standards. PRISM offers a discount of around \$7,000-\$8,000 per year. The accreditation cost approx. \$6,000 per year. Members need to show why they aren’t funding at the 80% Confidence Level. NCCSIF received CAJPA Accreditation with Excellence.

Motion was made to file and receive the CAJPA accreditation.

MOTION: Joan Phillipe **SECOND:** Liz Ehrenstrom. **MOTION CARRIED UNANIMOUSLY**
Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison
Nays: None.



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**F. SUMMARY OF THE EXECUTIVE COMMITTEE SPECIAL MEETING ON
DECEMBER 2, 2021**

Mr. Beverly gave an overview of the Executive Committee Special Meeting on December 2, 2021.

G. ADMINISTRATION REPORTS

G.1. President's Report

Mr. Warren thanked members for attending the Long-Range Planning Meeting.

G.2. Program Administrator's Report

Mr. Beverly discussed that Mike Simmons was very thankful for the Resolution made on his behalf.

H. GENERAL RISK MANGEMENT ISSUES

No discussion.

I. FINANCIAL REPORTS

I.1. Quarterly Financial Report for Period Ending September 30, 2021

Mr. James Marta reviewed the Quarterly Financial Report and recommended members use the Risk Management Reserve Funds, and Police Risk Management Grant Funds.

I.2. Budget-to-Actual as of September 30, 201

NCCSIF is under budget for Administrative Services. We haven't been having in – person meetings or covering the cost of mileage reimbursements.

A motion was made to approve to receive and file the statement.

MOTION: Liz Ehrenstrom

SECOND: Andy Schiltz.

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.



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I.3. FY 20/21 Financial Audits

Mr. Marta gave an overview of the FY 20/21 Financial Audit. Crowe is the auditor for NCCSIF. We have no audit adjustments. The auditors are responsible for financial statements and related accounting and controls. Mr. Beverly and Mr. Marta both signed the audit. The net position of the fiscal year ended June 30, 2021, for the pool decreased by (\$566, 837). NCCSIF had, \$3,071,640 in refund and assessments this year. The total in Net Refunds and Assessment's for the last 26 years is \$53,000,000. If CJPRMA pushes us to a higher retention layer we will need to be able to strengthen our funding.

A motion was made to receive and file the Audited Financial Statements as of June 30, 2020, and 2021.

MOTION: Liz Ehrenstrom

SECOND: Andy Schiltz

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.

I.4. NCCSIF Investment Portfolio Review

Carlos Oblites from Chandler Asset Management gave an overview of the NCCSIF Investment Portfolio. Mr. Oblites reviewed the Statements of Revenues, Expenses and Changes in Net Position. When rates fall that causes the value of investments to go back up. Unemployment is going down, demand on goods and services, increased prices. This is all causing inflation. Chandler manages a short- and long-term investment for NCCSIF. Since we have been running this portfolio, we have averaged 2.73% per year. Over the last three years we have averaged around 3.00-3.50%. When interest rates fell because of COVID-19, the portfolio increased. The Federal Funds Rate would start to increase mid 2022-2023. They will be doing it 2-3 times next year. NCCSIF is following California Government Code. Were still picking up a better yield. High credit quality and well diversified. We moved over \$7.5 million from LAIF to our Investments. Were recommended that NCCSIF doesn't make any changes at this time.

A motion was made to receive and file the Investment Portfolio.

MOTION: Andy Schiltz

SECOND: Spencer Morrison

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.



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I.5. Investment Policy

Mr. Oblites reviewed the updates to the Investment Policy. We will remove “NCCSIF operates its pooled idle fund investments under the prudent person rule (Civil Code Section 2261, et. Seq). We will also be replacing Finance Committee with Executive Committee.

Senate Bill 998 now removed the restrictions on zero or negative, we are encouraging you to adopt it.

A motion was made to approve the investment policy as presented.

MOTION: Liz Ehrenstrom

SECOND: Andy Schiltz

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.

Carlos Oblites left the meeting at 1:45 p.m.

J. JPA BUSINESS

J.1. CJPRMA Update & Membership

Mr. Beverly gave an update on our Membership with CJPRMA. The NCCSIF Loss Ratio is 128%, which result in a surcharge of 15%. We could avoid the surcharge by increasing our SIR. Currently based on the FY 22-23 Estimates, the \$750,000 SIR is approx. \$4.5 million, with an additional surcharge of 7.5%. They will be giving us credit for the increased SIR. We should have a year drop off that will improve our Loss Ratio.

Information only. No motion was taken.

James Marta left the meeting at 2:04 p.m.

J.5. Service Provider Survey Results

Mr. Beverly gave an overview of the Service Provider Survey Results. Workers Compensation Claims - Sedgwick will work on having claims reviews with members yearly. Mr. Beverly mentioned that Sedgwick will work on communications regarding claims.

Sedgwick is putting together a Calendar to work with members on having Claims Review Meetings for both GL and WC. Sedgwick also discussed working on a performance plan and working with adjusters to approve communications.



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Sedgwick – Liability Claims – Members requested more extensive claim reviews. Members also discussed who gets the status report at the city level.

Safety and Risk Control Services – Not as many responses for this survey. Fairly consistent overall.

J.2.a. NCCSIF Service Provider Contract Renewal Review – Sedgwick Risk Control Services

Mr. Beverly discussed the Sedgwick Risk Control Services Renewal Contract. NCCSIF pricing hasn't gone up in a while. After the initial increase it will remain a flat rate for the following years.

A motion was made to approve the Sedgwick Risk Control Services Renewal Contract.

MOTION: Dave Warren

SECOND: Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.

J.2.b. NCCSIF Service Provider Contract Renewal Review – Sedgwick Workers' Compensation Claims Administration

Mr. Beverly discussed the Sedgwick Workers' Compensation Claims Administration for the next three years. We will have a 3% increase or a total of \$18, 253. The current fee has been the same since 7/1/2019. Sedgwick will address the issues that were brought up by my members. Members discussed included in the contract that we can terminate our agreement if they aren't following the performance plan.

A motion was made to approve the Sedgwick Workers' Compensation Claims proposal for Renewal with a 2-year contract and 1-year optional year including a performance plan.

MOTION: Liz Ehrenstrom

SECOND: John Phillipe

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.



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J.3. Long Range Planning Objectives

Mr. Beverly discussed the Long-Range Planning Objectives from the October 27th, 2021, Meeting.

LP-1: We will review the Self-Insured Retention funds for a Property Program.

LP-2: Liability Program – flattening the curve of increasing premiums and risk management.

LP-3: Cyber Program – Objective: Analyze purchasing insurance.

LP-4: Workers' Compensation Program: Objective Investigate tools/services to mitigate cost of claim.

LP-5: Mr. Beverly briefly discussed that he would work on Strategic Growth.

LP-6: Member Engagement and Education: Create a Board member Academy, Create a plan for staff visits.

Mr. Beverly discussed the potential of a Property Banking Layer.

A motion was made to approve the Long-Range Planning items.

MOTION: Dalacie Blankenship **SECOND:** Liz Ehrenstrom

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Aziz-Khan, Ancheta, Reddig, Van Steyn, Arteaga, Blankenship, Rock, Rodriguez, Phillipe, Ehrenstrom, Gilb, Warren, Schiltz, Brown, Morrison

Nays: None.

J.4. State of the Market

Mr. Boughey gave an overview on the State of the Market. The Natural catastrophe insured losses totaled \$42 billion globally during the first six months of 2021. The combined ratio was 96.9%. Improving prior year by 2.9%. All lines of Coverage are under a significant price increase. The highest rates were. 2020 was a record breaking 30 named storms and 12 landfalling storms in the continental United States. Wildfires, droughts, and CAT losses are concerns for underwriters.

I. INFORMATION ITEMS

1. PARMA 2022 Conference (February 27, 2022 – March 2, 2022)
2. Glossary of Terms
3. NorCal Cities Organizational Chart
4. NorCal Cities 21/22 Meeting Calendar
5. NorCal Cities Resource Contact Guide
6. York Who's Who in Claims - WC and Liability Contact
7. NorCal Cities Travel Mileage Reimbursement Form

These items were provided as information only.



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M. ADJOURNMENT

The meeting was adjourned at 3:30 p.m.

Next Meeting Date: April 21, 2022

Respectfully Submitted,



Jennifer Styczynski, Secretary

4-26-2022
Date