



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
LONG-RANGE PLANNING AND  
BOARD OF DIRECTORS MEETING MINUTES  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
JANUARY 16, 2020**

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**BOARD OF DIRECTORS PRESENT**

Liz Cottrell, City of Anderson  
Kristina Miller, City of Corning  
Rachel Ancheta, City of Dixon  
Brad Koehn, City of Elk Grove  
Kristine Haile, City of Folsom (**Vice Chair**)  
Stephanie Van Steyn, City of Galt  
Elisa Arteaga, City of Gridley (Alternate)  
Jon Hanken, City of Ione  
Veronica Rodriguez, City of Lincoln

Loree McCay, City of Nevada City  
Liz Ehrenstrom, City of Oroville (**Chair**)  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville  
Jose Jasso, City of Rio Vista  
Kimberly Sarkovich, City of Rocklin  
Tim Sailsbery, City of Willows  
Spencer Morrison, City of Yuba City

**ALTERNATE BOARD & OTHER MEMBERS PRESENT**

Kara Reddig, City of Elk Grove (Alternate)  
Jim Ramsey, City of Elk Grove

Michael Rock, City of Yuba City (Alternate)

**BOARD OF DIRECTORS ABSENT**

Cristina Shafer, City of Auburn  
Toni Benson, City of Colusa  
Jim Francis, City of Folsom  
City of Gridley (primary Board vacant)

Yvonne Kimball, City of Jackson  
Jennifer Styczynski, City of Marysville  
Sandy Ryan, City of Red Bluff

**CONSULTANTS & GUESTS**

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

James Marta, James Marta & Company  
Dori Zumwalt, Sedgwick  
Jill Petrarca, Sedgwick  
Laura Cole, Cole Pro Media

**Pre-meeting: NorCal Cities Orientation and Refresher Training at 9:00 a.m.**

Mr. Marcus Beverly reviewed the FY 19/20 Annual Report to the members as an overview of the JPA services and governance.

**A. CALL TO ORDER**

Chair Liz Ehrenstrom called the meeting to order at 9:34 a.m.



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**B. INTRODUCTIONS**

Introduction was made and the majority of the members were present constituting a quorum.

**C. APPROVAL OF AGENDA AS POSTED**

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

**MOTION:** Tim Sailsbery

**SECOND:** Kimberly Sarkovich

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Cottrell, Miller, Ancheta, Koehn, Haile, Van Steyn, Hanken, Rodriguez, McCay, Ehrenstrom, Will, Warren, Jasso, Sarkovich, Sailsbery, Morrison

**Nays:** None

**D. PUBLIC COMMENTS**

There were no public comments.

**E. 2020 LONG RANGE PLANNING TOPICS**

Mr. Michael Simmons updated the Board regarding his retirement transition plan and introduced Conor Boughey who will take over as the peer review for the Program Administration team. Conor Boughey has been with Alliant for twelve years working with several JPA's and other pools of larger cities across the state.

**E.1. State of the Insurance Market/Emerging Risks**

Mr. Conor Boughey provided a presentation on the current state of the insurance market and emerging risks

*Elisa Arteaga arrived at 9:48 a.m.*

*Jill Petrarca arrived at 9:55 a.m.*

Chair Ehrenstrom requested to send a copy of the presentation to the members.

**E.2. CJPRMA Program Funding**

Mr. Beverly provided a presentation of CJPRMA (California Joint Powers Risk Management Authority) 2020/2021 Program Funding Actuarial Study that explains why the excess liability provider is considering raising their SIR (self-insured retention) options for the upcoming program year.



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The Board discussed the apparent issue with CJPRMA funding formula and the need for the excess provider to fund at a higher confidence level (CL). It was noted that excess pool should be funding at 85% to 95% C.L. It is unknown at this time which direction CJPRMA is going to take to ensure adequate funding. Alliant will closely monitor the funding development in the coming months.

### **E.3. NorCal Cities Funding Policy Financial Performance**

Mr. Beverly provided a presentation of the Target Funding Benchmarks of the pool and noted overall NCCSIF is in good financial health:

- Liability Program - back above funding goals after four years of deficit and three more years of increasing assets. The Program Administrator would recommend updating benchmarks and goals in the face of increasing SIR and claims.
- WC Program - shows steady results and a big boost in net position. The Program Administrators would recommend updating benchmarks and maintaining funding levels to assess the impact of post-traumatic stress disorder (PTSD) law and higher SIR. The Senate Bill 542 was signed into law effective January 1, 2020 creating a rebuttable presumption that PTSD is compensable condition for first responders.

Mr. Beverly indicated that NCCSIF participated in AGRiP's (Association of Governmental Risk Pools) Financial Benchmarking Initiative (FBI). AGRiP's FBI is an analytical tool for member pools to compare their financial results with nationwide pool statistics and cohort of peer comparison. Mr. Beverly presented the result to the Board and overall, NCCSIF compares very favorable to cohorts for both WC and Liability programs.

*The Board took a break at 11:05 a.m.*

*The meeting resumed at 11:22 a.m.*

### **E.4. Stress Test Measurements**

Mr. James Marta provided a presentation on stress test measurements designed to evaluate the ability to finance 50 and 100-year events. The resilience of the pool under different adverse events estimating what would happen to capital, cash flows or the system as a whole if certain risks were to materialize. Benchmarking is a good basic principle. Primary pool should be funding at 75%-85% C.L. but that is not the only factor. If NCCSIF is forced to a higher SIR by excess providers, the pool may contemplate increasing capital by funding at 85% C.L., currently funding both programs at 80% C.L.



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**E.5. Update Strategic Goals and Action Plan**

Mr. Beverly reviewed the strategic goals and action plan that was developed in December 2017. Most of the goals have been completed. The Board is focused on strengthening the pool's financial position and updating the funding policy benchmarks.

*Tim Sailsbery left the meeting at 11:55 a.m.*

Mr. Beverly briefly reviewed the Policy and Procedure A-17: Shared Risk Layer Plan Target Funding Policy to the Board. There are anticipated proposed changes to be made on the policy such as updating the terms from net assets to net position. The Board provided direction to the Program Administrators regarding strengthening the goals and funding benchmarks specifically to set a "firm" number as opposed to the current wording in the policy "be higher." The Board recommended funding C.L. with a goal of at least 80-90% C.L. The proposed changes to the policy will be presented to the Executive Committee in March and then to the Board in April for approval.

*Long Range Planning Session ended at 12:20 p.m. and the Board recessed for lunch.*

**Lunchtime Presentation started at 12:33 p.m. - Best Practices for Putting Together a Critical Incident Video by Laura Cole of Cole Pro Media**

Chair Ehrenstrom requested to send a copy of the presentation to the members.

Laura Cole provided consent to distribute copy of her presentation to the members.

Mr. Beverly indicated that he highly recommends having Laura Cole on a retainer basis in case a need should arise for her services. A draft agreement will be presented for consideration at the next Executive Committee meeting in March.

*The meeting resumed at 1:36 p.m.*

**F. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes - October 24, 2019
2. Check Register from September 1, 2019 to December 30, 2019
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - September 2019 to December 2019
  - b. Local Agency Investment Fund (LAIF) Report as of September 30, 2019
  - c. Treasurer's Report as of September 30, 2019
4. NCCSIF Audited Financial Statements FYE June 30, 2019
  - a. FY 18/19 Accountant's Compilation Report letter



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- b. 2019 Special Districts Financial Transactions Report
- 5. FY 19/20 Liability Claims Auditing Services Agreement with Risk Management Services
- 6. Sedgwick Workers' Compensation Quarterly Claims Report January 2020
- 7. FY 20/21 EIA Excess Workers' Compensation Premium Estimate

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

**MOTION:** Jon Hanken

**SECOND:** Dave Warren

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Cottrell, Miller, Ancheta, Koehn, Haile, Van Steyn, Arteaga, Hanken, Rodriguez, McCay, Ehrenstrom, Will, Warren, Jasso, Sarkovich, Morrison

**Nays:** None

**G. GENERAL RISK MANAGEMENT ISSUES**

General discussion on challenges in maintaining public restrooms and the concerns over handling of hazardous waste in-house v. contracting out the custodial services.

Mr. Beverly reminded members to proactively do a crosswalk survey to identify any safety issues. Furthermore, members were reminded to document issues with railroad track and to involve the Fire Department to oversee the assessment along with submitting maintenance requests to Caltrans.

**H. SUMMARY OF THE DECEMBER 4, 2019 EXECUTIVE COMMITTEE MEETING**

Mr. Beverly briefly reviewed the summary report and the Board had no questions.

*Laura Cole left the meeting at 1:44 p.m.*

**I. ADMINISTRATION REPORTS**

**I.1. President's Report**

Chair Ehrenstrom had no items to report.

**I.2. CJPRMA Update**

Ms. Veronica Rodriguez, CJPRMA Board Representative, reported on the following:

- 1. CJPRMA will be hosting a three series training on Cyber Awareness.
- 2. CJPRMA will be developing a training module for police officers on positional asphyxiation.



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**I.3. Program Administrator's Report**

- a. Alliant Service Team Transition - Michael Simmons Letter  
This was addressed at the beginning of the meeting, prior to item E.1.
- b. Service Contract Update  
Alliant is still working on Cordico Wellness App for police. Draft agreements for both Laura Cole for Video Redacting Services and Precision Concrete Cutting for Sidewalk Services are underway.

**J. FINANCIAL REPORTS**

**J.1. Quarterly Financial Report for Period Ending September 30, 2019**

Mr. James Marta reviewed the Quarterly Financial Report for period ending September 30, 2019 and provided the highlights of the report.

Mr. Marta reviewed the Budget-to-Actual report and encouraged members to use their risk management training funds.

**A motion was made to accept and file the Quarterly Financial Report for the period ending September 30, 2019.**

**MOTION:** Kimberly Sarkovich    **SECOND:** Kristine Haile

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Cottrell, Miller, Ancheta, Koehn, Haile, Van Steyn, Arteaga, Hanken, Rodriguez, McCay, Ehrenstrom, Will, Warren, Jasso, Sarkovich, Morrison

**Nays:** None

**J.2. Budget-to-Actual as of September 30, 2019**

The Budget-to-Actual was reviewed under item J.1.

**K. JPA BUSINESS**

**K.1. Resolution 20-02 Amendment to the NCCSIF Bylaws**

At the last meeting in October, Mr. Beverly indicated that the Board changed the terms of the Executive Committee (EC) from a calendar year to a fiscal year rotation. The Board also agreed to change the terms of the Officers of the JPA to coincide with the current EC rotation thus,



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requiring change to Section 5 of the Bylaws. The 30-Day Notice of Intent to Amend the NCCSIF Bylaws was properly served.

**A motion was made to approve Resolution 20-02 Amendment to the NCCSIF Bylaws.**

**MOTION:** Rachel Ancheta                      **SECOND:** Kristina Miller                      **MOTION CARRIED UNANIMOUSLY**

**Ayes:** Cottrell, Miller, Ancheta, Koehn, Haile, Van Steyn, Arteaga, Hanken, Rodriguez, McCay, Ehrenstrom, Will, Warren, Jasso, Sarkovich, Morrison

**Nays:** None

**K.2. Policy and Procedure Revisions**

**K.2.a. A-16: Segregation of Accounting Duties**

**K.2.b. A-4: Quarterly Financial Statements**

**K.3.c. A-18: Finance Committee Composition and Duties**

**K.3.d. A-13: Review and Control of Investment Activities**

The above items were reviewed altogether.

Mr. Beverly indicated that the Program Administrators are undertaking a review of NCCSIF Policies and Procedures (P&P) and the following Administrative Policies relating to the Treasurer’s responsibility, preparation of quarterly financial statements and segregation of accounting duties are out of date and the EC has reviewed and recommended the proposed changes to bring the polices to current practice.

- a. P&P A-16: Segregation of Accounting Duties - introduces the role of the Financial Consultant as distinct from the Treasurer.  
Two notable changes made by the Board:
  - 1. A typo correction on first paragraph, change oversite to “oversight.”
  - 2. Add “authorized signors shall be approved by the Board.”
- b. P&P A-4: Quarterly Financial Statement - principal change is to replace references to the Treasurer’s preparation of the financial statements with the Financial Consultant.
- c. P&P A-18: Finance Committee Composition and Duties - being updated to note that the Executive Committee performs the duties on a regular basis and convenes the Finance Committee as needed.
- d. P&P A-13: Review and Control of Investment Activities - references the Executive Committee’s normal role in review and control of investment activities. Removed reference to specific name of banks and thereby, changing Chandler Asset Management to “Asset Company” and Bank of New York to “Custodial Bank.”



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**A motion was made to approve the changes to P&P A-16: Segregation of Accounting Duties as amended; P&P A-4: Quarterly Financial Statements as presented; P&P A-18: Finance Committee Composition and Duties as presented; and P&P A-13: Review and Control of Investment Activities as presented.**

**MOTION:** Dave Warren

**SECOND:** Liz Cottrell

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Cottrell, Miller, Ancheta, Koehn, Haile, Van Steyn, Arteaga, Hanken, Rodriguez, McCay, Ehrenstrom, Will, Warren, Jasso, Sarkovich, Morrison

**Nays:** None

Mr. Beverly reminded Board members to think about nominating officers at the April Board meeting.

**L. INFORMATION ITEMS**

1. PARMA 2020 Conference (February 25-28, 2020) in Monterey, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2020 Meeting Calendar
5. NCCSIF Resource Contact Guide
6. York Who's Who in Claims - WC and Liability Contacts
7. NCCSIF Travel Mileage Reimbursement Form

These items were provided as information only.

**M. ADJOURNMENT**

The meeting was adjourned at 2:03 p.m.

**Next Meeting Date:** April 23, 2020 in Rocklin, CA

Respectfully Submitted,

\_\_\_\_\_  
Gina Will, Secretary

\_\_\_\_\_  
Date