



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
VIA TELECONFERENCE
MARCH 26, 2020**

COMMITTEE MEMBERS PRESENT

Liz Ehrenstrom, City of Oroville - President (**Chair**)
Kristine Haile, City of Folsom - Vice President
Tim Sailsbery, City of Willows - Treasurer
Gina Will, Town of Paradise - Secretary
Elisa Arteaga, City of Gridley
Loree McCay, City of Nevada City
Veronica Rodriguez, City of Lincoln - CJPRMA Board Representative
Stephanie Van Steyn, City of Galt
Jen Lee, City of Rio Vista

OTHER MEMBERS PRESENT

Jennifer Styczynski, Marysville

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Dori Zumwalt, Sedgwick

Michael Simmons, Alliant Insurance Services
Jenna Wirkner, Alliant Insurance Services
James Marta, James Marta & Co.

A. CALL TO ORDER

Chair Liz Ehrenstrom called the meeting to order at 10:03 a.m.

B. ROLL CALL

Roll call was made and the above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Loree McCay

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

D. PUBLIC COMMENTS

There were no public comments.



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E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - December 4, 2019
2. Check Register from January 1, 2020 to February 28, 2020
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - January 2020 to February 2020
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2019
 - c. Treasurer's Report as of December 31, 2019

A motion was made to approve the consent calendar as presented.

MOTION: Kristine Haile

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

F. GENERAL RISK MANAGEMENT ISSUES.

Mr. Marcus Beverly, recommended taking current issues up at the Risk Management Committee Meeting.

G. ADMINISTRATION REPORTS

G.1. President's Report

Any concerns or need advice please reach out.

G.2. CJPRMA Update

Veronica Rodriguez gave a brief CJPRMA update that the meeting was cancelled. Marcus Beverly updated they group that the meeting is rescheduled to April 16th and they will be making the decision on if they will be requiring members to move from a \$500,000 SIR to a \$750,000 SIR.

G.3. Program Administrator's Report

Mr. Beverly reminded everyone about completing form 700. Raychelle Maranan reported that seven members haven't filed annual statements.

Mr. Beverly introduced Alliant Insurance Services new team member, Jenna Wirkner. She will be helping Ray with administrative tasks.



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G.4. FY 19/20 EIA Member Annual Report

Mr. Beverly gave a brief update on CSAC-EIA. They will be changing their name to PRISM. The report included in the agenda packet estimated NCCSIF savings of approximately half a million dollars for 20/21. PRISM is one of the largest pools in the country and remains strong.

H. JPA BUSINESS

H.1. Actuarial Study for Worker's Compensation Program

a. Actuarial Study for Worker's Compensation Program

Mr. Beverly gave an overview on the Actuarial Study for Workers Compensation. The overall rate is up 3.7% for FY 20/21, about the same increase for both the banking and shared layers. The NorCal Cities target is to fund at the 80% confidence level, and the last two years we have funded at that level. The total liabilities went up \$4.6M, with overall funding for liabilities still above the 90% confidence level. Big losses occurred in 16/17 and 18/19 and have impacted the Shared Layer.

A motion was made to request actuary to finalize report and present to the board.

MOTION: Kristine Haile

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

b. Actuarial Study for Liability Program

Mr. Beverly gave an overview on the Actuarial Study for the Liability program. Both the \$500,000 and \$750,000 SIR analyses are shown because CJPRMA may require members to move to a minimum \$750,000 SIR. At the current SIR the rate is increasing 6.7% for FY 20/21, an increase of just 1.2% in the Banking Layer compared to 11.8% in the Shared Layer. Estimated liabilities at the 90% Confidence Level (CL) are \$12M compared to \$10.6M last year. With assets estimated at \$16.2M the program has a net position of \$4.2M compared to \$3.3M last year.

A motion was made to have actuary finalize report and present to the board.

MOTION: Kristine Haile

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.2. Worker's Compensation Program



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a. Annual Banking Plan Adjustments-James Marta & Company

James Marta presented the Annual Banking Plan Adjustments. He adjusted the equity shown in the exhibit with new actuary report and compared to the benchmarks of ten times the SIR plus assets to cover liabilities at the 90% confidence level. He illustrated how much equity NCCSIF would need to cover claims at certain levels and discussed members that are below and above the target. The typical recommendation is 35% of the available equity or net position and a 20% assessment for those members below the benchmarks. The EC reviewed the recommendation for board approval. Marcus added 20% of the total deficit for the assessment is per policy, the dividend of 35% is recommended in the policy.

A motion was made to recommend to the Board to approve a dividend of 35% of the available Net Position per member, with an assessment of 20% of a member's current deficit.

MOTION: Gina Will

SECOND: Kristine Haile

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

b. Annual Shared Risk Plan Adjustments-Alliant Insurance Services

Mr. Beverly gave a brief overview of the Annual Shared Risk Plan Adjustments. Shared Layer funds over the benchmark are distributed to all members pro-rata based on contributions over a rolling ten-year period. Funds above estimated liabilities at the 90% confidence level and/or 5 times the SIR (\$2.25M) are available for distribution. The recommended dividend is half of the available amount of \$886,000, or \$443,000.

A motion was made a move to approve refund no more that 50% available amount by member.

MOTION: Elisa Arteaga

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

c. FY 20/21 Deposit Premium Calculations

Mr. Beverly gave a brief overview of the FY 20/21 Deposit Premium Calculations. The overall increase is 9.7%, including a total payroll increase of 7%. Minor adjustments might be made to administration budget. No one hit the 40% cap, with the largest increase of 31% driven by a 20% payroll increase. Recommended remaining at the 80% confidence level.

A motion was made to maintain the 80% confidence level.



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MOTION: Kristine Haile **SECOND:** Loree McCay **MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.3 Liability Program

a. Annual Banking Plan Adjustments-James Marta & Company

James Marta gave an overview of the Annual Banking Plan Adjustments. Total available funds over the benchmarks are \$2.5M, with only two members in a deficit position. The recommendation per policy is to return 35% of the available net position to those with balances above the benchmarks and assess 20% of the amount to the two members below the benchmark.

A motion was made to recommend to the board dividends of 35% and assessments of 20 %

MOTION: Kristine Haile **SECOND:** Gina Will **MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

b. Annual Shared Risk Plan Adjustments-Alliant Insurance Services

Mr. Beverly gave an overview of the Annual Shared Risk Plan Adjustments. Recommending no refund or assessment. The program has about \$6M in expected liabilities and \$3.2M in Net Position, with \$798,000 in assets above the 90% CL. With the slow increases in assets over the last few years and the prospect of a higher SIR for FY 20/21 the recommendation is to continue building up the program's assets to prepare to take on more risk.

A motion was made to recommend no refund or assessments.

MOTION: Kristine Haile **SECOND:** Gina Will **MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

c. FY 20/21 Deposit Premium Calculations

Mr. Beverly gave a brief overview of the Deposit Premium Calculations. Both the \$500,000 and \$750,000 SIR budgets are prepared. The total funding increases to \$7,803,904, an increase of \$316,355, or 19.2%, over the current funding. The Shared Layer funding increases by 19.5% or \$558,000. This would cause 6 additional members to hit the 25% cap, so the Program



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Administrators recommended raising the cap for the \$750,000 SIR option to 30% for this year. Also maintain an 80% confidence level and determine the SIR after the CJMPRA Meeting.

A motion was made to maintain the 80% confidence level with SIR options TBD.

MOTION: Kristine Haile

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None.

H.4 RFP Responses for Independent Financial Audit Services

Mr. Beverly shared and discussed score cards from three member reviews of the four proposals. Members commented on scoring and auditors. Members shared experiences with different firms. The consensus was made to recommend that they continue with Crowe.

A motion was made to recommend continuing with Crowe to the Board.

MOTION: Kristine Haile

SECOND: Loree McCay

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None.

H.5 FY 20/21 NCCSIF Administration Budget

Mr. Beverly reviewed the current budget with the group. General Administration budget increases are based on contracted services with no surprises. The claim audit is a little higher because of work comp, safety services remain the same, waiting on Lexipol pricing, biggest change is estimate of next year's state fraud assessment. Will have the final budget by the Board meeting.

H.6 Resolution Establishing Local Claims Procedure Regulations

Mr. Beverly reviewed the tort claim exceptions. Any member or NorCal Cities itself can pass your own more restrictive tort claim act. Categories are fairly specific. Reviewed resolution 20-03. Recommend that the Board pass this resolution and individual members do so as well.

A motion was made to recommend resolutions 20-03.

MOTION: Gina Will

SECOND: Kristine Haile

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None



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H.7 Policy and Procedure Revisions

- a. A-17 Shared Risk Layer Plan Target Funding Policy
- b. A-15 Travel Expenses

Mr. Beverly reviewed policy and procedure revisions. Updated and cleaned up the language for both A-17 and A-15 policies, with additional goals set for the Funding Policy as discussed at the last Board meeting.

A motion was made to recommend the approval of policy changes to the Board.

MOTION: Kristine Haile

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.8 Long-Range Planning Follow-Up

Mr. Beverly reviewed the draft Long-Range Planning updates. The next Risk Management Committee meeting will include a review of the draft and chance for additional suggestions, including focus on sidewalk repair and other services. Continue to strengthen financial position.

H.9 FY 20/21 NorCal Cities Officers

Mr. Beverly gave a brief overview of officer changes. Liz will be leaving the Board. Discussed Jennifer Styczynski serving as Secretary. Also discussed Dave Warren being nominated for Vice President and mentoring new EC members.

A motion was made to recommend Jennifer Styczynski for Secretary and Dave Warren for Vice President.

MOTION: Loree McCay

SECOND: Gina Will

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.10 Preliminary 20/21 Meeting Calendar

Check your calendars and make sure you don't have conflicts. Recommend approval of the 20/21 meeting dates.

A motion was made to recommend the approval of the 20/21 Meeting Calendar to the board.

MOTION: Elisa Arteaga

SECOND: Gina Will

MOTION CARRIED



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Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.11 NorCal Cities Excess Cyber Coverage Proposal

Mr. Beverly reviewed the Excess Cyber Coverage Proposal, either binding separately or binding as a group. If group purchases will most likely allocate this by insured property values. Will get no break on premium if continue to wait so arrange to have the Board bind it by email.

A motion was made to bind the coverage pending email notice to the Board approving the \$3M x \$2M with aggregate shared coverage at a \$4M limit.

MOTION: Gina Will

SECOND: Kristine Haile

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Ehrenstrom, Haile, Will, Arteaga, McCay, Rodriguez, Van Steyn, Lee

Nays: None

H.12 FY 20/21 Property Renewal Update

Mr. Beverly provided an update on the property renewal. Good news, we won't have as big of an increase this year. However, even "regular" risks are seeing 18-23% increases. NorCal Cities is a loss leader with a 234% loss ratio. The under writers are trying to keep the increase in the average range by adding a wildfire deductible with \$2.5M deductible. We are still negotiating and at this point will only to apply to Paradise. We will have final numbers by the first of June.

I. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2020 Meeting Calendar

There was no discussion on these items.

J. ADJOURNMENT

The meeting was adjourned at 12:22 p.m.

Respectfully Submitted,


Gina Will, Secretary

6/8/2020
Date