



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
ZOOM TELECONFERENCE
MARCH 23, 2023**

COMMITTEE MEMBERS PRESENT

Liz Cottrell, City of Anderson- **Chair**
Nathan Bagwill, City of Auburn
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon - **Vice-Chair**
Melissa Rojas, City of Elk Grove
Tom Westbrook, City of Red Bluff
Jen Lee, City of Rio Vista- **Treasurer**
Jennifer Styczynski, City of Marysville – **Secretary**
Spencer Morrison, City of Yuba City

COMMITTEE MEMBERS ABSENT

Chris Hancock, City of Ione

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
James Marta, James Marta & Company LLP
Dori Zumwalt, Sedgwick

Jenna Wirkner, Alliant Insurance Services
Summer Simpson, Sedgwick
Shane Baird, Sedgwick

A. CALL TO ORDER

Chair Liz Cottrell called the meeting to order at 10:30a.m.

B. ROLL CALL

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

C. PUBLIC COMMENTS

There were no public comments.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – September 22,2022
2. Executive Committee Special Meeting Minutes – December 12, 2022
3. Check Register from October 1, 2022, to February 28, 2023
4. Investment Reports
 - a. Chandler Asset Management Short/Long Term – October 2022 to February 2023
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2022
 - c. Treasurer’s Report as of December 31, 2022
5. ACI Specialty Benefits Quarterly Report



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

MOTION: Spencer Morrison

SECOND: Rachel Ancheta

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison

Nays: None

E. GENERAL RISK MANAGEMENT ISSUES

Members had no discussion on General Risk Management Issues.

F. ADMINISTRATION REPORTS

F.1. President's Report

Ms. Liz Cottrell discussed the weather and flooding in the City. The City hasn't had any issues on City property.

F.2. CJPRMA Update

Mr. Beverly gave a brief CJPRMA update. The group is still in a deficit position. It is becoming more likely that an assessment will be needed and CJPRMA will be discussing this at the June Meeting.

F.3. Program Administrator's Report

Mr. Beverly reminded members file form 700s and renewal requests.

- a) Form 700 – Last day to file Form 700 is April 3rd
- b) ID Fraud 23-24 renewal app reminder
- c) Certificate Holder Updates – CJPRMA, NCCSIF and PRISM

G. FINANCIAL REPORTS

G.1.a. Actuarial Study for Workers' Compensation Program

Mr. Beverly gave an overview of the Actuarial Study for the Workers' Compensation Program.

Shane Baird joined the meeting at 10:48a.m.

A motion was made to recommend funding at the 80% Confidence Level and request the actuary finalize the report for the Board of Directors meeting on April 20, 2023.



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MOTION: Kristina Miller **SECOND:** Andy Schiltz **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.2.1.b. Actuarial Study for Liability Program

Mr. Beverly gave an overview of the Actuarial Study for the Liability Program. We will be moving to a \$1,000,000 SIR. We will receive a 50% reduction in a CJPRMA surcharge by moving to the \$1,000,000 SIR.

A motion was made to recommend funding a \$1M SIR at the 80% Confidence Level and request the actuary finalize the report for the Board of Directors meeting on April 20, 2023.

MOTION: Andy Schiltz **SECOND:** Kristina Miller **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.2.a. Annual Banking Plan Adjustments (Workers' Compensation) - James Marta & Company

Mr. James Marta discussed the Annual Banking Plan Adjustments. We have two members in a deficit. The practice of the Executive Committee and Board of Directors is to allow up to 35% of the available net position to be distributed to members.

Members can elect to add funds into the Risk Management Reserve Fund, Police Risk Management Funds, a check or apply it to the premium.

A motion was made to recommend the Board of Directors approve the dividends and assessments as presented with a distribution of 35% of the available funds

MOTION: Rachel Ancheta **SECOND:** Jennifer Styczynski **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.2.b. Annual Shared Risk Plan Adjustments (Workers' Compensation) - Alliant Insurance Services

Mr. Beverly gave an overview on the shared risk plan adjustments. The Program has \$2.7 million above the 90% Confidence Level. Recommend staying at 25% of the total available as a distribution to members. We are seeing program cost inflation and it would be a good idea to hold onto additional funds.

A motion was recommended the Board of Directors approve a 25% refund.



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MOTION: Andy Schiltz **SECOND:** Kristina Miller **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.2.c. FY 23/24 Deposit Premium Calculations

Mr. Beverly discussed the FY 23/24 deposit premium calculations and reviewed the changes year over year. We have traditionally capped member premium increases at 40%, and this year no one has needed the cap.

A motion was made to recommend the Board of Directors that we continue funding at the 80% Confidence Level as presented in the draft budget.

MOTION: Kristina Miller **SECOND:** Jennifer Styczynski **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.3.a. Annual Banking Plan Adjustments (Liability) - James Marta & Company

Mr. Marta discussed the Annual Banking Plan Adjustments for the Liability Program. This is taking in the new actuary study. We have about half of the members in a deficit. This reflects claims as of December with new actuarial estimate. If you have a dividend from workers compensation it will be applied to the liability assessment first.

A motion was made to recommend the annual banking plan adjustments to the Board of Directors as presented, with 35% of the available funds distributed to eligible members.

MOTION: Spencer Morrison **SECOND:** Andrew Schiltz **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.3.b. Liability Program Annual Shared Risk Plan Adjustments.

Mr. Beverly gave an overview of the Liability Program Annual Shared Risk Plan Adjustments. We aren't recommending a refund in the liability program. Looking at the new SIR of \$1M, we are not where we need to be. We should have five times the SIR so will want to increase the Net Position by at least another \$1M

A motion was made to recommend to the Board the Banking Layer dividend at 35% of the available net position and no refund or assessment for the Shared Layer.



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MOTION: Andy Schiltz **SECOND:** Spencer Morrison **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None

G.3.c. Liability Program Deposit Premium Calculations

Mr. Beverly discussed the liability program deposit premium calculations. We had substantial increase in payroll this year and the increased SIR. We have traditionally capped premiums – at one time as 30% cap and as high as 60% more recently. In the current and upcoming program years we are using a 40% variable cap to make sure members who are capped still fund at least half of their Banking Layer estimate for the year. The cap is net of the increase in payroll.

A motion was made to recommend the funding as presented to the Board with the variable cap of 40%.

MOTION: Andy Schiltz **SECOND:** Spencer Morrison **MOTION CARRIED**
Ayes: Cottrell, Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None.

Liz Cottrell left the meeting at 11:38a.m.

G.4. LWP Workers’ Compensation Claims Administration Services Contract

Mr. Beverly discussed the LWP workers’ compensation claims administration services contract. Members discussed performance standards and accounting requirements.

A motion was made to recommend the Claims Administration Services Contract to the Board of Directors with additions to service standards and accounting requirements.

MOTION: Andy Schiltz **SECOND:** Melissa Rojas **MOTION CARRIED**
Ayes: Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None.

G.5.a. Property Program Funding and Appraisals

Mr. Beverly discussed the Property Program Funding and Appraisals. We do have the option to do appraisals for all or some locations. In previous years NCC has paid to have locations from \$1-\$5 million appraised when the property underwriter conducted their appraisals of over \$5M properties every five years. This year the underwriters will be conducting “desk audits” of the properties from \$1M - \$5M using appraisal software, and the Program Managers are inclined to wait to see what they return. Members indicated agreement with that approach.



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Mr. Beverly also discussed the continuing difficulties in the property market and the possibility of an experience rating or ex mod for the funding allocation for the Property Program. This is a topic to be discussed with the Board and perhaps at the next planning meeting.

G.5.b. APIP Covid Claim Allocation Options

Mr. Beverly discussed the APIP COVID claim allocation for Galt, Folsom, and Rocklin. We have received an advanced payment of \$54,878 to allocate to those members.

A motion was made to recommend allocating the total value by the total amount claimed for the City of Folsom, Galt, and Rocklin.

MOTION: Andy Schiltz **SECOND:** Jennifer Styczynski **MOTION CARRIED**
Ayes: Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None.

G.6. FY 22/23 NCCSIF Administration Budget

Mr. Beverly discussed the 23/24 Administration Budget.

Information only. No discussion.

G.7. FY 23/24 NorCal Cities EC Committee Rotation and Officers

Mr. Beverly discussed the 23/24 NorCal Cities EC Committee Rotation and Officers and thanked those who will be rotating off the committee. Information only.

G.8. Preliminary 23/24 Meeting Calendar and Locations

The preliminary meeting calendar was presented for review.

A motion was made to recommend the approval of the 23/24 Meeting Calendar to the Board of Directors.

MOTION: Kristina Miller **SECOND:** Andy Schiltz **MOTION CARRIED**
Ayes: Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None.

G.9. FY 23/24 Renewal Updates

Mr. Beverly discussed the remaining FY 23/24 renewals. Information only.



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H.1. Quarterly Financial Report for Period Ending December 31, 2022

Mr. James Marta discussed the Quarterly Financial Report for Period Ending December 31, 2022. We have a positive net position and have been slowly increasing the rate of return on investments by purchasing at the more current market value.

The Combining Statement of Net Position - Workers Compensation Program is in a nice position with stable results. Liability Shared – fluctuates and more volatility to be expected.

Mr. Marta reminded members to use Risk Management Reserve Funds. When you receive the divided statement, you can divert money into the reserve funds.

A motion was made to accept and file the Financial Report as of December 31, 2023

MOTION: Spencer Morrison SECOND: Andy Schiltz MOTION CARRIED
Ayes: Bagwill, Miller, Ancheta, Rojas, Westbrook, Lee, Styczynski, Morrison
Nays: None.

H.2. Budget-to-Actual as of December 31, 2022

Mr. Marta discussed the Budget-to- Actual as of December 31, 2022.

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2022-2023 Meeting Calendar

There was no discussion on these items.

I. ADJOURNMENT

The meeting was adjourned at 12:30p.m.

Respectfully Submitted,

Jennifer Styczynski, Secretary

8-18-23

Date