



**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
APRIL 28, 2016**

**BOARD OF DIRECTORS PRESENT**

Shari Harris, City of Auburn  
Brad Koehn, City of Elk Grove  
Paula Islas, City of Galt  
Matt Michaelis, City of Gridley  
Michael Daly, City of Jackson  
Astrida Trupovnieks, City of Lincoln  
Satwant Takhar, City of Marysville  
Corey Shaver, City of Nevada City

Liz Ehrenstrom, City of Oroville  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville  
Sandy Ryan, City of Red Bluff  
Kimberly Sarkovich, City of Rocklin  
Tim Sailsbery, City of Willows  
Natalie Springer, City of Yuba City

**BOARD ALTERNATES PRESENT**

Dalacie Blankenship, City of Jackson

**OTHER MEMBERS PRESENT**

Juanita Barnett, City of Anderson  
Jim Ramsey, City of Elk Grove

Kristine Haile, City of Folsom

**BOARD OF DIRECTORS ABSENT**

Jeff Kiser, City of Anderson  
Toni Benson, City of Colusa  
Kristina Miller, City of Corning  
Michelle Pellegrino, City of Dixon

Jim Francis, City of Folsom  
Jon Hanken, City of Ione  
Greg Bowman, City of Rio Vista

**GUESTS & CONSULTANTS**

Marcus Beverly, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Raychelle Maranan, Alliant Insurance Services  
Alana Theiss, James Marta & Company  
Dori Zumwalt, York Risk Services

Henri Castro, Bickmore  
Tom Kline, Bickmore  
Jeff Johnston, Bickmore  
Becky Richard, Bickmore  
Cameron Dewey, York Risk Services

**A. CALL TO ORDER**

Mr. Dave Warren called the meeting to order at 12:22 p.m.

**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:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Will, Warren, Ryan, Sarkovich, Springer  
**Nays:** None

**D. PUBLIC COMMENTS**

There were no public comments.

**E. CONSENT CALENDAR**

1. Board Meeting Minutes - November 19, 2015
2. Check Register from November 1, 2015 to February 29, 2016
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - November 2015 to March 2016
  - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2015
  - c. Treasurer's Report as of December 31, 2015
4. Chandler Asset Management Contract Amendment #1
5. Intacct Engagement Letter - James Marta & Company Accounting Software
6. Liability Claims Audit as of November 2015

Correction was noted on item number 5 - Intacct Engagement Letter for the new Accounting Software is effective July 1, 2016 and a typo in the second paragraph to read "it's" accounting.

**A motion was made to approve the Consent Calendar with item number 5 as amended.**

**Motion:** Tim Sailsbery                      **Second:** Gina Will                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Sarkovich, Springer  
**Nays:** None

**F. Election of NCCSIF Officers**

Mr. Marcus Beverly indicated Russell Hildebrand is no longer with the City of Rocklin and therefore, the President position is currently vacant. The Executive Committee nominated the current Vice President, Dave Warren, City of Placerville, to fill the post of President and Liz Ehrenstrom, City of Oroville, for Vice President.

Mr. Tim Sailsbery noted that Gina Will, Town of Paradise, was also approached by the Nominating Committee for the Vice President position and commended Gina's consideration.



No nominations from the floor and therefore, the Board accepted the Executive Committee slate of nominees.

**A motion was made to nominate Mr. Dave Warren as NCCSIF President and Ms. Liz Ehrenstrom as NCCSIF Vice President.**

**Motion:** Natalie Springer                      **Second:** Paula Islas                      **Motion Carried**  
**Ayes:** Harris, Koehn, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery  
**Nays:** None

## **G. ADMINISTRATION REPORTS**

### **G1. Interim President's Report**

Mr. Dave Warren acknowledged Russell Hildebrand from City of Rocklin and Bruce Cline from City of Folsom for their many years of service on the NCCSIF Board.

### **G2. Program Administrator's Report**

Mr. Marcus Beverly noted that there are quite a few new Board members recently and he is currently making his rounds to meet with the new representatives to provide member orientation. Mr. Beverly mentioned that he visited the City of Lincoln and the City of Corning. Mr. Beverly indicated he just conducted the Insurance Requirements in Contracts (IRIC) training in Yuba City. The registration for the annual CAJPA (California Association of Joint Powers Authorities) conference in September 2016 is now open and grants are available for NCCSIF members for attendance at JPA/risk management industry related conferences such as PARMA (Public Agency Risk Management Association) and CalPELRA (California Public Employers Labor Relations Association).

### **G3. Summary of the March 31, 2016 Executive Committee Meeting**

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

## **H. FINANCIAL REPORTS**

### **H1. Quarterly Financial Report for Period Ending December 31, 2015**

Ms. Alana Theiss reviewed the Quarterly Financial Report for Period Ending December 31, 2015. Ms. Theiss presented the highlights of the report. The Liability Program Shared Layer is in a deficit and the CJPRMA refunds which NCCSIF has been receiving and applying to the deficit reduction are expected to decline. In the Liability Program Banking Layer there are five members with a negative net position at December 31, 2015.



On the combined statement of the Workers' Compensation (WC) program the Banking Layer shows amounts that are outstanding for the Safety Grants, and all layers - Administration, Shared and Banking, are in positive position. Within the WC program Banking Layer, there are three members in a negative position.

Ms. Theiss proceeded and reviewed the Budget-to Actual.

## **H2. Budget-to-Actual as of December 31, 2015**

The Budget-to-Actual was reviewed under item H1.

## **H3. Current Financial Position & Target Funding Benchmarks**

Mr. Marcus Beverly presented the Board of Directors with an update on NCCSIF's current financial position and Target Funding Benchmarks including some historical insight. NCCSIF has policies that guide its funding decisions including Banking Layer adjustments, Shared Layer adjustments, and Target Funding Benchmarks to ensure the program operates within those guidelines.

### **I. JPA BUSINESS**

#### **II. Actuarial Studies of the Self Insured Programs**

##### **IIa. FY 16/17 Workers' Compensation Program**

Ms. Becky Richard, Bickmore, presented the FY 16/17 Actuarial Study of the WC program. The actuarial analysis consists of two main components. The first being a review of the estimates of the ultimate liabilities as of December 31, 2015, and the second component is a loss forecasting analysis to determine the rates for the 16/17 program year.

Ms. Richard noted the actual incurred development was greater than the expected incurred development due to particularly adverse development in the most recent three years: 2012-13, 2013-14 and 2014-15 program years. Funding assets at the 70% confidence level is marginally acceptable and funding at 90% confidence level is suggested to be conservative.

Mr. Beverly noted the pool do not cover 4850, but the Actuarial study provides for analysis with and without the 4850 for reference.

Ms. Richard proceeded and reviewed the FY 16/17 Actuarial Study of the Liability Program. The actuarial analysis consists of two main components: first is a review of the estimates of the ultimate liabilities as of December 31, 2015, and second is a loss forecasting analysis to determine the rates for the 2016/17 program year. It was noted that the Outstanding Liabilities for the Shared Layer is \$686,000 in deficit at the expected level. Again, funding assets at the 70% confidence level is marginally acceptable and funding at 90% confidence level is suggested to be conservative.

Request made by City of Elk Grove to evaluate moving to 72.5% CL for FY 17/18.



**A motion was made to approve the Draft Actuarial Studies of the Self Insured Workers' Compensation Program and the Draft Actuarial Studies of the Self Insured Liability Program and to finalize the reports.**

**Motion:** Michael Daly                      **Second:** Gina Will                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Trupovnieks, Takhar, Shaver, Ehrenstrom, Warren, Ryan, Sarkovich, Sailsbery, Springer  
**Nays:** None

**I1b. FY 16/17 Liability Program**

This was reviewed under agenda item I.1.a.

*Approved in the same motion under I.1.a.*

*Becky Richard left the meeting at 1:37 p.m.*

**I2. Workers' Compensation Program**  
**I2a. Annual Banking Plan Adjustments**

Ms. Alana Theiss presented the financial information for the Workers' Compensation Banking Layer and noted that there are refunds available to members who are in a positive position. The Net Equity above the pool is ten times the \$100,000 Self Insured Retention (SIR) and 90% confidence level in excess of the outstanding liabilities. The total dividend is \$524,915 which represents 35% of the available net position, and the total assessments is \$356,970 which represents 20% of the amount for those members who fell below the required funding. This is consistent to the Policy and Procedure A-1: Banking Plan Fund Adjustments.

**After review and discussion, a motion was made to approve the 35% Banking Layer refund from the Workers' Compensation program for eligible members and 20% assessment to those members who fell below the required funding per the P&P A-1.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Will, Warren, Ryan, Sarkovich, Springer  
**Nays:** None

**I2b. Annual Shared Risk Plan Adjustments**

Mr. Marcus Beverly recommended that the Shared Layer refund be limited to 50% of what is available in an effort to keep the safety margin on a conservative side. Members who are eligible for a refund in the Workers' Compensation program Shared Layer but are in a deficit position in the Banking Layer or another program that is in a deficit will be required to use the approved refund amount to help combat their own deficit position.



**After review and discussion, a motion was made to approve the refund from Shared Risk Layer from the Workers' Compensation program at 50%.**

**Motion:** Michael Daly                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Trupovnieks, Takhar, Shaver, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Springer  
**Nays:** None

### **I2c. Preliminary FY 16/17 Deposit Premium Calculations**

Mr. Marcus Beverly noted the Executive Committee recommended increasing funding levels from 67.5 Confidence Level (CL) to 70% CL for the upcoming FY 16/17.

- Total funding at the 67.5% CL for FY 16/17 is estimated at \$10,948,141 compared to \$9,234,638 for FY 15/16, an increase of 18.38%.
- Total funding at the 70% CL for FY 16/17 is estimated at \$11,094,404 an increase of 19.93%.

It was noted that individual member increases are capped at 40% for the 67.5% CL and 42% for the 70% CL.

**After review and discussion, a motion was made to approve the 70% confidence level for the FY 16/17 deposit premium calculations for the Workers' Compensation program.**

**Motion:** Liz Ehrenstrom                      **Second:** Sandy Ryan                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Will, Warren, Sarkovich, Sailsbery, Springer  
**Nays:** None

*Jim Ramsey left the meeting at 1:50 p.m.*

### **I3. Liability Program**

#### **I3a. Annual Banking Plan Adjustments**

Ms. Alana Theiss presented the financial information for the Liability Banking Layer and noted that there are refunds available to members who are in a positive position. The Net Equity above the pool is ten times the \$50,000 SIR and 90% confidence level in excess of the outstanding liabilities. The total dividend is \$392,022 which represents 35% of the available net position, and the total assessments is \$97,648 which represents 20% of the amount for those members who fell below the required funding. Any deficit at \$10,000 or less will be assessed 100%. This is consistent to the Policy and Procedure A-1: Banking Plan Fund Adjustments.



**A motion was made to approve the 35% Banking Layer refund from the Liability program for eligible members and 20% assessment to those members who fell below the required funding per the P&P A-1.**

**Motion:** Tim Sailsbery                      **Second:** Sandy Ryan                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Daly, Trupovnieks, Takhar, Shaver, Ehrenstrom, Will, Warren, Sarkovich, Springer  
**Nays:** None

### **I3b. Annual Shared Risk Plan Adjustments**

Mr. Marcus Beverly indicated each year NCCSIF reviews the financial status of the Shared Risk Layer Fund to determine if refunds or assessments may be declared. The total adjustment is allocated to members based on their pro-rata share of the total Shared contributions. As of December 31, 2015, the fund has assets of \$6,380,000. It is \$686,000 below Outstanding Liabilities at the 90% Confidence Level. NCCSIF members previously agreed to an assessment of \$600,000 per year for up to five years to reach the goal of a 90% confidence level plus three to five times the SIR. This is the fourth year of the assessment.

Mr. Beverly recommended that the \$600,000 assessment continue and the entire CJPRMA refund of \$274,337 be put toward the assessment to offset the cost.

**After review and discussion, a motion was made to continue the \$600,000 assessment and apply the full CJPRMA refund towards the assessment to offset the cost in order to bring the projected assets above liabilities at the expected confidence level.**

**Motion:** Tim Sailsbery                      **Second:** Michael Daly                      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Trupovnieks, Takhar, Shaver, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Springer  
**Nays:** None

### **I3c. Preliminary FY 16/17 Deposit Premium Calculations**

Mr. Marcus Beverly noted the Executive Committee recommended increasing funding levels from 67.5 Confidence Level (CL) to 70% CL for the upcoming FY 16/17.

- Total funding at the 67.5% CL for FY 16/17 is estimated at \$5,257,942 compared to \$4,590,942 for FY 15/16, an increase of 10.73%.
- Total funding at the 70% CL for FY 16/17 is estimated at \$5,371,545 an increase of 13.15%.

It was noted that individual member increases are capped at 25% for the 67.5% CL and 28% for the 70% CL. Overall rate increase is roughly 2%.



**After review and discussion, a motion was made to approve the 70% confidence level for the FY 16/17 deposit premium calculations for the Liability program.**

**Motion:** Astrida Trupovnieks      **Second:** Michael Daly      **Motion Carried**  
**Ayes:** Harris, Koehn, Islas, Michaelis, Takhar, Shaver, Ehrenstrom, Will, Warren, Ryan, Sarkovich, Sailsbery, Springer  
**Nays:** None

#### **I4. FY 16/17 Property Renewal Update**

Ms. Raychelle Maranan informed the Board that members have been provided their current property schedules and members have been asked to review the property schedule for accuracy and notify Alliant of any discrepancies in an effort to confirm member records are accurate and to ensure each member's premiums are calculated correctly.

Information only, no action taken.

#### **I5. FY 16/17 Crime Policy Renewal Update**

Ms. Raychelle Maranan indicated NCCSIF's Crime policy expires on July 1, 2016. The NCCSIF Crime Policy is through National Union Fire Insurance Co. of Pittsburg (AIG). Ms. Maranan indicated Alliant is obtaining an alternate quote with Alliant Crime Insurance Program (ACIP) for higher limits. The ACIP program is through AIG and it provides broader coverage than the standalone AIG policy.

Mr. Michael Simmons indicated members consider limits in excess of its current \$1 million limit due to recent large losses throughout the state.

Mr. Beverly indicated Alliant will provide coverage comparison at the next meeting.

Information only, no action taken.

#### **I6. Preliminary FY 16/17 NCCSIF Budget**

Mr. Marcus Beverly provided an overview of the changes in the preliminary budget for FY 16/17. Mr. Beverly noted there was a significant increase in the State Funding/Fraud Assessment in the current year 15/16 of about 20% than what was budgeted for. Mr. Beverly indicated he does not anticipate a significant increase, but noted a 5% increase in the preliminary budget for the State Funding/Fraud Assessment. The other notable change in the budget is the Computer Services for the new accounting software of \$8,400. Overall the budget increase is 2% over last year's budget.

The Board asked Alliant to evaluate the cost and utilization of ACI Wellness, Lexipol and Occu-Med services for budgetary justification.

Information only, no action taken.



## **I7. NCCSIF Service Providers Survey Results**

Mr. Marcus Beverly noted the Board review and address the results of the survey for each of the service providers: Alliant Insurance Services for Program Administration and Brokerage Services; York Risk Services for Workers' Compensation and Liability Third-Party Claims Administration services; and Bickmore Risk Services for Safety and Risk Control Services.

All service providers was excused from the room as the Board discussed the results of the survey.

*Alana Theiss left the meeting at 2:25 p.m.*

*Henri Castro, Tom Kline and Jeff Johnston left the meeting at 2:55 p.m.*

*Kristine Haile left the meeting at 2:56 p.m.*

## **J. CLOSED SESSION**

Pursuant to Government Code Section 54956.95, the Board recessed to closed session at 2:56 p.m. to discuss the following claim for the payment of liability incurred by the joint powers authority:

### **Liability**

1. Thomas vs Town of Paradise
2. Arp vs. City of Rocklin

## **K. REPORT FROM CLOSED SESSION**

The Board reconvened to open session at 3:15 p.m.

Mr. Dave Warren announced that the Board provided direction to the Program and Claims Administrators for the claims referenced above.

## **L. ROUND TABLE DISCUSSION**

Ms. Paula Islas indicated that CJPRMA will hold its annual membership meeting in May and she will provide an update to the Board at the next meeting. Ms. Islas suggested to have David Clovis, CJPRMA General Manager, provide a presentation to the Board in the near future.

## **M. INFORMATION ITEMS**

1. NCCSIF Organizational Chart
2. NCCSIF 2016 Meeting Calendar
3. NCCSIF Travel Reimbursement Form
4. NCCSIF Resource Contact Guide



These items were provided as information only.

**N. ADJOURNMENT**

The meeting was adjourned at 3:17 p.m.

**Next Meeting Date:** June 9, 2016 in Rocklin, CA

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Corey Shaver", is written over a horizontal line.

Corey Shaver, Secretary

7/7/16  
Date