



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
EXECUTIVE COMMITTEE MINUTES  
VIA TELECONFERENCE  
MARCH 25, 2021**

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**COMMITTEE MEMBERS PRESENT**

Dave Warren, City of Placerville - President (**Chair**)  
Jose Jasso, City of Rio Vista (**Vice-Chair**)  
Loree McCay, City of Nevada City  
Veronica Rodriguez, City of Lincoln - CJPRMA Board Representative  
Stephanie Van Steyn, City of Galt

**COMMITTEE MEMBERS ABSENT**

Yvonne Kimball, City of Jackson  
Jen Lee, City of Rio Vista  
Jennifer Styczynski, City of Marysville

**OTHER MEMBERS PRESENT**

**CONSULTANTS & GUESTS**

Marcus Beverly, Alliant Insurance Services  
Conor Boughey, Alliant Insurance Services  
James Marta, James Marta & Co.

Michael Simmons, Alliant Insurance Services  
Jenna Wirkner, Alliant Insurance Services

**A. CALL TO ORDER**

Chair Dave Warren called the meeting to order at 10:05 a.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 24, 2020
2. Check Register from December 1, 2020 to February 28, 2021
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - December 2020 to February 2021
  - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2020
  - c. Treasurer's Report as of December 31, 2020



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

**MOTION:** Stephanie Van Steyn    **SECOND:** Loree McCay

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**E.     GENERAL RISK MANAGEMENT ISSUES.**

Marcus Beverly shared with members that the City of Rio Vista won an important case regarding the new notice requirements regarding police officer conduct under SB1421.

We will be bringing a safety reward program to the Risk Management Committee Meeting on April 22, 2021.

**F.     ADMINISTRATION REPORTS**

**F.1.   President's Report**

Dave Warren thanked Alliant for transitioning our meetings to Zoom.

**F.2.   CJPRMA Update**

Mr. Beverly gave a brief update on CJPRMA, the initial estimates we are currently look to be enough but not certain until we receive quotes. We have been working on settling claims with CJPRMA. The City of Stockton just settled a \$3.5 million police claim and as a member of CJPRMA is impacting the excess market.

Members thanked Marcus for reaching out to CJPRMA on changing funding policies.

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

Mr. Beverly reminded members to file the form 700 if they haven't already.

Mr. Beverly discussed NCCSIF having a member that was planning to withdraw from the pool. It brought up the fact that we have never had a member leave or threaten to withdraw, and there is no provision in the Bylaws to rescind a notice of withdrawal. Hard markets have people looking for other options. Members discussed drafting a process and not having members allowed to join the pool for a number of years if they do withdraw.



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**G. JPA BUSINESS**

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

**a. Actuarial Study for Workers' Compensation Program**

Mr. Beverly gave an overview on the Actuarial Study for Workers' Compensation. The Workers' Compensation overall rate have increased 2.9% from \$4.507 to \$4.637, with a 3.1 % increase in the Banking Layer and a 2.6% increase for the Shared Layer. This does not include 4850 Temporary Disability and 4850 SC (Salary Continuation). Funding is at 80% CL and not making any changes this year. The Banking Layer funding is \$7,487,000 and Shared Layer is \$41,146,000. These are the numbers we will use in the Budget with the Committee and Board's Approval. The banking layer is very stable. We didn't pay nearly as much as we thought we would and part of that is due to COIVD-19 and delay of medical claims. Members discussed this being good news considering being in a pandemic.

**A motion was made to request actuary to finalize report and present to the board on April 22, 2021.**

**MOTION:** Jose Jasso

**SECOND:** Loree McCay

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**b. Actuarial Study for Liability Program**

Mr. Beverly gave an overview of the Actuarial Study for the Liability program. The rate at the 80% CL is \$2.851 per \$100 of payroll, compared to \$2.922 last year, a decrease of 2%, compared to an increase of 6.7% last year. The Program has an estimated net position of \$4,713,000 above the 90% CL, compared to \$4,209,000 last year. Expected Liabilities are \$9,553,000 with estimated assets of \$17, 915, 000 as of June 30. We aren't presenting additional SIR amounts this year. CJRPMA has increased the funding formula and confidence level. The Banking Layer has been stable while the Shared Layer has had some ups and downs but overall these are good results. The members are doing a good job at keeping claims down and using risk management. Members had no discussion.

**A motion was made to have actuary finalize report and present to the board on April 22, 2021.**

**MOTION:** Jose Jasso

**SECOND:** Veronica Rodriguez

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None



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**G.2. Worker's Compensation Program**

**a. Annual Banking Plan Adjustments-James Marta & Company**

James Marta presented the Annual Banking Plan Adjustments. We have three layers, banking, shared and excess layer. The purpose of the banking layer adjustments is to monitor and adjust to cover claims. The plan allows for redistribution to the members of funds.

This report is adjusted as of 12/30/20. We figure out the funding margins to cover the 90% Confidence Level (CL) for outstanding liabilities. We want members to have margin at 90% plus 10 times the SIR. We currently have \$6,152,629 over the above amount. This is one of the better years, we have had years when half or over half of the members were negative. If a member is negative they would need to contribute to the target margin. We have allowed members to take 35% of that amount to apply to premium, take a check or apply to other deficits.

Mr. Beverly discussed adding funds to the Risk Management funds and using at a later date.

Members had no discussion.

**A motion was made to approve the adjustments as recommended.**

**MOTION:** Loree McCay

**SECOND:** Veronica Rodriguez

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**b. Annual Shared Risk Plan Adjustments-Alliant Insurance Services**

Mr. Beverly gave a brief overview of the Annual Shared Risk Plan Adjustments. We start with the Estimated Available Assets as of June 30, 2020. We have about \$2,251,000 in assets above outstanding liabilities at the 90% CL and available for a refund. The Board approved a refund of 25% of available last year. The Committee could vote to increase the available funding.

James Marta recommended a smaller amount in refund to have resources in case claims are increasing. You would see things going up early.

Members discussed a conservative approach to the refunds, especially with the new Workers' Compensation rates.

**A motion was made a move to approve the refund at 25% as presented by staff.**

**MOTION:** Dave Warren

**SECOND:** Loree McCay

**MOTION CARRIED  
UNANIMOUSLY**



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**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**c. FY 21/22 Workers' Compensation Deposit Premium Calculations**

Mr. Beverly gave a brief overview of the FY 21/22 Deposit Premium Calculations. Workers' Compensation is seeing claims at the high Excess level and so most of the increase is coming from the Excess Insurance. We do have a cap in place at 40%. The funding estimate should be conservative for Workers' Compensation. Banking layers is based on 75% on losses and Excess is based 75% on payroll. The shared layer is where we calculate the ex-mod for members. We did have one member hit the 40% premium cap.

James Marta mentioned that when city payrolls grow fast you carry a load of extra claim exposure. This creates a deficit in the banking layer until funding catches up. .

Members discussed the economic downturn in 2008, the capped salaries are now under market. They're trying to bring employees up to the current market level for salary levels. Members also discussed updated total payroll.

**A motion was made to maintain the 80% confidence level with 40% cap to the Board of Directors.**

**MOTION:** Loree McCay

**SECOND:** Jose Jasso

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**G.3 Liability Program**

**a. Annual Banking Plan Adjustments-James Marta & Company**

James Marta gave an overview of the Annual Banking Plan Adjustments. This program is at \$500,000 retention. We use the total target to maintain the 90% confidence level. We add the confidence layer and 10 x \$500,000 SIR. We have four members in a deficit, Anderson, Colusa, Marysville and Rio Vista.

**A motion was made to recommend adjustments as presented to the Board of Directors.**

**MOTION:** Jose Jasso

**SECOND:** Loree McCay

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:**



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**b. Annual Shared Risk Plan Adjustments-Alliant Insurance Services**

Mr. Beverly gave an overview of the Annual Shared Risk Plan Adjustments. No refund is recommend. We're maintaining bench marks, but no margin for error or refund. If we had to go to a \$750,000 SIR we would be below the benchmark. We may have to go to that retention in FY 22/23.

James Marta discussed not seeing claims going down in the next 5-10 years or Excess premiums going down.

**A motion was made to recommend no refund or assessments to the Board of Directors.**

**MOTION:** Veronica Rodriguez    **SECOND:** Jose Jasso

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:** None.

**c. FY 21/22 Deposit Premium Calculations**

Mr. Beverly gave a brief overview of the Deposit Premium Calculations. The rates for CJPRMA are going up because they have strengthened funding. We have an estimated 50% increase in premiums. Mr. Beverly also discussed a 50% cap this year.

The 2020 Calendar Year Payroll form (DE 9) is used as the payroll for general liability funding allocation.

The overall change is 16.2 %, we have had a 30% cap on the liability program. We may need to increase the cap because we have twelve members over the cap.

James Marta discussed the cap for members. The members still pay the full admin, excess and shared layer funding. The impact of the cap is felt only in the member's banking layer.

Members discussed a possible cap of 40%, but most are over the 40% overall change.

**A motion was made to maintain recommended to maintain 80% confidence level, staying at \$500,000 SIR and look at increasing CAP to 50% or present additional options the Board would consider**

**MOTION:** Jose Jasso                      **SECOND:** Veronica Rodriguez

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:**



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**G.4 Sedgwick Liability Claims Administration Services Renewal Agreement**

Mr. Beverly gave an overview of the Sedgwick Liability Claims Administration Services Renewal Agreement. Sedgwick has given us a three year proposal with an increase of 2.8% increase to the current budget. We do have caps in place for the field adjusting. The proposal itself has each year going up 3%. Reviewed the services available to members and allocated expenses. Reviewed the Sedgwick contract. We would prefer to extend the old contract and if we do have a new contract we will want to have an attorney review it and negotiate the new terms.

Dori Zumwalt agreed that we can extend the old contract.

**A motion was made to recommend to approve the agreement with Sedgwick as presented to the Board of Directors.**

**MOTION:** Jose Jasso

**SECOND:** Stephanie Van Steyn

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez

**Nays:**

**G.5 FY 21/22 NCCSIF Administration Budget**

Mr. Beverly discussed the FY 21/22 NCCSIF Administration Budget. We budgeted for an additional Workers' Compensation Claims audit included at \$15,000 pending discussion regarding a follow-up audit for the program in FY 21/22. We may also need to adjust the budget for State Funding/Fraud Assessment has been estimated to increase by 7%.

**G.6 Core Logic Wildfire Risk Scores**

Mr. Beverly discussed Core logic Wildfire Risk Scores. It does cover a fair number of criteria and how close you locations are to wildfire areas. The reasoning for doing this is prioritizing and addressing wildfire risk for their properties. They provide a detailed report on fuel, composition, slope and associated factors including wind.

Core Logic has a master contract with Alliant that gives us a larger discount. We will run no more than 2,222 and a cost not to exceed \$5,000. This could be paid from the contingency budget. Members discussed this putting them at an advantage in identifying and addressing risks as well as improving the risk profile with underwriters.

**A motion was made to recommend running the Corelogic Wildfire Risk Scores.**

**MOTION:** Jose Jasso

**SECOND:** Loree McCay

**MOTION CARRIED  
UNANIMOUSLY**

**Ayes:** Van Steyn, McCay, Warren, Jose, Rodriguez



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**Nays:** None

**G.7 FY 21/22 NorCal Cities Executive Committee Rotation & Officers**

Mr. Beverly gave an overview of the FY 21/22 NorCal Cities Executive Committee rotational schedule. We will have some new members joining the Executive Committee.

Information only.

**G.8 Preliminary 21/22 Meeting Calendar**

Mr. Beverly reviewed the 21/22 Meeting Calendar. Please let us know if you have any conflicts with the Meeting dates.

No motion was made, we didn't have a quorum.

**G.9 FY 21/22 Renewal Update**

Mr. Beverly gave an overview of the 21/22 Renewal Updates. This is a very hard renewal year and were anticipating premium increases in all programs. We have marketed the property program and are trying to get a buy down of our own assuming it will be cheaper. The goal is to keep APIP for Auto and Excess coverage, Cyber and Pollution.

The group has purchased Excess Cyber for FY 20/21 and although it is increasing substantially it will be less than if you were trying to buy it for the first time this year.

**H. INFORMATION ITEMS**

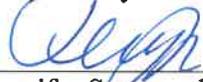
1. NCCSIF Organizational Chart
2. NCCSIF 2020-2021 Meeting Calendar

There was no discussion on these items.

**I. ADJOURNMENT**

The meeting was adjourned at 12:10 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Jennifer Styczynski, Secretary

6-10-2021  
Date