



**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
OCTOBER 15, 2015**

**BOARD MEMBERS PRESENT**

Dylan Feik, City of Auburn  
John Brewer, City of Corning  
Brad Koehn, City of Elk Grove  
Bruce Cline, City of Folsom  
Matt Michaelis, City of Gridley  
John Lee, City of Lincoln

Liz Ehrenstrom, City of Oroville  
Gina Will, Town of Paradise  
Dave Warren, City of Placerville  
Sandy Ryan, City of Red Bluff - *left at 3:03 p.m.*  
Russell Hildebrand, City of Rocklin  
Tim Sailsbery, City of Willows

**BOARD MEMBERS ABSENT**

Jeff Kiser, City of Anderson  
Toni Benson, City of Colusa  
Michelle Pellegrino, City of Dixon  
Paula Islas, City of Galt  
Jon Hanken, City of Ione

Michael Daly, City of Jackson  
Satwant Takhar, City of Marysville  
Corey Shaver, City of Nevada City  
Tim Chapa, City of Rio Vista  
Natalie Walter, City of Yuba City

**ALTERNATE MEMBERS PRESENT**

Cleve Morris, City of Placerville

Kimberly Sarkovich, City of Rocklin

**OTHERS PRESENT**

Spencer Morrison, City of Yuba City

John Ruffcorn, Police Risk Management  
Committee Chair - *left at 2:10 p.m.*

**GUESTS & CONSULTANTS**

Marcus Beverly, Alliant Insurance Services  
Raychelle Maranan, Alliant Insurance Services  
Dori Zumwalt, York Risk Services  
James Marta, James Marta & Company - *left at 3:29 p.m.*  
Charlie Mitchell, CAJPA Accreditation Committee - *left at 2:15 p.m.*  
Matthew Nethaway, Crowe Horwath LLP - *left at 2:22 p.m.*  
Scott Prickett, Chandler Asset Management - *left at 2:45 p.m.*

Henri Castro, Bickmore - *left at 2:10 p.m.*  
Tom Kline, Bickmore - *left at 2:10 p.m.*  
Jeff Johnston, Bickmore - *left at 2:10 p.m.*

**A. CALL TO ORDER**

Mr. Russell Hildebrand called the meeting to order at 2:03 p.m.

**B. ROLL CALL**

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:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Feik, Brewer, Koehn, Cline, Michaelis, Lee, Will, Warren, Ryan, Hildebrand.  
**Nays:** None.

### **D. PUBLIC COMMENTS**

Mr. Tom Kline provided a summary of the Police Risk Management Committee (PRMC) meeting on August 5, 2015. The training topic was 21<sup>st</sup> Century Policing Lessons Learned. Anecdotal evidence and success stories are consistently reported at every meeting about the effectiveness of the Body Camera. Mr. Kline stated he is working with York Risk Services on quantitative analysis. He briefly provided the Board updates on police related Legislative Bills.

Chief John Ruffcorn, Public Safety Director for City of Auburn and the Chair of the PRMC, was in attendance to reaffirm the importance of the PRMC meetings. He opined the topics discussed at the meetings are relevant to the day-to-day challenges of the police department and are beneficial to the entire police agency in attendance. It is also a great resource for information sharing regardless of the size of the agency as exposures are the same. The business environment is becoming more complex and the technology based society has changed dramatically in the past decade. Having the Body Camera is advantageous for law enforcement agencies in this day and age.

*Henri Castro, Jeff Johnston, Tom Kline and John Ruffcorn left the meeting at 2:10 p.m.*

### **E. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes - June 18, 2015
2. Check Register at June 30, 2015
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - June 2015 to September 2015
  - b. Treasurer's Report as of June 30, 2015
  - c. Local Agency Investment Fund (LAIF) Report as of June 30, 2015

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

**Motion:** Liz Ehrenstrom                      **Second:** Dave Warren                      **Motion Carried**  
**Ayes:** Feik, Brewer, Koehn, Cline, Michaelis, Lee, Will, Ryan, Hildebrand, Sailsbery.  
**Nays:** None.



**F. SUMMARY OF THE SEPTEMBER 24, 2015 EXECUTIVE COMMITTEE MEETING**

Mr. Russell Hildebrand confirmed no question from members on this item.

**G. ADMINISTRATION REPORTS**

**G1. President's Report**

Mr. Russell Hildebrand had no items to report.

**G2. Program Administrator's Report**

Mr. Marcus Beverly noted an e-mail will be sent out to all Board members the following day, regarding the 30-Day Notice of Intent to Amend the Bylaws pertaining to the change of address of Alliant Insurance Services. This proposed Bylaw amendment will be presented at the November 19, 2015 Board meeting.

**G3. Presentation and Acceptance of the CAJPA Accreditation with Excellence**

Mr. Charlie Mitchell from California Fair Services Authority and a member of the CAJPA Accreditation Committee presented the Certificate of Accreditation with Excellence to Russell Hildebrand, NCCSIF President. Mr. Mitchell noted the CAJPA Accreditation Program was launched in 1991, NCCSIF's first accreditation was in 1993, and the group has committed to the accreditation process every three years.

*Charlie Mitchell left the meeting at 2:15 p.m.*

**H. FINANCIAL REPORTS**

**H1. 2015 Year End Financial Audit**

Mr. Matthew Nethaway from Crowe Horwath LLP provided the Board of Directors a brief overview of the financial audit process. He noted the independent audit brings credibility to the financial information the Board receives throughout the year. The audit concluded no adjustment needed to be made and his firm issued an unmodified opinion on the financial statements and a management letter with no recommendation in relation to the internal controls. In the interest of time, he opened the floor for questions specific to the financial statement.

No further questions from the Board.

**A Motion was made to receive and file the Financial Audit for Year Ending June 30, 2015.**

**Motion:** Bruce Cline

**Second:** Liz Ehrenstrom

**Motion Carried**

**Ayes:** Feik, Brewer, Koehn, Michaelis, Lee, Will, Warren, Ryan, Hildebrand, Sailsbery.

**Nays:** None.



*Matthew Nethaway left the meeting at 2:22 p.m.*

## **H2. NCCSIF Investment Portfolio Review**

Mr. Scott Prickett from Chandler Asset Management provided the Board with presentation on the current economic environment and NCCSIF's Investment Portfolio. The total market value of the portfolio as of September 30, 2015 is \$23,559,162 compared to June 30, 2015 at \$23,400,053. For the past year portfolio returns are right at the benchmark of 2.13%; and since inception 4.13% for the portfolio and 3.89% for the benchmark. There is not much allocation change in the structure of the portfolio between June 30, 2015 and September 30, 2015. He stated it is still difficult to obtain corporate bond in terms of supply. For liquidity and safety purposes, Treasury is kept between 20%-30% as an investment foundation. Mr. Prickett noted he has no recommended changes to the portfolio mix.

Information only and no action were taken.

*Scott Prickett left the meeting at 2:45 p.m.*

## **H3. Quarterly Financial Report for Period Ending June 30, 2015**

Mr. James Marta provided the Board of Directors with a presentation on the Quarterly Financial Report for Period Ending June 30, 2015. The Management Discussion Analysis represents three years financial comparison from June 30, 2013 to June 30, 2015. Mr. Marta noted assets from 2013 to 2015 have improved, but liabilities are up due to claims development. Liability contributions are collected in the beginning of the fiscal year and WC contributions are collected quarterly. He noted volatility in the Liability program. The WC program is more stable, but claims are open for a longer period and as the claims develop the reserves costs go up.

**A motion was made to receive and file the Quarterly Financial Report for the period ending June 30, 2015.**

**Motion:** Bruce Cline

**Second:** Tim Sailsbery

**Motion Carried**

**Ayes:** Feik, Brewer, Koehn, Michaelis, Lee, Ehrenstrom, Will, Warren, Ryan, Hildebrand.

**Nays:** None.

## **H4. Budget-to-Actual as of June 30, 2015**

The Budget-to-Actual was reviewed under item H3.



## **I. JPA BUSINESS**

### **II. NCCSIF 2016 Meeting Calendar**

Mr. Marcus Beverly indicated the Executive Committee (EC) reviewed the Preliminary Meeting Calendar for 2016 at the September 24, 2015 meeting and noted the EC is recommending approval of the meeting calendar to the Board. Normally, NCCSIF meetings are scheduled on the third Thursdays of the month and so are the CJPRMA meetings. Mr. Beverly noted some of the proposed meeting dates were adjusted to prevent conflicts for Ms. Paula Islas, CJPRMA Board Representative. Mr. Beverly further noted the EC and Claims Committee (CC) meeting times have been reversed to take care of closed session items first then convene to EC meeting. The EC members are changing beginning 2016, based on the EC rotation schedule.

**Motion:** Liz Ehrenstrom                      **Second:** Dave Warren                      **Motion Carried**  
**Ayes:** Feik, Brewer, Koehn, Cline, Michaelis, Lee, Will, Ryan, Hildebrand, Sailsbery.  
**Nays:** None.

*Sandra Ryan left the meeting at 3:03 p.m.*

### **I2. Claims Services**

#### **I.2.a. Revisions to Policy and Procedure A-9: Defense Counsel Selection**

Mr. Marcus Beverly reported the Executive Committee (EC) reviewed the policy at the September 24, 2015 meeting and the EC recommended approval of the revisions to NCCSIF's Policy and Procedure (P&P) A-9 - Defense Counsel Selection. The Chair of the Claims Committee, Mr. Bruce Cline, made most of the recommended changes.

The key components of the proposed changes are as follows:

- Members to use only attorneys and investigators on the Approved List. Attorney and investigator selection should be recommended by the Claims Committee and approved by the Executive Committee, rather than the full Board.
- A new section was added that addresses partners, associates and paralegals working with an attorney on the Approved List.
- It identifies the Claims Administrator's role and the role of the Member City. The client is the City and should control the key decisions and settlement authority.
- A City Attorney or Contract City attorney or members of his/her firm may not defend claims against the City for whom they are City Attorney but could defend another City.
- A new section was added for use of attorneys prior to litigation and during the pendency of a disputed coverage issue.



Mr. Beverly noted there is some element of coverage via the Banking Layer for defense cost if the denial is based on an exclusion, and any coverage matter dispute still lies at the Board level. The proposed revision to this policy was reviewed by NCCSIF Legal Counsel, Byrne Conley.

Mr. Bruce Cline noted corrections on the Investigators List as previously adopted in the past which is not reflected on the current list provided in the agenda:

- Deletion of Vincent Pastorino
- Updated address for Paul E. Lacy
- Addition of Stephanie Quinn - she is also on the approved Attorney list for Liability

The Board discussed the proposed revisions to P&P A-9.

**A motion was made to approve the revisions to Policy and Procedure A-9 - Defense Counsel Selection as presented with modified list for the Private Investigators as noted.**

**Motion:** Liz Ehrenstrom                      **Second:** Gina Will                      **Motion Carried**  
**Ayes:** Feik, Brewer, Koehn, Cline, Michaelis, Lee, Warren, Hildebrand, Sailsbery.  
**Nays:** None.

### **I.2.b. Revisions to Policy and Procedure L-5: Liability Litigation Management Plan**

Mr. Marcus Beverly noted P&P L-5 - Liability Litigation Management Plan is a companion policy to P&P A-9 - Defense Counsel Selection. To be consistent with the changes to P&P A-9 similar changes must be made to P&P L-5. This policy provides litigation management guidelines for liability defense counsel and claims administrators.

The revisions are as follows:

- Included in the guidelines for use of partners, associates, and paralegals.
- Mandatory status reports by legal counsel rather than the City.

**A motion was made to approve the revisions to Policy and Procedure L-5 - Liability Litigation Management Plan as presented.**

**Motion:** Bruce Cline                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Feik, Brewer, Koehn, Michaelis, Lee, Will, Warren, Hildebrand, Sailsbery.  
**Nays:** None.

### **I.3. Service Provider Performance Evaluation Survey**

Mr. Marcus Beverly reported the Executive Committee (EC) reviewed the revision to the Policy and Procedure (P&P) A-2 - Service Provider Performance Evaluation at the September 24, 2015 meeting and the EC recommended approval of the policy and to conduct the performance evaluation survey this year through SurveyMonkey. The last performance survey was completed in October 2013.



The Service Providers are Alliant Insurance Services for Program Administration and insurance brokerage, York Risk Services for Liability and Workers' Compensation claims administration, and Bickmore Risk Services for risk management services. Both Bickmore's and York's contracts are up for optional extensions at the end of this fiscal year. All vendor surveys except Program Administration will be returned to Alliant; Alliant's survey will be returned to the NCCSIF President.

After discussion, the Board approved P&P A-2 - Service Provider Performance Evaluation as presented.

**A motion was made to approve the revisions to P&P A-2 - Service Provider Performance Evaluation as presented.**

**Motion:** John Brewer                      **Second:** Dave Warren                      **Motion Carried**  
**Ayes:** Feik, Koehn, Cline, Michaelis, Lee, Ehrenstrom, Will, Hildebrand, Sailsbery.  
**Nays:** None.

#### **I.4. 2015 Long Range Planning Meeting**

Mr. Marcus Beverly recommended moving the December 10, 2015 Board of Directors meeting to November 19, 2015 in place of the Executive Committee meeting, and canceling the December 10, 2015 meetings altogether. The November 19, 2015 will include a number of follow up items from the Risk Management Committee planning session.

Mr. Beverly went over the action item list from the January 8, 2015 Long Range Planning meeting and noted each item discussed has been addressed. The EPL Hotline service is still in the works as discussed at the earlier meeting of the Risk Management Committee. The vendors compiled from surveying members are for ADA Compliance, Arborist, Drug and Alcohol Testing and Janitorial Services. These vendors will be added to the Vendor Service Matrix.

The Board discussed and concluded that the Risk Management Policy requires overhaul revision and instructed the Program Administrators to take on the necessary revisions and present the draft policies for Board's review at the next meeting.

**A motion was made to replace the Executive Committee meeting on November 19, 2015 to Board of Directors Meeting, and to cancel the December 10, 2015 meetings.**

**Motion:** Liz Ehrenstrom                      **Second:** John Brewer                      **Motion Carried**  
**Ayes:** Feik, Koehn, Cline, Michaelis, Lee, Will, Warren, Hildebrand, Sailsbery.  
**Nays:** None.



**I5. Round Table Discussion**

Tim Sailsbery announced John Brewer's retirement. Mr. Sailsbery commended John Brewer's impeccable tenure as City Manager for the City of Corning.

*James Marta left the meeting at 3:29 p.m.*

**J. CLOSED SESSION**

Pursuant to Government Code Section 54956.95, the Board recessed to closed session at 3:29 p.m. to discuss the following claim for the payment of liability incurred by the joint powers authority:

Liability - Haught v. City of Anderson

**Motion:** Bruce Cline

**Second:** Liz Ehrenstrom

**Motion Carried**

**K. REPORT FROM CLOSED SESSION**

The Board reconvened to open session at 3:39 p.m.

Announcement was made that direction was provided to the Program and Claims Administrators for the claim referenced above.

**L. INFORMATION ITEMS**

1. PARMA Conference (February 23-26, 2016) in Indian Wells, CA
2. NCCSIF Organizational Chart
3. NCCSIF 2015 Meeting Calendar
4. NCCSIF Travel Reimbursement Form
5. NCCSIF Resource Contact Guide

These items were provided as information only.

**M. ADJOURNMENT**

The meeting was adjourned at 3:40 p.m.

**Next Meeting Date:** November 19, 2015 in Rocklin, CA

Respectfully Submitted,

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

Michelle Pellegrino, Secretary

11/19/2015

Date