



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
March 31, 2017**

Member Cities Present:

Roger Frith, City of Biggs
Wes Heathcock, City of Colfax
Randy Johnsen, City of Dunsmuir
Sarah Griggs, City of Etna
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
Shelley Grey, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Gwenna MacDonald, City of Susanville
Jenny Coelho, City of Tulelake
Paulette Velador, City of Tulelake
Diana Howard, City of Weed

Member Cities Absent:

Robert Jankovitz, City of Isleton

Steve Baker, City of Yreka

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Kevin Wong, Gilbert Associates, Inc.

Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services
Craig Nunn, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:02 a.m.

B. ROLL CALL

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: Kathy LeBlanc

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

Roger Carrol wanted to thank all of those SCORE members who responded to his email regarding Credit Card handling and if any member is interested in the responses he can provide on request.

E. CONSENT CALENDAR

1. Board of Directors Meeting Draft Minutes – January 27, 2017
2. US Bank Custodial Account Statement – January – February 2017
3. SCORE Checking Account Transaction List – January – March 21, 2017
4. Investment Statements from Chandler Asset Management – January – February 2017
5. Target Solutions Monthly Utilization Report – November – February 2017
6. DKF Proposal FY 16/17, FY 17/18, FY 18/19 – Approved by Board on April 1, 2016
7. FY 17/18 Service Calendar Final – Draft Approved by Board on January 27, 2017
8. Alliant Additional Commission Opt Out – signed February 8, 2017

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

MOTION: Roger Frith

SECOND: Robert Meacher

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President's Report

Mr. Roger Carroll reported that the PARMA Conference was great and mentioned the different tracks they offered for training. Members were encouraged to attend one of the future conferences.

F2. Alliant Update

Michelle Minnick provided an update regarding the Form 700's that are due on Monday April 3, 2017. Members were also reminded to submit their APIP Property Renewal Packets so the Alliant staff can update the Underwriters. It was also mentioned that the Alliant staff was unable to provide estimates of the property program premiums as not all members had submitted their renewal information. Marcus Beverly also noted that the members can expect to see an increase of 10-15% in the Property Program due to losses. Lastly he mentioned that a Preliminary Property Budget will be sent out as soon as we receive the rates back from the Underwriter.

F3. CJPRMA Update

Mr. Roger Carroll noted our Excess Coverage could be going up as there are some big claims coming in – he mentioned that SCORE should focus on anything that can help to control our costs.



F4. ERMA Update

John Duckett provided the Board of Directors with a brief update of the ERMA meeting and noted that they reviewed and approved their Memorandum of Coverage (MOC) as well as some of their goals. It was noted that SCORE does not provide Employment Practices Liability (EPL) but if you are not a member of ERMA you have coverage through CJPRMA with a \$500,000 deductible. ERMA members have EPL coverage with a \$25,000 deductible, except for Weed.

F5. LAWCX Update

Steve Baker was not present so no update was provided.

G. FINANCIAL

G.1. Investment Policy

Marcus Beverly presented the Investment Policy and mentioned it had been reviewed by Chandler Investments – he noted there were a couple of cosmetic changes but nothing substantial. Kevin Wong noted that the SCORE policy is more conservative than the government code and generally speaking we were intentionally conservative – members agreed with the suggested changes.

A motion was made to approve the Investment Policy as presented in the agenda.

MOTION: Linda Romaine

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

G.2. Quarterly Financial Report – Period Ended December 31, 2016

Kevin Wong first provided the Board with an update regarding staffing and noted that Cindy Conklin has left her position and Gilbert Associates has been working with a temporary employee. He indicated that the October and January invoices should have been sent out but were not and so in April they will be getting caught up so members should expect to see a statement and any current open invoices. He then presented a summary of the Quarterly Financial Report for the Period Ended December 31, 2016.

- Total Assets increased by \$600,000 (from \$13.3 Million to \$13.9 Million)
- Total Net position has increased by approximately \$600,000
- Revenues and expenses in comparison to the budget are on track at about the 50% mark which is to be expected given we are halfway through the fiscal year.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended December 31, 2016.

MOTION: John Duckett

**SECOND: Muriel Howarth
Terrell**

**MOTION CARRIED
UNANIMOUSLY**



G.3. Gilbert & Associates Service Agreement FY 17/18

Marcus Beverly noted the SCORE - Gilbert & Associates agreement expires at the end of the fiscal year and they have offered to extend their current contract for one year with no increase. The Proposal and amendment was included in the packet and shows no change in services or fees for the next year.

A motion was made to approve the Gilbert Amendment for FY 17-18.

MOTION: John Duckett

SECOND: Muriel Howarth-Terrell

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H.1. Alliant Crime Program (ACIP)

Marcus Beverly reminded members to consider obtaining a quote for the ACIP Crime Program as there are multiple limits and deductibles available. Mike Simmons noted that \$1 million dollars does not go as far as it used to and reminded members about the recent City of Placentia claim which is nearing \$5 million in total. He highlighted that you will not have Faithful Performance coverage unless you purchase coverage in the ACIP Program – this coverage includes not just theft of money but a “failure to perform faithful duty” as part of an employee’s regular job responsibilities (i.e. failure to deposit a check timely). Also included in ACIP is a separate limit for forensic accounting which is not typically included in a standard Crime Bond.

H.2. Loss Control Grant Fund Program

Marcus Beverly mentioned this program renews annually and noted that members often stack a couple years of funding together to help complete a large project. Members were encouraged to use the money to help with anything that can help to reduce exposure to losses.

A motion was made to approve the Loss Control Grant Funds for FY 17/18.

MOTION: Robert Meacher

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**

H.3.a. Liability Actuarial Review

Marcus Beverly provided a review of the Liability Actuarial Study and noted that Mike Harrington was not able to attend today and so he will be attending the October meeting. Marcus noted that the SCORE funds at the 70% Confidence Level (CL), 1.5% Discount Level rate.

- Combined rates have decreased 3.6% (from \$3.62 last year to \$3.49 this year)
- Outstanding Liabilities in the Banking Layer have increased from \$218,000 to \$262,000
- Outstanding Liabilities in the Shared Layer have decreased from \$917,000 to \$849,000



A motion was made to accept the draft Actuarial Report and request final report from the actuary.

**MOTION: Roger Frith SECOND: Wes Heathcock MOTION CARRIED
UNANIMOUSLY**

H.3.b. Workers' Compensation – Actuarial Review

Marcus Beverly provided a review of the Workers' Compensation Actuarial Study and noted that the rates and outstanding liabilities are going up. Marcus noted that the SCORE funds the Workers' Compensation Program at the 75% Confidence Level (CL), 1.5% Discount Level rate and reminded members this was a change approved by the Board last year as the rates had gone down at that time. He mentioned overall our assets have increased and our net position has improved.

A motion was made to accept the draft Actuarial Report and request final report from the actuary.

**MOTION: Wes Heathcock SECOND: Roger Frith MOTION CARRIED
UNANIMOUSLY**

NOTE: At this time the Board requested a review of Item H.5.A.

H.5.a. FY 17/18 Funding Rates – Liability

Marcus Beverly noted that the rates have gone down and we are recommending to stay at the 70% CL. Since there has been a decrease in rates it appears there is no need for a cap. He also mentioned that we received a refund of approximately \$40,000 from CJPRMA which will be applied to the funding based on percentage of payroll. Members were advised to evaluate their Ex Mod as it relates to their percent of total losses to their percent of total payroll.

A motion was made to accept the 70% Confidence Level Liability Program Funding Rates as presented in the agenda – Banking Layer Rate \$1.37 and Shared Layer Rate \$2.12.

**MOTION: Robert Meacher SECOND: Roger Frith MOTION CARRIED
UNANIMOUSLY**

H.5.b. FY 17/18 Funding Rates – Workers' Compensation

Marcus Beverly noted that the rates for the Workers' Compensation program are going up by 5.1% to \$1.73 for the Banking Layer and \$4.03 for the Shared Layer. He indicated the calculation is performed similar to the Liability Program with the exception of the Mini-Cities which is treated as one member. He also reminded members that the composition of the Mini-Cities has changed and there are a total of four members who have been moved out of the Mini-Cities due to their three-year payroll average exceeding \$500,000. It was mentioned that LAWCX has not released their rates yet so it is currently estimated in the budget presented. Members were also reminded that SCORE is transitioning to a



different Administrative Funding Formula over the next three years (First Year FY 17/18—30% Fixed/70% Payroll; Second Year FY 18/19—40% Fixed/60% Payroll; Third Year FY 19/20—50% Fixed/50% Payroll).

A motion was made to accept the 75% CL rates Workers' Compensation Program as presented in the agenda – Banking Layer Rate \$1.73 and Shared Layer Rate \$4.03.

MOTION: Linda Romaine

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**

H.6. York Fee Proposal

Marcus Beverly noted we are at the end of the York Contract period and highlighted that we received the LAWCX Audit of the Workers' Compensation Claims in which York scored 100%. He went on to mention that Ariel Leonhard is doing a great job of managing SCORE claims. York's annual administrative fee was lowered to \$825/member (from \$1,000/member) and due to the geography of SCORE members there was no reason to negotiate a lower fee for Preferred Provider (PPO) savings as there are few PPOs near SCORE members. A question was posed related to the timing of Request for Proposals (RFPs) for SCORE's vendors and it was mentioned that there is no current policy - it was suggested in the next two years we price check to ensure we are getting a good deal.

A motion was made to approve the York Claims Services contract as presented in the agenda.

MOTION: Roger Frith

**SECOND: Muriel Howarth-
Terrell**

**MOTION CARRIED
UNANIMOUSLY**

H.7. FY 17/18 Score Preliminary Budget

Marcus Beverly presented the Board with the preliminary budget and reviewed the changes to the Administrative expenses – he noted that the York Contract has been approved earlier in this meeting and so those changes will need to be updated in regards to the Claims Administrative portion of the budget. Lastly Marcus encouraged all members with police to receive Lexipol's Daily Training Bulletins (DTB's) as this alone could help to save on defense of a claim.

H.8. SCORE TRAINING DAY

Marcus Beverly indicated that since Mike Harrington did not attend today he will present at the October meeting. York is planning a presentation on Modified Duty and Return to Work Restrictions. Chandler will cover the Investment Report and we are hoping to have ERMA present some information about EPL. There is one topic of case law that we thought might be interesting regarding the expansion of FMLA benefits. Some other suggestions were:

- How to properly terminate an employee
- City Council training
- Loss Control training – David Patzer to present claims analysis and Scorecard



- Review of Best Practices and possible additions
- Dangerous conditions and trail immunities
- Uncovering/preventing financial fraud

H.4. Risk Control Services Update - DKF

John Balestrini provided the Board with an update of the Risk Control Services.

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:21 P.M, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Liability

- a. Marquez v. Biggs*

2. Workers' Compensation

- a. SCWA-65667 v. Susanville*
- b. SCWA-555866, SCWA-540951, SCWA-268050 v. Susanville*

J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:40 P.M. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

K. INFORMATION ITEMS

K1. FY 16/17 Resource Contact Guide

This was provided as an information item only.

K2. Glossary of Terms

This was provided as an information item only.

K3. SCORE Travel Reimbursement Form

This was provided as an information item only.

L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

There were no discussion items.



M. CLOSING COMMENTS

There were no closing comments.

N. AJOURNMENT

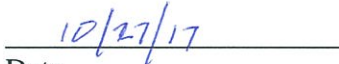
The meeting was adjourned at 12:41 P.M.

NEXT MEETING DATE: June 16, 2017 in Anderson, CA

Respectfully Submitted,



Brooke Woodcox, Secretary



Date