



Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
June 11, 2021

Member Cities Present:

Mark Sorensen, City of Biggs
John Busch, City of Biggs
Wes Heathcock, City of Colfax
Todd Juhasz, City of Dunsmuir
Blake Michaelsen, City of Dunsmuir
Aaron Palmer, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
David Dunn, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta
Lauren Knox, City of Portola
Kyle Knopp, City of Rio Dell
Wendy Howard, City of Shasta Lake
Penny Velador, City of Tulelake
Jenny Coelho, City of Tulelake
Emily Coulter, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

City of Etna
City of Susanville

City of Isleton

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Jennifer Zraick, Gilbert Associates, Inc.

Dori Zumwalt, Sedgwick
Jill Petrarca, Sedgwick
Ariel Leonhard, Sedgwick

A. CALL TO ORDER

Mr. Steve Baker called the meeting to order at 10:03 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were Etna, Isleton and Susanville.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Lauren Knox

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – March 26, 2021
2. US Bank Custodial Account Statement –March – May 2021
3. Investment Statements from Chandler Asset Management – March – May 2021
4. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – March 31, 2021
5. Treasurer’s Report as of March 31, 2021
6. Target Solutions Utilization Report Summary – January – May 2021
7. ACI Utilization Report – January – March 2021

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

MOTION: Penny Velador

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

Mr. Steve Baker reminded the Board that he will be retiring at the end of the month, mentioned that he will miss the Board and expressed gratitude for allowing him to serve as President.

F.2.A. CJPRMA Update

Mr. Marcus Beverly noted the pricing indications for the group’s reinsurance s are increasing and we will discuss in a later item as to how it affects the SCORE pool.

F.2.B. ERMA Update

The Board was reminded that ERMA is currently setting up their training schedule for FY 21/22 and encouraged cities to consider hosting a training at their site. Members were also reminded to complete the Compliance Survey to ensure their SIR is not increased because of not being at least 90% compliance for EPL Training.

F.2.C. LAWCX Update

Wes Heathcock provided a brief discussion regarding the excess Workers’ Compensation pool and their recent approval to study forming a captive insurance company to improve capital returns, improve access to reinsurance, and provide additional options for coverage.



F.3. Alliant Update

- a) **State of the Market** – members are reminded the property program will see significant increases in deductibles, and the Program Managers are working with members to review options for vehicle coverage with lower deductibles.

- b) **Crime Renewals** – renewal proposals for crime insurance are in process and members will receive those individually.

G. FINANCIAL

G.1.a. Quarterly Financials for QE March 31, 2021

Jennifer Zraick presented a summary of the Quarterly Financial Report for the Period Ended March 31, 2021. Highlights include Net Income of \$361,072, with an increase in Total Assets of \$1.8M and an increase in Total Liabilities from \$5.3M to \$6.7M. The increase in liabilities is mostly due to an increase in IBNR of \$1.1M, with essentially no change to current liabilities. LAIF has increased by \$1.5M due to transfers into LAIF from the investment account to maintain cash flow while staggering any new investments.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended March 31, 2021.

MOTION: Wes Heathcock

SECOND: Roger Carroll

**MOTION CARRIED
UNANIMOUSLY**

G.2. Premium Payment Plan Requests for FY 21/22

G.2.A. City of Isleton

Marcus Beverly noted that the City has fallen behind in their previous payment plan invoices and recommended approval of a plan for FY 21/22 contingent on bringing the premium invoices current.

A motion was made to approve the payment plan contingent upon their bringing their funding current.

MOTION: Wes Heathcock

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

G.2.B. City of Loyalton

Marcus Beverly presented the letter from the City of Loyalton requesting a payment plan for FY 21/22 and mentioned that they would like to fund half of their premium up front and pay the remainder over the course of the year in monthly installments.

The Board asked to review the City of Tulelake's request before making a motion on both items.



G.2.C. City of Tulelake

The Board asked Marcus Beverly to review the City of Tulelake request letter and noted that the city has requested quarterly payments for the Liability Program for FY 21/22. He mentioned that both Loyalton and Tulelake are current with the FY 20/21 payment plans.

A motion was made to approve both payment plans for City of Tulelake and City of Loyalton as presented.

MOTION: Wes Heathcock

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H.1. LAWCX Excess Workers' Compensation Audit

Marcus Beverly provided a review of the Excess Workers' Compensation Claims Audit. The overall score is 98.1%, reflecting 100% compliance in most categories and 95% in other critical areas. The two categories below 95% were related to documentation of reserve amounts that were not material. Overall another excellent audit and thanks to Ariel for her continued efforts. One of the categories measured is ongoing employee contact, and Marcus encouraged members to continue reaching out to their employees while they are out on Workers' Compensation leave as it helps the employee feel valued and included in the process.

A motion was made to accept and file the report.

MOTION: Kyle Knopp

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

H.2. Identity Fraud Coverage FY 21/22

Marcus Beverly provided a review of the Travelers ID Fraud coverage that is provided to SCORE member employees as well as their spouse and children under 18. After a brief review of the coverage members agreed the purchase would benefit SCORE's members.

A motion was made to approve the purchase of the ID Fraud coverage for FY 21/22.

MOTION: Wendy Howard

SECOND: Blake Michaelson

**MOTION CARRIED
UNANIMOUSLY**

H.3. Crime Coverage for SCORE Treasurer

The Board was presented with the ACIP Crime Proposal with a limit of \$1M and a deductible of \$2,500. After a general discussion of the amounts available to the SCORE Treasurer it was requested



that the Program Administration request a quote for a \$3M and \$5M limit with a \$25,000 deductible to be presented at the next meeting.

H.4. Delegation of Investment Authority to SCORE Treasurer

Marcus Beverly presented the Resolution which delegates investment authority to the SCORE Treasurer to invest funds in LAIF. It was noted that if SCORE only had our money in LAIF we wouldn't need this but as there are investments in other places we need this annually to ensure we have authority.

A motion was made to approve the Resolution as presented.

MOTION: Wendy Howard

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H.5. Nomination & Selection of SCORE Officer Positions- President and Secretary.

Marcus Beverly noted that there are two recent vacancies due to member retirements and the Board was asked to nominate and select a new President and Secretary to complete the current two-year term of office which began July 1, 2020 (concludes July 1, 2022). Given the change in President and Vice President a new Member-at-Large is also needed to complete the Executive Committee. The following is the slate of nominated officers:

Wes Heathcock - President

Muriel Howarth Terrell - Secretary

Blake Michaelsen - Vice President

Wendy Howard - Member at Large

A motion was made to approve the slate of officers.

MOTION: Roger Carroll

SECOND: Lauren Knox

**MOTION CARRIED
UNANIMOUSLY**

H.6. Selection of ERMA Board Representative

Marcus Beverly noted that due to the recent retirement of John Duckett we are seeking a replacement as the ERMA Representative. After a brief discussion Roger Carroll has volunteered to move up from Alternate to become the ERMA Board Representative. Wendy Howard volunteered to be the ERMA Alternate Representative.

Roger Carroll – Board Representative

Wendy Howard –Board Alternate Representative

A motion was made to approve the slate.

MOTION: Wes Heathcock

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**



H.7. Risk Control Update – DKF

Marcus Beverly noted that we are planning to meet in person for the October 28-29, 2021 Board meeting and members were asked to consider planning and training topics for discussion.

H.8. Loss Control Grant Fund

Michelle Minnick provided the Board with a review of the current FY 20/21 Loss Control Grant Funds available. Members were encouraged to review the current amount available and consider using the funds now, or, if a larger project is on the horizon to make a request to roll over FY 20/21 funds into FY 21/22.

A motion was made to approve the Loss Control Grant Funds

MOTION: Jenny Coelho

SECOND: Lauren Knox

**MOTION CARRIED
UNANIMOUSLY**

H.9. CJPRMA Update

Marcus Beverly noted that CJPRMA will be increasing their SIR from \$5M to \$7.5M and those numbers have been included in the budget. Final terms are still being negotiated and will be presented at the next Board meeting on June 25.

H.10. Memoranda of Coverage (MOC)

H.10.a. Liability MOC

The SCORE Liability MOC has no changes. Any changes to the excess MOC will be presented when received. It was noted that the SCORE MOC requires notice and certain conditions to add a skate park, as Colfax is preparing to approve one. The Cities of Weed & Mt. Shasta have skate parks that are not listed in the MOC since separate Park & Recreation and it was noted the Districts own those.

A motion was made to approve the SCORE MOC as presented.

MOTION: Wes Heathcock

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H.10.b. Workers' Compensation MOC

No changes are recommended to the SCORE MOC. It was noted that the excess coverage will apply to out of state workers if they choose CA benefits.

A motion was made to approve the Workers' Compensation MOC as presented.

MOTION: Roger Carroll

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**



H.11. FY 21/22 SCORE Preliminary Administration Budget

Marcus Beverly presented the Board with the preliminary budget and reviewed the changes to the Administrative Budget – he also noted that this is presented as preliminary summary but is subject to change as information from the carriers is released. Program Administration was provided with direction to bring the final Proposed Budget to the next meeting for final approval.

A motion was made to approve the SCORE Program Budget for FY 21/22.

MOTION: Roger Carroll

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

H.12. FY 21/22 APIP Property Changes

The Executive Summary and red-lined version of the Property MOC were presented for brief discussion, centered on the change in deductibles and working with members to review vehicle schedules to obtain the best options for coverage. The allocation of premium and more details for the coverage terms will be provided at the next meeting.

I. GENERAL RISK MANAGEMENT ISSUES

J. INFORMATION ITEMS

J.1. Glossary of Terms

This was provided as an information item only.

J.2. FY 20/21 Resource Contact Guide

This was provided as an information item only.

K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

****REQUESTING AUTHORITY**

1. Liability

a. SCGA02015A2 v. City of Yreka**

2. Workers Compensation

a. SCWA-556100 and SCWA-556174 v. City of Weed**

L. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:29 P.M. Mr. Beverly reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.



M. CLOSING COMMENTS

N. AJOURNMENT

The meeting was adjourned at 12:30 PM

NEXT MEETING DATE: June 25, 2021 Teleconference

Respectfully Submitted,

Muriel Howarth Terrell

Muriel Howarth Terrell, Secretary

9/1/21

Date