



Small Cities Organized Risk Effort (SCORE)
Board of Directors Teleconference Meeting Minutes
August 26, 2016

Member Cities Present:

John Busch, City of Biggs
Wes Heathcock, City of Colfax
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Roger Carroll, Town of Loomis
Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola

Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Jared Hancock, City of Susanville
Jenny Coelho, City of Tulelake
Steve Baker, City of Yreka
Diana Howard, City of Weed

Member Cities Absent:

City of Dunsmuir
City of Etna
City of Isleton

City of Loyalton
City of Montague

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Kevin Wong, Gilbert Associates, Inc.
Cindy Conklin, Gilbert Associates, Inc.

Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services
Craig Nunn, York Risk Services
David Patzer DKF Risk Services

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:06 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the City of Dunsmuir, City of Etna, City of Loyalton and the City of Montague.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Robert Meacher

SECOND: Wes Heathcock

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – June 24, 2016
2. US Bank Account Statements – June—July 2016
3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – June 30, 2016
4. Treasurer’s Report as of June 30, 2016
5. Investment Statements from Chandler Asset Management – June—July 2016
6. ACI Quarterly Utilization Report – April—June 2016
7. Target Solutions Administrative Summary as of June 30, 2016
8. SCORE Checking Register as of June—July 2016

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

MOTION: Steve Baker

**SECOND: Muriel Howarth
Terrell**

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

Mr. Roger Carroll had no issues to report for SCORE but requested that all members attending minimize multi-tasking while on the teleconference.

F2. Alliant Update

Marcus Beverly provided the Board with a brief update and noted that he has been making site visits to SCORE members to discuss in person with each member of the Ad Hoc Committee the recommendations being made. He reminded members that the next Board of Directors meeting will take place in October and he is looking forward to seeing people at the Gaia. Lastly members were reminded that there is still time to register for the CAJPA Conference and noted that SCORE will help cover the registration fees.

G. FINANCIAL

G1. Quarterly Financials for QE June 30, 2016

Kevin Wong and Cindy Conklin from Gilbert Associates provided a summary of the Quarterly Financials for the QE June 30, 2016. Kevin also provided an update regarding the year-end financials as well as an update on the audit. He indicated that SCORE has had good financial performance for year-end financials.

- Total Assets are at \$13.1 million up from \$12.2 million due to an increase in cash and a slight increase in total investments
- Total Liabilities are at \$5.3 million, down from \$5.9 million



- Total operating revenue increased from \$3.3. Million to \$3.8 million
- Total Expenses and Claims Expenses are at \$84,000 compared to \$835,000, driven by decreases in actual claims paid as well as a reduction in claims liabilities
- Budget to actual comparison – SCORE exceeded budget expectations in various areas as most members had net contributions over expenses

Kevin Wong then provided an update regarding the Financial Audit and noted that the auditors didn't have any proposed adjustments to our numbers.

A motion was made to approve the Quarterly Financials for QE June 30, 2016.

MOTION: Robert Meacher

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H1. SCORE Workers' Compensation Audit Report

Marcus Beverly presented the SCORE Workers' Compensation claims audit recently conducted by Tim Farley and noted that York performed well in the audit. The overall performance meets or exceeds industry standards. The only notable category was for Claim Diary and he indicated that was due to an extended leave and eventual turnover in staffing. Given the extended leave York did a good job of filling in until the new examiner, Ariel Leonhard, was assigned. Ariel has been aggressive in setting adequate reserves and closing the older files. Dori Zumwalt indicated she is confident in Ariel and is sure there will be improvement in diary in the next audit.

A motion was made to accept and file the SCORE Workers' Compensation Audit Report 2016.

MOTION: John Duckett

SECOND: Wes Heathcock

**MOTION CARRIED
UNANIMOUSLY**

H2. Review and Approval of the SCORE Conflict of Interest Code

Marcus Beverly presented the SCORE Conflict of Interest Code and noted there are no changes recommended this year. He mentioned that every two years we are required to review and adopt the Conflict of Interest Code to comply with the updated Fair Political Practices Commission (FPPC) filing requirements. Members were also reminded that the FPPC is becoming more aggressive about the Form 700's and it was noted that you can be fined for not submitting them timely.

A motion was made to accept and file the SCORE Conflict of Interest Code.

MOTION: Wes Heathcock

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**



H3. Loss Control Grant Fund Program

Marcus Beverly noted there was a request from Dunsmuir that came in after the deadline of June 15th and we wanted to bring this to the Board for review to determine if the Board was willing to make an exception for their request.

A motion was made to approve Dunsmuir's request for Loss Control Grant Funds from FY 15/16.

MOTION: Linda Romaine

SECOND: Jared Hancock

**MOTION CARRIED
UNANIMOUSLY**

H4. ERMA Dividend

Marcus Beverly indicated that SCORE receives dividends through ERMA and recently received a dividend check for \$30,040. He mentioned that all members of SCORE would be receiving a dividend with the exception of a small assessment charge to Town of Loomis and City of Tulelake. Members had questions regarding how the ERMA Dividends are calculated and allocated to individual participating members and expressed interest in seeing the calculation ERMA performs regarding dividend allocations. It was mentioned that ERMA has created a Capital Fund Contribution which they are using to build up an additional reserve which might be used for Risk Management purposes/services but it has not been officially declared what these funds will be used for.

A motion was made to accept and distribute refund allocations as provided by ERMA for June 2016.

MOTION: Jared Hancock

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

H5. SCORE Travel Expense Resolution 01-04

Marcus Beverly presented the Board with a revised SCORE Travel Expense Resolution and noted that SCORE reimburses members for travel related to SCORE meetings with the exception of Board Meetings. He noted that the policy does not match the practice in the past and recommended one revision to the Resolution (change the word "excluding" to "including"). Roger Carroll provided some history regarding the policy and indicated that this was originally created for two representatives to attend either PARMA and/or CAJPA but was extended to all members as these conferences are beneficial and educational and should be available to all members.

Marcus Beverly noted that members can always use their Loss Control Grant Funds for conference reimbursement and travel expenses and he is considering recommending increasing the Grant Funds to include conference attendance and eliminating the conference funding in the Administrative Budget. The amount for Board expenses may increase slightly in the FY 17/18 budget, and the Program Administrators will review the mileage from member cities to the meeting location to get a more accurate figure for the budget. Members also requested the Travel Reimbursement Form should be



revised to make it easier for members to request reimbursement and noted that when members are reimbursed the check should go to the appropriate person/city.

There was a question regarding what members have been reimbursed in the past and Michelle Minnick notified members that the practice has been to reimburse members for travel related expenses for attending SCORE Board meetings including mileage and hotel expenses.

A motion was made to amend the document with recommended revisions.

MOTION: Linda Romaine SECOND: Muriel Howarth MOTION CARRIED
Terrell

OPPOSED: Jared Hancock

H6. DKF 2016/17 Work Plan Status and Roadmap

David Patzer from DKF provided an update regarding the risk management work plan and noted that every member will be receiving information after the Labor Day weekend and again after the first of the year related to the Webinar training that is available through DKF. They have added additional CALOSHA policies and training on a number of topics. David Patzer also indicated DKF is adding something new this year as they will spend some time in the field watching employees as they perform work. He also noted that DKF will continue their site visits to each member through the fall. Randy Musgraves will be presenting the results of the Sewer Collection Management Plan at the October meeting. Lastly, he noted there are a number of cities (not SCORE members) who are receiving multi-million dollar fines for violations related to sewer maintenance regulations and mentioned members should be focused on correcting these issues prior to receiving a fine.

This was an information item only.

H7. Update on the Ad Hoc Committee

Marcus Beverly provided an update from the last Ad Hoc Committee Meeting and noted that prior to the teleconference meeting he met with all of the Ad Hoc Committee members in person and indicated we are getting closer to consensus on the recommendations.

He stated the Committee discussed the concept of treating all members the same and phasing in any change to the Administrative Expenses Allocation over a three year period (30% fixed/70% payroll in the first year, 40% fixed/60% payroll in the second year and 50% fixed/50% payroll in the third year) but he noted that there were concerns about ultimately reaching the 50% fixed/50% payroll allocation.

Regarding the Mini-Cities composition, the Board was generally in agreement that members with payroll averaging more than \$500,000 over a three-year period would become regular members. This means that Loomis, Portola and Rio Dell would move out of the Mini Cities. He also noted that the Program Administrators are looking at ways to decrease the Administrative Expenses in the budget.



Lastly, he mentioned that the current funding projections reflect an increase in the Mini-Cities Ex Mod, such that a cap is proposed to ease the administrative expense transition. However, the Mini Cities Ex Mod will likely improve for the FY 16/17 funding and a cap may not be necessary. An estimate will be provided at the October meeting, but the final numbers will be based on losses as of December 31, 2016. Members were encouraged to reach out to Marcus to see how some of these changes will affect their numbers.

This was an information item only.

H8. October Training Day and Board Directors Meeting Topics

Marcus Beverly noted that we are putting together the agenda for the October meetings and a draft agenda cover was provided for the Board to review. He noted that we are still working on getting an EPL training session set up and we would probably have a case law update. He confirmed that the Sewer Collection Management Plan results would be provided to members. Members were also encouraged to provide feedback on the selected topics and if there were any other topics of interest to the Board.

This was an information item only.

I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

There was no discussion of this item.

J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 11:30 A.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. Brashear v. City of Dunsmuir**
- 2. Workers' Compensation**
 - a. SCWA-555750 v. City of Montague**
 - b. SCWA-530470 v. City of Crescent City**
 - c. SCWA-555894 v. City of Susanville**

The Board returned from closed session at 11:45 a.m. President Caroll announced the Board provided direction on the claims but no reportable actions were taken.

K. REPORT FROM CLOSED SESSION

L. INFORMATION ITEMS

L1. FY 2016/17 Resource Contact Guide



- L2. Certificate Request Form**
- L3. Glossary of Terms**

Items L1., L2., and L3. were provided as information items only.

M. CLOSING COMMENTS

There were no closing comments.

N. AJOURNMENT

The meeting was adjourned at 11:46 A.M.

NEXT MEETING DATE: October 13, 2016 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date