

**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
October 28, 2011**

Member Cities Present

Michael Botorff, City of Biggs
Bruce Kranz, City of Colfax
Liz Clontz, City of Dorris
Brenda Bains, City of Dunsmuir
Pamela Russell, City of Etna
Linda Romaine, Town of Fort Jones
Satwant Takhar, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton

Frank Hoag, City of Montague
Ted Marconi, City of Mount Shasta
Susan Scarlett, City of Portola
Stephanie Beauchaine, City of Rio Dell
John Duckett, City of Shasta Lake
Debra Magginetti, City of Susanville
Earl Wilson, City of Weed
Steve Baker, City of Yreka

Member Cities Absent

Mayor Gene Resler, City of Isleton

Randolph Darrow, City of Tulelake

Consultants & Guests

Susan Adams, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Jacqueline Parker, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Tom Baber, York Insurance
Jack Kastorff, York Insurance
Craig Wheaton, York Insurance
Bonnie Markuson, York Insurance
Leslie Cunningham, York Insurance

Jodi Fink, York Insurance
Kevin Wong, Gilbert Associates
Tracey Smith-Reed, Gilbert Associates
Leslie Tigan, City of Portola
Ken McDonald, City of Crescent City
Earl Wilson, City of Weed
Cricket Strock, Town of Loomis
David Stein, City of Etna
Megan Annand, City of Tulelake

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 9:08 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent were City of Isleton and the City of Tulelake.

C. APPROVAL OF THE AGENDA

A motion was made to approve the Agenda as presented.

MOTION: Ted Marconi **SECOND:** Earl Wilson **MOTION CARRIED**

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting Minutes – August 26, 2011
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments - June & September 2011
3. Union Bank Account Statement – July, August & September 2011
4. Investment Statements from Chandler Asset Management: August & September 2011
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Holdings Report – Most Recent
 - iii. Compliance Report
 - iv. Transaction Reports

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

MOTION: Liz Clontz **SECOND:** Debra Magginiti **MOTION CARRIED**

F. FINANCIAL REPORTS

F1. SCORE's Quarterly Financials – June 30, 2011 and September 30, 2011

Mr. Kevin Wong gave a report regarding SCORE's Quarterly Financials as of June 30, 2011 and a brief report regarding the Quarterly Financials as of September 30, 2011. The Quarterly Financial Report ending September 30, 2011 was inadvertently not brought to the meeting so staff was directed to bring it back to the next SCORE Board of Directors meeting for approval.

A motion was made to approve the Quarterly Financials as of June 30, 2011.

MOTION: Linda Romaine **SECOND:** Kathy LeBlanc **MOTION CARRIED**

F2. Target Equity Analysis as of June 30, 2011

Ms. Susan Adams advised that the Target Equity Ratios are provided annually and are part of the CAJPA Accreditation requirements.

Mr. Michael Simmons gave a report on the Target Equity Analysis as of June 30, 2011.

F3. Approval of Workers' Compensation Revised Retrospective Distribution Calculation

Ms. Adams explained that in the August webinar an error was noticed regarding how the interest allocation was applied in the original calculation so the Distribution Calculations have been revised accordingly. The total distribution amount has not been changed but the allocation has been corrected.

A motion was made to approve the Workers' Compensation Revised Retrospective Distribution Calculation.

MOTION: John Duckett **SECOND:** Satwant Takhar **MOTION CARRIED**

F4. Declaration of Workers' Compensation Retrospective Distribution

The Board and staff discussed whether the shared layer distribution can be applied to the banking layer to help offset any deficit.

Members noticed the distribution calculations did not appropriately sum together the banking layer and shared layer distributions with respects to deficits in the banking layer.

Ms. Adams advised that staff will send out a letter to members requesting the cities' distribution options.

A motion was made to approve the declaration of Workers' Compensation Distribution at 40% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F5. Approval of General Liability Revised Retrospective Distribution Calculation

Ms. Adams explained the General Liability Revised Retrospective Distribution Calculation recommending a 30% distribution of available funds.

Mr. Wong explained that in an attempt to tie out the net results in the Distribution Calculations there was a remaining difference of \$3,512 available. Gilbert Associates will bring back options regarding the distribution of the difference remaining in January.

Members again noticed the distribution calculations did not appropriately sum together the banking layer and shared layer distributions with respects to deficits in the banking layer.

A motion was made to approve the General Liability Distribution Calculation at 30% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F6. Declaration of General Liability Revised Retrospective Distribution

There was discussion on whether the \$500,000 Equity Distributions are included in the Retrospective Distribution calculations. Mr. Simmons explained that in an attempt to tie the distributions to the Financial Statements new distribution calculations were used and in essence the \$500,000 Equity Distributions are included and allocated in the calculations.

A motion was made to approve the declaration of General Liability Revised Retrospective Distribution at 30% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F7. Financial Audit Update

Mr. Carroll noted that the Financial Audit Update was included in the discussion of the previous Retrospective Distributions items.

F8. City of Tulelake Premium Payment Plan Update

Ms. Adams updated members regarding the City of Tulelake Premium Payment Plan advising that Tulelake has paid its premium in full.

F9. Approval of Resolution regarding York signatures on Bank Signature Cards

Susan advised that York is migrating its claims management system from Valley Oaks to Claims Connect and as part of the migration, new Bank Signature Cards are required by the bank.

A motion was made to approve the Resolution regarding York signatures on Bank Signature Cards.

MOTION: Linda Romaine **SECOND:** Kathy LeBlanc **MOTION CARRIED**

The Chair called for a “hand indication” vote process with the following results:

Sixteen – Ayes
Zero - Opposed

G. ADMINISTRATIVE REPORTS

G1. President’s Report

Mr. Carroll spoke about the Company Nurse program offered at the Strategic Planning Session and asked if the Board would like for staff to contact Company Nurse for enrollment. Costs for the program will be an allocated loss adjustment expense billed in the claim file. Staff

recommends enrollment in program. Staff was directed to contact Company Nurse for enrollment.

G2. Alliant Update

Ms. Adams explained that a JPA unit was organized in the Alliant Insurance Sacramento office and introduced Ms. Joan Crossley who will be overseeing the unit. Ms. Adams said Kim Carter will handle all insurance related issues with Johnny Yang handling all JPA administration items.

G3. California Association of Joint Powers Authorities (CAJPA) Reaccreditation Update

Ms. Adams advised that SCORE has been reaccredited with excellence by CAJPA. CAJPA will present to SCORE the Reaccreditation with Excellence Certificate at the upcoming January Board meeting.

G4. California Joint Powers Risk Management Authority (CJPRMA) Update

Mr. Carroll addressed the board regarding CJPRMA's extensive renewal application to be expected soon. Mr. Carroll also noted the large EPL claims coming to light.

H. JPA BUSINESS

H1. City of Crescent City Distribution Request

Ms. Adams advised that at its prior webinar meeting the Board requested to have this item brought back to today's Board meeting for discussion.

Mr. Ken McDonald spoke about the prudent measure to require cities that have left the pool to request the distribution advising Crescent City will commit to the maintenance of reserves any assessments to Crescent City in the next twelve months.

Ms. Stephanie Beauchaine made a motion to deny the City of Crescent City Distribution request.

There was discussion about Crescent City's open claims that may affect the distribution and SCORE's JPA Agreement and Bylaws regarding distribution of funds.

Mr. McDonald expressed that since the City of Crescent City is responsible for any assessments then they are also eligible for any distributions to be made to members for that year. Mr. McDonald advised that any distributions calculated for the City of Crescent City, if not paid, should be addressed as a debt owed to the City by SCORE for any possible future assessments for the Crescent City.

Mr. Simmons mentioned that future assessments are impacted not only by Crescent City's claims but SCORE's claims as a whole noting that due to Crescent City's size, they are responsible for a

larger portion of those assessments. Mr. Simmons then suggested looking into claims for substantially closed years which are clearly available for release.

Ms. Beauchaine amended her original motion above to deny Crescent City's request and direct staff to examine a formula to determine and bring back a calculation of potentially eligible funds for departing cities for substantially closed years.

MOTION: Stephanie Beauchaine **SECOND:** Linda Romaine **MOTION CARRIED**

H2. Liability Claims Audit Request for Proposal

Susan Adams asked the Board to decide if a Request for Proposal should be issued for a Liability claims audit to be performed or should the previous auditor be contacted to determine his interest and availability to audit the Liability claims.

A motion was made to contact the previous auditor to determine his interest and availability to audit the claims.

MOTION: Earl Wilson **SECOND:** John Duckett **MOTION CARRIED**

H3. Workers' Compensation Audit Request for Proposal

Ms. Adams asked the Board to decide if a Request for Proposal be issued for a Workers' Compensation claims audit to be performed or should the previous auditor be contacted to determine their interest and availability to audit the Workers' Compensation claims.

A motion was made to contact the previous auditor to determine their interest and availability to audit the claims.

MOTION: John Duckett **SECOND:** Stephanie Beauchaine **MOTION CARRIED**

I. SAFETY AND RISK MANAGEMENT

I1. TargetSolutions Usage

Ms. Adams gave a brief update regarding TargetSolutions' current utilization for the 2011-2012 policy year advising that interested members should contact Alliant Staff for contact information.

I2. Insurance Requirement in Contracts

Mr. Simmons gave a presentation with Marcus Beverly regarding the Insurance Requirements in Contracts.

I3. Lexipol Fire Policy Manual

Mr. Jack Kastorff gave an update regarding the Lexipol Fire Policy Manual. The Board requested that this item be brought back to the next Board of Directors meeting for future discussion regarding cost.

J. INFORMATION ITEMS

J1. Public Agency Risk Managers Association Conference – February 14 – 17, 2012 in Monterey

Mr. Carroll advised members of the upcoming PARMA Conference in Monterey California on February 14 – 17, 2012 reminding members of the Education Funds available through SCORE.

J2. SCORE Resource Contact Guide

Ms. Adams advised the Board that the SCORE Resource Contact Guide will updated by Staff and included in future Agendas. It will also be available on the SCORE website.

K. CLOSING COMMENTS


There were no closing comments.

AJOURNMENT

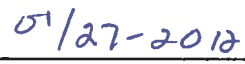
The meeting was adjourned at 11:59 a.m.

NEXT MEETING DATE: Friday, January 27, 2012

Respectfully Submitted,



Debra Magginetti, Secretary



Date