



**Small Cities Organized Risk Effort (SCORE)  
Board of Directors Meeting Minutes  
June 16, 2017**

**Member Cities Present:**

Roger Frith, City of Biggs  
Wes Heathcock, City of Colfax  
Mark Brannigan, City of Dunsmuir  
Linda Romaine, Town of Fort Jones  
Robert Jankovitz, City of Isleton  
Roger Carroll, Town of Loomis  
Cricket Strock, Town of Loomis  
Kathy LeBlanc, City of Loyalton  
Ray Fahey, City of Montague

Bruce Pope, 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  
Penny Velador, City of Tulelake  
Diana Howard, City of Weed  
Rhetta Hogan, City of Yreka

**Member Cities Absent:**

Jim Goodwin, City of Live Oak

Sarah Griggs, City of Etna

**Consultants & Guests**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
David Patzer, DKF Solutions

Kevin Wong, Gilbert Associates, Inc.  
Teresa Camacho, Gilbert Associates, Inc.  
Dorienne Zumwalt, York Risk Services  
Cameron Dewey, York Risk Services

**A. CALL TO ORDER**

Mr. Roger Carroll 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 the City of Live Oak and the City of Etna.

**C. APPROVAL OF AGENDA AS POSTED**

*A motion was made to approve the Agenda as posted.*

**MOTION: Kathy LeBlanc**

**SECOND: Robert Meacher**

**MOTION CARRIED  
UNANIMOUSLY**



## **D. PUBLIC COMMENT**

There were no public comments.

## **E. CONSENT CALENDAR**

1. Board of Directors Meeting *Draft* Minutes – March 31, 2017
2. US Bank Custodial Account Statement – March – May 2017
3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investment – March 31, 2017
4. Treasurer’s Report as of March 31, 2017
5. SCORE Checking Account Transaction List – March – May 2017
6. Investment Statements from Chandler Asset Management – March – May 2017
7. ACI Utilization Report – January – March 2017
8. Company Nurse Injury Summary Report – February 2017
9. ACI 2016-2018 Contract – approved by Board on June 24, 2016
10. Loss Control Grant Fund FY 16/17 Usage
11. Bickmore – Actuarial Letter of Engagement dated January 3, 2017
12. York Workers’ Compensation Amendment Two – approved by BOD March 31, 2017
13. York Liability Amendment Two – approved by BOD March 31, 2017

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

**MOTION: John Duckett**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

## **F. ADMINISTRATIVE REPORTS**

### **F1. President’s Report**

Mr. Roger Carroll had no issues to report for SCORE.

### **F2. CJPRMA Update**

Mr. Roger Carroll noted that CJPRMA annual retreat to discuss items of interest – he highlighted that tree ordinances are now a Public Works Exposure. He also noted that the ordinance should match what is being practiced (i.e. ordinance may say the Property Owner is responsible but if Public Works preforms maintenance on the tree it becomes an exposure of the city – who ever touched it last). Lastly he noted the Shared Service agreements are a hot button topic and it is recommended that everything is documented in writing. Marcus Beverly added that for any Shared Service Agreement members are encouraged to send the contract to Marcus for review especially agreements for Police Task forces. Marcus Beverly indicated that mutual hold harmless agreements are not recommended and if any members need help he is available to help members navigate through those matters. It was also mentioned to be very sure who has the authority to sign agreement documents.





### **F3. LAWCX Update**

Michelle Minnick provided the Board of Directors with an update of LAWCX matters and noted there was a new program for Flex Wellness Mind and Body Program for Police and Fire Departments which they are considering enhancing due to its great success. It was also noted there was a change to the appeals process which will now require an appeal be filed within 30 days to the Executive Committee and within 30 days of that there will be a single arbitrator assigned. She noted that the rates saw an increase of 12% partially related to an increase in contributions this year of \$275K compared to \$245K last year. They will allow Program Administration (i.e. Marcus Beverly) to become an LAWCX Alternate Representative for SCORE which will be brought back at the October meeting for discussion.

### **F4. ERMA Update**

John Duckett provided the Board of Directors with a brief review of the ERMA meeting and mentioned the Board approved the budget and officers for the next year. He mentioned that rates remain flat with no major changes in membership.

### **F5. Alliant Update**

Michelle Minnick noted that there is a conflict with the January 2018 meeting date as the Gaia is booked and so they have offered January 19, 2017. Members were advised the meeting date will likely move to this date.

## **G. FINANCIAL**

### **G.1. Quarterly Financials for QE March 31, 2017**

Teresa Camacho from Gilbert Associates presented the Board with the Quarterly Financial Statement for the Quarter Ended March 31, 2017. It was noted there has not been much change from the position last year.

- Statement of Net Assets – not much change from last year
- Large increase compared to last year in Member Accounts Receivable – outstanding invoices are being resolved
- Liabilities are comparable to last year
- Net position last year was 7.2 and now is 8.1 – showing a good trend
- Budget to Actual is in range and there is nothing of concern

*A motion was made to accept and file the report as presented in the agenda.*

**MOTION: Roger Frith**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.2. Delegation of Investment Authority to SCORE Treasurer**

Marcus Beverly indicated this is a routine item as the Board only has authority to delegate for one year – there was no other discussion.



*A motion was made to approve Resolution 17-01.*

**MOTION: Robert Meacher**

**SECOND: Roger Frith**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.3. Premium Payment Plan Requests for FY 17/18**

#### **G.3.A. Premium Payment Plan Requests for FY 17/18 - City of Tulalake**

Marcus Beverly noted that the City of Tulalake has requested a quarterly payment plan. He mentioned the Liability program is billed in one lump sum and Workers' Compensation is billed quarterly but at this time the City of Tulalake has requested a quarterly liability payment plan (rather than the monthly payment plan they have requested in the past). He reminded the Board that there is a 3% Administrative Fee on the unpaid balance of the payment plan (which goes into the Shared Layer Funding).

*A motion was made to approve the quarterly payment plan for the City of Tulalake.*

**MOTION: Linda Romaine**

**SECOND: Jared Hancock**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.3.B. Premium Payment Plan Requests for FY 17/18 - City of Isleton**

Marcus Beverly also indicated that the City of Isleton and they are requesting a monthly payment plan. There was some turnover and so some of the bills did not get sent out timely and they have gotten caught up on the premium payments.

*A motion was made to approve the City of Isleton payment plan.*

**MOTION: Robert Meacher**

**SECOND: John Duckett**

**MOTION CARRIED  
UNANIMOUSLY**

## **H. JPA BUSINESS**

### **H.1. Identity Fraud Coverage FY 17/18**

Marcus Beverly noted this is the same coverage as last year – employees and their families are included in the ID Fraud coverage. Travelers will assist in correcting the replace documents as well as paying bills up to an amount. Medical Identity Fraud is also included if someone is using your insurance to pay for medical care. He noted there is no deductible and the limit is \$25,000.

*A motion was made to approve renewing ID Fraud coverage for FY 17/18.*

**MOTION: Kathy LeBlanc**

**SECOND: Jared Hancock**

**MOTION CARRIED  
UNANIMOUSLY**





## **H.2. Lexipol Memorandum of Understanding (MOU)**

Marcus Beverly presented information about the current Lexipol MOU with changes to the Daily Training Bulletins (DTB's). He noted that SCORE has Lexipol services for Police Department Policies and the Memorandum of Understanding (MOU) runs through 2018. He noted the price this year includes an increase based on providing the DTB to all the police members as other JPA pools have gotten out of claims since they were able to prove they had been providing training resources to its officers. He noted the cost of this service is included in the Administrative Budget.

*A motion was made to approve the Lexipol MOU as presented.*

**MOTION: Wes Heathcock**

**SECOND: Rhetta Hogan**

**MOTION CARRIED  
UNANIMOUSLY**

## **H.3. LAWCX Workers' Compensation Claims Audit – 2017**

Claims audit is completed every 2 years (on the off year) and are mostly focused on excess claims – LAWCX completed the audit and York came through with flying colors by receiving 100% on most all categories and the future medical cases – Dori noted that Ariel is now working all of SCORE's Claims. It was requested at the annual meeting to pull up a couple claims to show members how the claim process happens and what to do in the event of a claim.

## **H.4. Memoranda of Coverage (MOC)**

### **H.4.A. Memoranda of Coverage (MOC) – LIABILITY**

Marcus Beverly presented changes that came from the Excess layer – SCORE MOC's changes which came from the CJPRMA. It was noted that SCORE does not cover Employment Practices Liability (as member can chose to be a part of ERMA for that layer of coverage) but CJPRMA does cover EPL – this coverage would begin only after you spend \$500,000. CJPRMA has created drone coverage – it was noted that registered with FAA and pilot must but certified to fly and it was mentioned that coverage will not apply if the drone is not registered and endorsed on the CJPRMA policy specifically.

Members were also reminded that CJPRMA has an Endorsement for Special Events Liability and if a contract is secured with a hold harmless agreement the CJPRMA retained limit will drop to \$25,000. He also mentioned if members allow a Fireworks display at your city you must secure a \$5 Million limit from the vendor otherwise you SCORE may be penalized if there was a claim.

*A motion was made to accept changes to the SCORE Liability MOC as presented in the agenda.*

**MOTION: Wes Heathcock**

**SECOND: Robert Meacher**

**MOTION CARRIED  
UNANIMOUSLY**





#### **H.4.B. Memoranda of Coverage (MOC) – WORKERS’ COMPENSATION**

Marcus Beverly noted there were not many changes in the Workers’ Compensation – SCORE MOC and reminded members that SCORE does not cover 4850 benefits in SCORE.

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

**MOTION: Roger Frith**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

#### **H.5. 17/18 Property Program Renewal**

##### **H.5.A. SCORE Property Renewal Proposal**

Marcus Beverly mentioned the Total Insured Values (TIV) for all members have increased since last year by 9% and we have also had a number of losses which caused an increase in the total premium. The Program Administrators quoted and presented the Board with two deductible options for the Property Renewal (\$5,000 and \$10,000) and noted the coverage remains the same and the only difference is the deductible amount. It was also mentioned that City of Isleton has joined the Property Program this year which contributed to the increase in TIV. Members were provided with a brief summary of the changes to the coverage offered by the APIP Program for FY 17/18:

- Course of Construction limits have increased to \$100M from \$50M
- Now providing coverage for communicable diseases with a limit of \$500,000 per occurrence
- Added coverage for drones with a limit of \$100,000 per occurrence subject to \$10,000 deductible
- Added coverage for Mold/fungus with a limit of \$100,000 per occurrence sublimit and deductible will increase from \$75,000 to \$250,000 per occurrence
- Excess Terrorism limits are increasing
- Cyber Coverage is also included in APIP with a \$2M aggregate, policy aggregate of \$25M, \$50,000 deductible
- Cyber coverage limits are being added with a limit of \$50,000 for: fraudulent instructions, telecommunication fraud, and consequential reputational loss.
- Boiler & Machinery is included in the APIP program which provides coverage for pressure vessels (air pressure, tanks, C&G tanks) as well as state required testing
- Pollution is included in the APIP Program but Pollution claims must be reported to the carrier immediately (within 7 days) or coverage could be denied.
- does not cover backups into 3<sup>rd</sup> party residences but will cover your own property with a \$75,000 deductible - this coverage excludes landfills & gas refinery

It was noted that there is no experience factor used in the calculation of the Property Budget and it was suggested to assess the potential need to incorporate an experience factor into the program. It was also suggested to assess the creation of a separate fund that would be used to offset any future Property Premiums (Example provided: 5% of the total claim value would be charged to the member and would be held - up to \$100,000 and then 2.5% for anything above that amount). It was also mentioned that



SCORE could create a pooled layer to the Property Program (similar to what we do in the Liability and Workers' Compensation programs) where SCORE would pay claims under \$100,000.

As APIP provides broader Terrorism Coverage than TRIA the Board was asked to grant President Roger Carroll with authority to sign the D1 Form, the Request to Bind document and decline TRIA coverage. It was noted the Program Administrators will look into the \$5,000 deductible for the FY 18/19.

*A motion was made to approve renewal of the Property Program at the \$10k deductible and have the President sign the declination of TRIA and sign the D-1 Disclosure.*

**MOTION: Jared Hancock**  
**OPPOSED: Robert Jankovitz**

**SECOND: Linda Romine**

**MOTION CARRIED**

## **LUNCH PRESENTATION**

David Patzer from DKF Solutions presented information regarding Risk Control Services and updated Risk Control Scorecard.

### **H.5.B. APIP Claims Reporting Acknowledgements**

Marcus Beverly noted that this is an item requesting the Board to grant authority to Roger Carroll to sign on behalf of the SCORE JPA.

*A motion was made to grant authority to Roger Carroll to sign on behalf of the SCORE JPA.*

**MOTION: John Duckett**

**SECOND: Rhetta Hogan**

**MOTION CARRIED**  
**UNANIMOUSLY**

### **H.5.C. Cyber Liability Options**

Marcus Beverly presented two options for enhanced Cyber Coverage to the Board – Cyber Enhancement Option (CEO) and Alliant Cyber Excess Solutions (ACES). He noted the key difference is the dedicated limit and separate out the privacy notification. There are two different options for limits in the ACES Program either \$2M or \$3M – which does not contain privacy notification. It was noted that all members are listed in the attached quote with the exception of City of Isleton as this quote was generated prior to Isleton joining the APIP Property Program.

## **H.6. SCORE Dividends Payable**

### **H.6.A. SCORE Dividends Payable – Crescent City**

Marcus Beverly noted that Crescent City left in 2011 and we have held their funds in trust. He mentioned if a member leaves the JPA and they are eligible for a dividend SCORE would pay half





and then hold the other half for 5 years in trust. It is time to pay them for those moneys and noted that we would like to keep money in their banking layer in the event they have a new claim.

*A motion was made to release dividends in the amount of \$48,360.19 to Crescent City.*

**MOTION: John Duckett**

**SECOND: Robert Meacher**

**MOTION CARRIED  
UNANIMOUSLY**

#### **H.6.B. SCORE Dividends Payable – Williams**

Marcus Beverly noted that Williams left in 2011 and we have held their funds – it was recommended the dividends be released into the City of Williams Banking Layer in the event of a new claim.

*A motion was made to release dividends in the amount of \$24,779 to City of Williams.*

**MOTION: Linda Romaine**

**SECOND: John Duckett**

**MOTION CARRIED  
UNANIMOUSLY**

#### **H.7. Adoption of the FY 17/18 SCORE Program Budget**

Marcus Beverly presented the FY 17/18 Budget and noted the Administrative Expenses are consistent with the vendor contracts. It was mentioned that ACIP is billed directly to the members and will not be included in the SCORE invoicing. Overall in the Workers' Compensation Program there was a 36% change for regular members due to the movement of members out of the Mini-Cities group. Overall there was a 3.7% change in Liability program and we received a refund from CJPRMA. It was mentioned that Biggs joined ERMA effective 7/1/17 which is included in the attached budget. Members were also provided with a copy of the Payroll average over 3 years which was used to determine Mini-Cities participation.

*A motion was made to accept the FY 17/18 Program Budget as presented.*

**MOTION: Roger Frith**

**SECOND: John Duckett**

**MOTION CARRIED  
UNANIMOUSLY**

#### **H.8. Discussion about October Long Range Planning Meeting Topics**

The Board of Directors received an update regarding potential meeting topics for the Long Range Planning and Training Day in October. It was noted the Program Administration wants to provide an in depth look at some of the coverages to better understand the value that SCORE membership provides.

It was mentioned that in a prior year during discussions about the budget there was mention of a creating a subcommittee to discuss comparison options available for coverage and to determine if there was a cost effective alternative for coverage. Marcus Beverly provided some examples of members





who have recently joined programs saw a dramatic decrease in their premium – Isleton was able to cut their Property Premium in half by joining the APIP Program, Tulelake was able to reduce their Workers’ Compensation Premium by almost half by joining the WC pool. Marcus also noted that the Program Administration can provide quotes to any members who do not participate in certain programs (Crime, Property, Employment Practices Liability, etc.) which could help to show the value as compared to their current provider. It was noted that the APIP Property Policy is the broadest property policy you will probably find on the market due to the size of the program. It was also mentioned that CalPERS cost increases in the near future and could financially impact all our members and may force City Councils will be looking to cut expenses and it would prudent to be able to describe the value of the SCORE membership.

Brooke Woodcox and Jared Hancock volunteered to work with Marcus Beverly on an Ad Hoc Committee to discuss comparison coverage options available.

It was suggested that a Certificate of Appreciation from SCORE should be presented to Ariel for all her hard work on the Workers’ Compensation claims and the LAWCX Audit scores – members agreed.

There was a suggestion made to the group to consider pooling resources on items such as a Job Classification Study or a Salary and Benefits study as many things could be standardized across the SCORE JPA. Jared Hancock noted they drafted the physical requirements language related to job classifications and then when the position became vacant incorporated the drafted language into the position.

**This was an information item.**

## **I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES**

**There were no discussion items.**

## **J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95**

At 1:20 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. Workers’ Compensation**

- a. SCWA-556017 v. City of Crescent City\***

## **K. REPORT FROM CLOSED SESSION**

The Board returned from closed session at 1:35 P.M. Mr. Carroll noted there was no reportable action on the above closed session items and appropriate direction was given to Staff and the Claims Administrator.



Small Cities Organized Risk Effort  
A Joint Powers Authority

**L. INFORMATION ITEMS**

**L1. 2017 PARMA Conference – February 12 – 15, 2017 in Anaheim, CA**

This was provided as an information item only.

**L2. Glossary of Terms**

This was provided as an information item only.

**L3. Certificate Request Form**

This was provided as an information item only.

**L4. SCORE Travel Reimbursement Form**

This was provided as an information item only.

**M. CLOSING COMMENTS**


October 10<sup>th</sup> is the York mini-CAJPA – Fall-into Education Sunset Center Rocklin, CA

**N. AJOURNMENT**

The meeting was adjourned at 1:39 P.M.

**NEXT MEETING DATE: August 25, 2017 VIA TELECONFERENCE**

Respectfully Submitted,

  
\_\_\_\_\_  
Brooke Woodcox, Secretary

10/27/17  
\_\_\_\_\_  
Date