



President
Mr. Steve Baker
City of Yreka

Vice President
Mr. Wes Heathcock
City of Colfax

Secretary
Mr. John Duckett
City of Shasta Lake

Treasurer
Mr. Roger Carroll
Town of Loomis

**SMALL CITIES ORGANIZED RISK EFFORT
TRAINING & LONG RANGE PLANNING
BOARD MEETING AGENDA**

- | | |
|---|----------------|
| 1 | Attached |
| 2 | Hand Out |
| 3 | Separate Cover |
| 4 | Verbal |

Location: Gaia Hotel
4125 Riverside Place
Anderson, CA 96007

Date: Thursday, October 3, 2019
Time: Breakfast available at 8:00 am
Morning Training to begin at 8:15 am
Long Range Planning to begin at 10:00 am

PAGE

MORNING TRAINING

Time Certain

- | | | |
|-----------------------------|---|------------|
| 8:15 am –
8:45 am | SCORE Orientation for New Members
<i>The Program Administrators will provide an orientation for new members and review of SCORE policies and procedures for established members over breakfast. Come to meet your fellow members and get your questions answered about SCORE.</i> | I 2 |
| 8:45 am –
9:15 am | SCORE Member Services
<i>This session is for new and established Board members who are interested in the services that Vendors make available through SCORE membership.</i> | I 2 |
| 9:15 am –
9:45 am | SCORE Advanced Session
<i>The session is open to all SCORE members who are interested in items related to SCORE Funding, Programs and Administrative Expenses-topics that will be discussed in greater detail later today.</i> | I 2 |
| 9:00 am –
9:45 am
Pg. | SCORE Program Coverage Review
<i>The Board will receive a review of the SCORE coverage documents and will be provided with a summary of coverage for lines of coverage with an asterisk* - with the goal to review additional lines of coverage at future Board Meetings.</i> | I 1 |

*** Liability Memorandum of Coverage (MOC)**

9:45 am –
10:00 am

BREAK

LONG RANGE PLANNING

- | | | |
|----------|--|------------|
| PAGE | A. CALL TO ORDER – 10:00 am | |
| 10:00 am | B. ROLL CALL | |
| | C. APPROVAL OF AGENDA AS POSTED | A 1 |
| | D. PUBLIC COMMENTS | |

E. OPENING COMMENTS

1. President's Report

Steven Baker will address the Board on items pertaining to SCORE.

I 4

F. FINANCIAL ITEMS

10:15 am –
10:45 am
Pg. 4

1. Target Funding Benchmarks

Marcus Beverly will present an overview of SCORE's financial condition relative to the funding benchmarks established by the Board.

I 1

10:45 am –
11:00 am
Pg. 5

2. Allocation of LAWCX Assessment

The Board will be asked to consider how to allocate the LAWCX Deficit Plan invoices amongst departed and current members over the next 10 years.

A 1

11:00 am –
11:45 am
Pg. 10

3. Liability Program Analysis

The Board will be presented with information regarding a move to a higher SIR in the Liability Program and potential consequences of a change.

A 1

G. JPA BUSINESS

11:45 am –
12:15 pm
Pg. 14

1. Vehicle Use Policy & Procedure Review

The Board will receive an overview of a number of SCORE policies and procedures and provide direction on possible revisions or additions.

I 2

12:30 pm –
1:30 pm
Pg. 28

LUNCH PRESENTATION - Employment Law Hot Topics and Trends

Michael Christian from Jackson Lewis will present the Board with an update on the latest EPL legal developments and risk management best practices.

I 4

1:30 pm –
2:30 pm
Pg. 29

2. Risk Control Services

DKF will present the Board with an update on member progress in completing the Risk Management Scorecard and recent member visits.

I 2

a) DKF Scorecard Update

b) Risk Control Resources to address common Score Card Deficiencies

c) Review of FY 19/20 Risk Control Services per Contract

d) Cyber Security

2:30 pm – 2:45 pm

BREAK

H. AFTERNOON TRAINING PRESENTATIONS

2:45 pm –
3:15 pm
Pg. 42

1. CJPRMA Program and Services

The Board will receive information about CJPRMA program from Tony Giles.

I 1

3:15 pm –
4:00 pm
Pg. 43

2. Lessons Learned from Recent Claims

Tony Giles and Marcus Beverly will present an overview of recent claim trends and examples, with tips on managing member exposures.

I 1

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715. The Agenda packet will

be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815. Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3



TARGET FUNDING BENCHMARKS

INFORMATION ITEM

ISSUE: Marcus Beverly will present the annual review of SCORE's financial condition as of 6/30/19 compared to the benchmarks used to guide decisions regarding funding, refunds, and assessments.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: SCORE maintains a Target Funding Policy to guide the Board of Directors in making annual funding, dividend and assessment decisions for the Banking Layer and Shared Risk Layers, per the Master Plan Document for each Coverage Program. The Policy was last updated on 10/17/14 as a result of changes to the Dividend Assessment Plan (DAP).

ATTACHMENTS: Presentation at meeting



ALLOCATION OF LAWCX ASSESSMENT

ACTION ITEM

ISSUE: SCORE's excess Workers' Compensation (WC) coverage provider has issued an assessment of \$129,592, to be paid over ten years beginning this fiscal year. The Board is presented options suggested by SCORE's accountant and Program Managers as to how the assessment will be allocated among members.

Option #1: The easiest methodology would be to pay directly from the WC Shared Layer. It is relatively immaterial at ~\$13,000 per year spread across all members. However, this method does not take into account SCORE membership changes during the assessment period of 1993 to 2008.

Option #2: to allocate by member, the following methodology would seem equitable:

- Determine the SCORE members who paid the LAWCX premium during the 1995, 1996, and 1998-2004 years (all of the negative years of SCORE's participation in LAWCX for the 1993-2008 period).
- Add the premiums paid by those members determined in #1 for ALL years 1993-2008. The LAWCX methodology of calculating the amount due for 2003 and 2004 was based on transfers of equity across various positive years, per the attached spreadsheet (positive equity in the 2006 year was used to offset negative equity in 1998, 1999, 2000, and 2001). Thus, utilizing premiums paid across the entire time period seems most equitable.
- Allocate the \$129,592 pro-rata based on premiums paid during 1993-2008.

Attached is a spreadsheet with the Workers' Compensation premiums paid by each member from 1993 to 2008, along with the percentage of the total premium paid during that time. Note this includes former members and excludes members who did not begin participation until 2005, since the years from 2005 to 2008 were positive and funding has already been allocated to the deficit from those years. The summary page includes the balance due from each member after credit for the assessment is collected as part of their 2019/20 funding.

RECOMMENDATION: Take action on an allocation methodology as presented or revised.

FISCAL IMPACT: None – total amount is budgeted, individual allocation TBD based on Board action.

BACKGROUND: LAWCX declared an assessment on its members in April, 2018, to bring the funding for Program Years 1993 through 2008 up to an 80% confidence level. This process included transferring surplus funds from years above the 80% level to those below. SCORE's share of the net amount needed to bring the remaining years up to 80% is \$129,592.

ATTACHMENTS: Option #2 - SCORE Assessment Allocation by Member

SCORE**Work Comp Total Pool Deposits****LAWCX Assessment Allocation**

Member	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
Crescent City	\$ 109,291	\$ 108,740	\$ 103,472	\$ 161,183	\$ 125,953	\$ 127,089	\$ 182,981	\$ 140,429	\$ 177,972
Dunsmuir	\$ 23,510	\$ 17,694	\$ 17,699	\$ 25,000	\$ 25,000	\$ 33,288	\$ 28,577	\$ 32,673	\$ 49,679
lone	\$ 19,540	\$ 13,710	\$ 12,619	\$ 27,941	\$ 25,001	\$ 37,291	\$ 31,832	\$ 39,012	\$ 52,257
Live Oak	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mount Shasta	\$ 66,031	\$ 61,221	\$ 69,424	\$ 74,853	\$ 44,041	\$ 85,559	\$ 144,364	\$ 168,261	\$ 117,157
Shasta Lake	\$ 107,670	\$ 111,739	\$ 104,106	\$ 112,147	\$ 104,244	\$ 46,011	\$ 74,637	\$ 76,444	\$ 99,506
Susanville	\$ 110,770	\$ 109,370	\$ 101,882	\$ 118,824	\$ 129,419	\$ 106,911	\$ 180,231	\$ 257,829	\$ 345,408
Weed	\$ 57,916	\$ 52,553	\$ 49,087	\$ 47,459	\$ 18,750	\$ 36,623	\$ 50,463	\$ 63,275	\$ 80,921
Williams	\$ 28,688	\$ 26,919	\$ 29,682	\$ 46,953	\$ 69,389	\$ 29,130	\$ 31,868	\$ 33,852	\$ 40,827
Yreka	\$ 109,975	\$ 110,051	\$ 104,160	\$ 150,203	\$ 132,064	\$ 135,374	\$ 149,043	\$ 159,564	\$ 194,625
Mini-Cities									
Total	\$ 633,391	\$ 611,997	\$ 592,131	\$ 764,563	\$ 673,861	\$ 637,276	\$ 873,996	\$ 971,339	\$ 1,158,352

SCORE

Work Comp Total Pool Deposits

LAWCX Assessment Allocation

Member	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Assessment		\$ Total
								Total	% Total	
Crescent City	\$ 160,281	\$ 152,000	\$ 264,501	\$ 262,438	\$ 218,258	\$ 262,438	\$ 238,309	\$ 2,795,335	14.6%	\$18,911
Dunsmuir	\$ 34,753	\$ 47,900	\$ 37,247	\$ 49,281	\$ 43,195	\$ 49,281	\$ 45,503	\$ 560,281	2.9%	\$3,790
Ione	\$ 46,278	\$ 107,077	\$ 78,486	\$ 65,636	\$ 63,345	\$ 65,636	\$ 70,338	\$ 756,000	3.9%	\$5,114
Live Oak	\$ -	\$ -	\$ -	\$ 83,443	\$ 68,265	\$ 83,443	\$ 79,751	\$ -	0.0%	\$0
Mount Shasta	\$ 113,251	\$ 153,437	\$ 161,081	\$ 133,667	\$ 112,847	\$ 133,667	\$ 123,247	\$ 1,762,108	9.2%	\$11,921
Shasta Lake	\$ 137,223	\$ 201,305	\$ 227,753	\$ 198,595	\$ 164,072	\$ 178,135	\$ 161,257	\$ 2,104,845	11.0%	\$14,240
Susanville	\$ 450,440	\$ 228,258	\$ 497,167	\$ 410,712	\$ 344,248	\$ 377,469	\$ 356,463	\$ 4,125,401	21.5%	\$27,909
Weed	\$ 97,216	\$ 160,007	\$ 115,867	\$ 104,197	\$ 88,250	\$ 94,125	\$ 122,666	\$ 1,239,375	6.5%	\$8,385
Williams	\$ 75,760	\$ 146,555	\$ 138,566	\$ 130,927	\$ 116,297	\$ 110,528	\$ 131,422	\$ 1,187,363	6.2%	\$8,033
Yreka	\$ 226,541	\$ 341,839	\$ 354,394	\$ 308,144	\$ 236,903	\$ 285,012	\$ 226,249	\$ 3,224,141	16.8%	\$21,812
Mini-Cities	\$ 74,093	\$ 303,883	\$ 252,542	\$ 262,411	\$ 241,233	\$ 241,005	\$ 230,914	\$ 1,400,883	7.3%	\$9,477
Total	\$ 1,415,836	\$ 1,842,261	\$ 2,127,604	\$ 2,009,452	\$ 1,696,915	\$ 1,880,739	\$ 1,786,119	\$ 19,155,732	100.0%	\$129,592

2005/06 to 2008/09 Positive Years for SCORE - No assessment allocation

Mini-Cities Allocation

Member	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total	% Total	\$ Total
										\$ 9,477
Biggs			\$ 29,003	\$ 26,103	\$ 25,148	\$ 26,447	\$ 20,971	\$ 127,672	9.1%	\$ 864
Colfax	\$ 21,646	\$ 37,914	\$ 50,645	\$ 42,350	\$ 37,912	\$ 38,450	\$ 36,075	\$ 264,992	18.9%	\$ 1,793
Dorris			\$ 15,818	\$ 11,719	\$ 10,419	\$ 9,776	\$ 8,680	\$ 56,411	4.0%	\$ 382
Etna				\$ 25,431	\$ 17,347	\$ 16,005	\$ 17,904		0.0%	\$ -
Fort Jones	\$ 7,058	\$ 10,980	\$ 14,564	\$ 10,918	\$ 8,839	\$ 8,163	\$ 8,359	\$ 68,880	4.9%	\$ 466
Loomis	\$ 39,619	\$ 59,443	\$ 74,611	\$ 55,528	\$ 50,158	\$ 48,376	\$ 44,955	\$ 372,691	26.6%	\$ 2,521
Montague					\$ 16,026	\$ 15,811	\$ 14,698		0.0%	\$ -
Portola	\$ 27,164	\$ 44,009	\$ 51,778	\$ 41,614	\$ 40,944	\$ 37,501	\$ 36,556	\$ 279,566	20.0%	\$ 1,891
Rio Dell			\$ 64,289	\$ 48,748	\$ 34,441	\$ 40,476	\$ 42,718	\$ 230,672	16.5%	\$ 1,561
Total	\$ 95,487	\$ 152,346	\$ 300,708	\$ 262,411	\$ 241,233	\$ 241,005	\$ 230,914	\$ 1,400,883	100.0%	\$ 9,477

2005/06 to 2008/09 Positive Years for SCORE - No assessment allocation

LAWCX Assessment Allocation Summary as of Oct. 2019			
	\$ Total	Paid	Balance
Member			
Biggs	\$ 864	\$ 219	\$ 645
Colfax	\$ 1,793	\$ 375	\$ 1,418
Crescent City	\$ 18,911	\$ -	\$ 18,911
Dorris	\$ 382	\$ -	\$ 382
Dunsmuir	\$ 3,790	\$ 422	\$ 3,368
Etna	\$ -	\$ 346	\$ (346)
Fort Jones	\$ 466	\$ 289	\$ 177
Ione	\$ 5,114	\$ -	\$ 5,114
Isleton	n/a	n/a	n/a
Live Oak		\$ 757	\$ (757)
Loomis	\$ 2,521	\$ 516	\$ 2,005
Loyalton		\$ 61	\$ (61)
Montague	\$ -	\$ 174	\$ (174)
Mt. Shasta	\$11,921	\$ 1,194	\$ 10,727
Portola	\$ 1,891	\$ 377	\$ 1,514
Rio Dell	\$ 1,561	\$ 555	\$ 1,006
Shasta Lake	\$ 14,240	\$ 2,215	\$ 12,025
Susanville	\$ 27,909	\$ 2,179	\$ 25,730
Weed	\$ 8,385	\$ 1,159	\$ 7,226
Williams	\$ 8,033	\$ -	\$ 8,033
Yreka	\$ 21,812	\$ 1,905	\$ 19,907
Total	\$ 129,592	\$ 12,743	\$ 116,849

Former Members

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total Deficit
Rialto	0	0	0	0	1,927	0	0	0	0	0	0	0	0	0	0	0	1,927
No transfers																	
Roseville	19,532	16,012	(19,731)	(20,835)	3,102	(7,207)	(58,099)	(64,881)	(102,966)	(261,339)	(258,949)	(167,020)	33,075	147,392	193,160	124,734	
1993 to 1995	(19,532)		19,532														
1994 to 1996		(16,012)		16,012													
1997 to 1995			199		(199)												
1997 to 1996				2,903	(2,903)												
2005 to 1996				1,920									(1,920)				
2005 to 1998						7,207							(7,207)				
2005 to 1999							23,948						(23,948)				
2006 to 1999							34,151							(34,151)			
2006 to 2000								64,881						(64,881)			
2006 to 2001									48,360					(48,360)			
2007 to 2001									54,606						(54,606)		
2007 to 2002										138,554					(138,554)		
2008 to 2002										122,785						(122,785)	
2008 to 2003											1,949					(1,949)	
	0	0	(0)	(0)	0	(0)	0	(0)	(0)	0	(257,000)	(167,020)	0	0	(0)	0	(424,019)
San Leandro	0	0	0	0	0	0	0	0	0	0	0	(64,910)	11,721	64,159	82,161	53,223	
2005 to 2004												11,721	(11,721)				
2006 to 2004												53,189		(53,189)			
	0	0	0	0	0	0	0	0	0	0	0	0	(0)	10,970	82,161	53,223	146,355
Santa Maria	0	0	0	0	0	0	0	0	0	0	0	0	8,571	35,685	43,641	28,008	115,905
No transfers																	
Santee	0	0	0	0	0	0	0	0	0	0	0	(14,769)	3,893	16,622	20,833	13,153	
2005 to 2004												3,893	(3,893)				
2006 to 2004												10,876		(10,876)			
	0	0	0	0	0	0	0	0	0	0	0	(0)	(0)	5,746	20,833	13,153	39,732
SCORE	0	7,272	(8,780)	(7,633)	1,118	(2,089)	(17,761)	(19,283)	(28,495)	(72,698)	(84,166)	(50,191)	9,847	48,689	58,738	35,841	
1994 to 1995		(7,272)	7,272														
1997 to 1995			1,118		(1,118)												
2005 to 1995			390										(390)				
2005 to 1996				7,633									(7,633)				
2005 to 1998						1,824							(1,824)				
2006 to 1998						265								(265)			
2006 to 1999							17,761							(17,761)			
2006 to 2000								19,283						(19,283)			
2006 to 2001									11,380					(11,380)			
2007 to 2001									17,115						(17,115)		
2007 to 2002										41,623					(41,623)		
2008 to 2002										31,075						(31,075)	
2008 to 2003											4,766					(4,766)	
	0	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	0	(79,400)	(50,191)	0	0	(0)	0	(129,592)
SDWCA	23,274	19,934	(23,696)	(3,005)	0	0	0	0	0	(261,587)	(367,352)	(8,403)	0	0	0	0	
1993 to 1995	(23,274)		23,274														
1994 to 1995		(422)	422														
1994 to 1996		(3,005)		3,005													
1994 to 2002		(16,507)								16,507							



LIABILITY PROGRAM ANALYSIS

ACTION ITEM

ISSUE: SCORE is facing a potential increase in its Self Insured Retention (SIR) with the California Joint Powers Risk Management Authority (CJPRMA), from \$500,000 to \$750,000 or higher. This may happen as soon as July 1, 2020. Regardless of the timing it is likely SCORE will be faced with an increase in its SIR at some point over the next several years, and depending on the funding rates for CJPRMA it may benefit SCORE to increase its SIR on its own.

Given this the Program Administrators have estimated the impact of increasing the SIR on SCORE's annual funding in the attached summary of options based on FY 19/20 funding. While the increase to SCORE's total funding is minimal, moving from a \$500,000 to a \$750,000 SIR would increase the Shared Layer funding by about \$60,000 (12%), decrease the Excess Layer by \$42,372 (20%), and of course increase SCORE's risk by an additional \$250,000 (*4.2 times the additional annual funding*). The Program Administrators will present similar options for the FY 20/21 funding as available from CJPRMA.

An increase in the program's SIR will also impact the annual Dividend and Assessment Plan calculation, in that it calls for a minimum Net Position reserve of five times the SIR, currently \$2,375,000 (5x \$475,000). *The minimum would increase to \$3,625,000 with a \$750,000 SIR and to \$6,125,000 with a \$1,250,000 SIR.* The program is currently well-funded, with a Net Position of almost \$6 million, and so while the potential for a dividend may be diminished, the members are well-positioned to look at funding options for FY 20/21.

Due to these potential changes and the members' recent commitment to a higher confidence level for annual funding, the Program Administrators have also included a copy of SCORE's Funding Policy for review and discussion. Based on the current market environment and funding philosophy it may need updating.

RECOMMENDATION: Review, discuss and provide direction as needed.

FISCAL IMPACT: To be determined. An increase in SCORE's SIR will increase the self-insured funding but will reduce the excess funding, though not on a 1:1 basis. The group's benchmark thresholds for net position will also increase, resulting in less margin for payment of dividends or potential assessment.

BACKGROUND: SCORE has been a member of CJPRMA since the excess pool's inception in 1993, and the group's SIR of \$500,000 has not changed to date. Inflation and the increase in claims severity over that time, particularly in the last few years, has increased the pressure to raise SCORE's SIR in order to maintain relatively stable and affordable excess coverage.

ATTACHMENTS:

1. SCORE 2019/20 Liability Funding – Estimates Based on Higher SIRs
2. SCORE Target Equity Policy Adopted by BOD 10-17-14

SCORE 2019/20 LIABILITY FUNDING - Estimated Based on Higher SIRs

MEMBER ENTITY	Current \$500,000 SIR				\$750,000 SIR			\$1,000,000 SIR			\$1,250,000 SIR		
	BANKING LAYER at 75% CL \$0 to \$25,000	SHARED LAYER at 75% CL \$25,000 to \$500,000	EXCESS LAYER \$500k TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	SHARED LAYER at 75% CL \$25,000 to \$750,000	EXCESS LAYER \$750k TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	SHARED LAYER at 75% CL \$25,000 to \$1,000,000	EXCESS LAYER \$1M TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	SHARED LAYER at 75% CL \$25,000 to \$1.25M	EXCESS LAYER \$1.25M TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)
Rate Per \$100	\$ 1.29	\$ 2.03	\$ 0.84	Calc	\$ 2.27	\$ 0.67	Calc	\$ 2.37	\$ 0.64	Calc	\$ 2.45	\$ 0.56	Calc
Biggs	\$ 6,525	\$ 10,261	\$ 4,243	\$ 21,030	\$ 11,474	\$ 3,381	\$ 21,381	\$ 11,980	\$ 3,230	\$ 21,735	\$ 12,384	\$ 2,821	\$ 21,731
Colfax	\$ 8,610	\$ 13,540	\$ 5,599	\$ 27,749	\$ 15,140	\$ 4,461	\$ 28,212	\$ 15,807	\$ 4,262	\$ 28,679	\$ 16,341	\$ 3,722	\$ 28,674
Dunsmuir	\$ 18,398	\$ 28,930	\$ 11,962	\$ 59,290	\$ 32,350	\$ 9,532	\$ 60,280	\$ 33,775	\$ 9,106	\$ 61,278	\$ 34,915	\$ 7,953	\$ 61,266
Etna	\$ 7,474	\$ 11,753	\$ 4,860	\$ 24,087	\$ 13,142	\$ 3,873	\$ 24,489	\$ 13,721	\$ 3,699	\$ 24,894	\$ 14,184	\$ 3,231	\$ 24,889
Fort Jones	\$ 6,391	\$ 10,050	\$ 4,156	\$ 20,597	\$ 11,238	\$ 3,312	\$ 20,941	\$ 11,733	\$ 3,163	\$ 21,288	\$ 12,129	\$ 2,763	\$ 21,284
Isleton	\$ 4,643	\$ 7,302	\$ 3,019	\$ 14,964	\$ 8,165	\$ 2,406	\$ 15,214	\$ 8,524	\$ 2,298	\$ 15,466	\$ 8,812	\$ 2,007	\$ 15,463
Live Oak	\$ 14,653	\$ 23,042	\$ 9,528	\$ 47,223	\$ 25,766	\$ 7,592	\$ 48,012	\$ 26,901	\$ 7,252	\$ 48,807	\$ 27,809	\$ 6,334	\$ 48,797
Loomis	\$ 15,630	\$ 24,578	\$ 10,163	\$ 50,371	\$ 27,484	\$ 8,098	\$ 51,213	\$ 28,695	\$ 7,736	\$ 52,061	\$ 29,663	\$ 6,757	\$ 52,050
Loyalton	\$ 1,481	\$ 2,328	\$ 963	\$ 4,772	\$ 2,604	\$ 767	\$ 4,852	\$ 2,718	\$ 733	\$ 4,932	\$ 2,810	\$ 640	\$ 4,931
Montague	\$ 4,218	\$ 6,633	\$ 2,743	\$ 13,594	\$ 7,417	\$ 2,186	\$ 13,821	\$ 7,744	\$ 2,088	\$ 14,049	\$ 8,005	\$ 1,823	\$ 14,047
Mt. Shasta	\$ 42,381	\$ 66,644	\$ 27,557	\$ 136,582	\$ 74,523	\$ 21,959	\$ 138,864	\$ 77,806	\$ 20,976	\$ 141,163	\$ 80,432	\$ 18,321	\$ 141,135
Portola	\$ 8,194	\$ 12,884	\$ 5,327	\$ 26,405	\$ 14,407	\$ 4,245	\$ 26,846	\$ 15,042	\$ 4,055	\$ 27,291	\$ 15,550	\$ 3,542	\$ 27,285
Rio Dell	\$ 11,408	\$ 17,939	\$ 7,418	\$ 36,765	\$ 20,060	\$ 5,911	\$ 37,379	\$ 20,944	\$ 5,646	\$ 37,998	\$ 21,651	\$ 4,932	\$ 37,991
Shasta Lake	\$ 38,216	\$ 60,094	\$ 24,848	\$ 123,158	\$ 67,198	\$ 19,801	\$ 125,215	\$ 70,159	\$ 18,914	\$ 127,289	\$ 72,527	\$ 16,520	\$ 127,263
Susanville	\$ 41,651	\$ 65,496	\$ 27,082	\$ 134,229	\$ 73,239	\$ 21,581	\$ 136,471	\$ 76,466	\$ 20,615	\$ 138,732	\$ 79,047	\$ 18,006	\$ 138,704
Tulelake	\$ 5,020	\$ 7,894	\$ 3,264	\$ 16,178	\$ 8,827	\$ 2,601	\$ 16,448	\$ 9,216	\$ 2,485	\$ 16,721	\$ 9,527	\$ 2,170	\$ 16,717
Weed	\$ 40,473	\$ 63,643	\$ 26,316	\$ 130,431	\$ 71,167	\$ 20,970	\$ 132,610	\$ 74,302	\$ 20,031	\$ 134,806	\$ 76,810	\$ 17,496	\$ 134,779
Yreka	\$ 45,450	\$ 71,469	\$ 29,552	\$ 146,470	\$ 79,918	\$ 23,549	\$ 148,917	\$ 83,439	\$ 22,495	\$ 151,383	\$ 86,256	\$ 19,648	\$ 151,353
Grand Total	\$ 320,818	\$ 504,479	\$ 208,597	\$ 1,033,894	\$ 564,122	\$ 166,225	\$ 1,051,165	\$ 588,973	\$ 158,783	\$ 1,068,573	\$ 608,854	\$ 138,687	\$ 1,068,358
				Difference	\$ 59,643	\$ (42,372)	\$ 17,271	\$ 84,494	\$ (49,814)	\$ 34,679	\$ 104,375	\$ (69,910)	\$ 34,464

Target Funding Policy

I. PURPOSE

It is the policy of SCORE to conservatively fund its programs to maintain sufficient assets to pay all losses and avoid substantial fluctuations to contributions.

The purpose of this policy is to guide the SCORE Board of Directors in making annual funding, dividend and assessment decisions for the Banking Layer and Shared Risk Layers, per the Master Plan Document for each Coverage Program.

The Board acknowledges actuarial estimates are relied upon heavily when making financial decisions and that there is a high degree of uncertainty in such estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving; therefore, the Board of Directors desires to fund the Banking Layer and Shared Risk Layer programs in a cautious and prudent manner and return assets to its members in an equally cautious and prudent manner.

II. DEFINITIONS

- **Claims Paid to Date:** The amount paid on reported claims at the date of valuation, including those amounts paid for both defense and indemnity.
- **Confidence Level (CL):** An estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater certainty the actuary has that losses will not exceed the dollar value used to attain that Confidence Level.
- **Net Assets:** Total Assets less Expected Liabilities. Stated as Net Position in the Statement of Net Position (Balance Sheet).
- **Expected Liabilities:** Outstanding Reserves plus IBNR and Loss Adjustment Expenses, discounted, at the Expected Confidence Level (approximately 55%), as calculated by an actuary.
- **Incurred But Not Reported (IBNR):** The estimate of funds needed to pay for covered losses that have occurred but have not yet been reported to the member and/or SCORE, and expected future development on claims already reported.
- **Net Contribution:** Total contributions from members less excess insurance costs.
- **Self Insured Retention (SIR):** The maximum amount of pooled risk retained by SCORE before any excess coverage is applicable
- **Outstanding Reserves:** The sum total of claim reserves in the Banking and Shared Risk Layers, determined by the SCORE Claims Administrator.

- **Ultimate Loss:** The sum of Claims Paid to Date, Outstanding Reserves and IBNR, all within SCORE's Banking and Shared Risk Layers. It is the actuarial estimate of the total value of all claims that will ultimately be paid by SCORE.

III. TARGET FUNDING BENCHMARKS

The SCORE Board of Directors will consider assessments or returning Net Assets to members after evaluating and concluding the following benchmarks remain appropriate for the group prior to and following any potential assessment or return of Net Assets:

Net Contribution to Net Assets ratio: **Target $\leq 1:1$**

This ratio is a measure of how Nets Assets are leveraged against possible pricing inaccuracies. A low ratio is desirable.

Outstanding Reserves to Net Assets ratio: **Target $\leq 1.5:1$**

This ratio is a measure of how Net Assets are leveraged against possible reserve inaccuracies. A low ratio is desirable.

Net Assets to Self Insured Retention ratio: **Target $\geq 5:1$**

This ratio is a measure of the number of full SIR losses that could be paid from Net Assets. A high ratio is desirable.

Change in Ultimate Loss Development: **Target $\leq 20\%$**

This measures of the change in aggregate Ultimate Losses from one year to the next. Increases over successive years indicate a trend that may need addressing through additional funding.

Change in Net Assets: **Target $\geq -10\%$**

This measures the annual change in Net Assets. Decreases over successive years indicate a trend that may warrant an increase in annual contributions or an assessment.

Net Contribution Funding **Target 70% CL**

This measures the degree of certainty the actuary has that the recommended annual contribution will be sufficient to pay all claims for that year.



Agenda Item G.1.

VEHICLE USE POLICY & PROCEDURE REVIEW

INFORMATION ITEM

ISSUE: SCORE's Liability Policies for driving while on city business (L-3, L-4, and L-5) need review and could be condensed in to one policy covering their three topics: Employee Driving Standards, Volunteer and Non-Employee Driving Standards, and Use of Private Vehicles on City Business.

In addition to condensing the language and updating the recommended limits for personal auto insurance, the Program Administrators would like direction on the driving standards, specifically the number of points or types of violations that may be accrued and still keep driving privileges and whether or not coverage should be excluded for drivers exceeding the threshold. While the policy states those ineligible will be excluded from coverage, the language is not in the Liability Memorandum of Coverage and to knowledge has never been enforced.

Rather than attempt to red-line all three policies, the Program Administrators have attached a draft policy combining the elements of all three for discussion and starting point for further revisions.

SCORE has previously approved the use of recommended Risk Management Best Practices in its members' operations, including Vehicle Use and Operations. These attached recommendations refer to more detailed policies including the liability policies under review.

RECOMMENDATION: Provide direction on updating and condensing the current driving policies and incorporating references into the Risk Management Scorecard.

FISCAL IMPACT: None.

BACKGROUND: SCORE maintains Policies and Procedures in a number of subject areas, including Administration, Underwriting, Liability and Workers' Compensation. The Program Administrators are in the process of reviewing, updating and reorganizing the policies to bring them up to date as needed.

ATTACHMENTS:

1. Policies and Procedures: L-3, L-4, L-5,
2. Risk Management Best Practices Related to Vehicle Use and Operations
3. *Draft* Policy and Procedure L-1 – Combining and condensing L-3, L-4, and L-5

S.C.O.R.E
POLICY AND PROCEDURE #L-3

SUBJECT: EMPLOYEE DRIVING STANDARDS

EFFECTIVE DATE: February 17, 1988

Issue:

Cities provide for automobile liability coverage to protect their assets from being depleted due to incidents caused by negligent acts on the part of employees as a result of driving City vehicles. This policy and procedure addresses necessary loss control measures aimed to reduce the chances of such negligent acts from occurring.

Discussion:

Employees whose duties necessitate driving City vehicles in the course of their employment need to maintain certain acceptable standards. The privilege of driving is granted through the issuance of a license by the Department of Motor Vehicles. Certain proficiencies and physical requirements must be proven prior to the granting of such license. The failure to meet these requirements results in revocation or the non-issuance of such a State license.

In addition, insurance companies have established certain requirements of drivers in order to meet insurability at standard premium rates. Drivers not meeting certain underwriting standards must be placed, if possible, in other more expensive plans. Because of one or two employees' bad driving records a financial burden may be placed on the City due to increased insurance costs.

Policy:

It shall be the requirement of SCORE Liability Plan members to institute and enforce the employee driving eligibility standards as set forth in this policy and procedure. Employees failing to meet the standards as outlined in this policy and procedure shall be excluded from coverage under the SCORE Auto Liability coverage.

S.C.O.R.E
POLICY AND PROCEDURE #L-3

Procedure:

City Responsibility:

To effectively enforce this policy the member City must ensure the following:

1. All employees shall be informed of the policy guidelines and standards. Employees shall be required to read the policy standards and to have acknowledged the reading of same by signing a statement to that fact. Such acknowledgement shall be placed in the employees' personnel file.
2. Job description shall state that employees must continue to meet the established minimum driving standards and that it is a condition of employment for that position.
3. Driving standards shall be enforced consistently and fairly among *ALL* employees where driving is required or may be required.
4. Department of Motor Vehicle license checks shall be made at least annually on every employee who drives a City vehicle.
5. The names of employees not meeting the standards shall be provided to the Program Administrator within 15 calendar days upon the agency's awareness of such employee's failure to comply with the standards.

Driving Standards:

Minimum Eligibility Standards:

1. Employees must possess a valid California Drivers License to legally operate the class of vehicle(s) they operate in their employment.
2. Employees with more than two at-fault accidents or moving violations within the last three years shall be considered in a "warning status" and shall be required to attend a Defensive Driving class. Department of Motor Vehicle checks will be made quarterly on employees in a "warning status".

S.C.O.R.E
POLICY AND PROCEDURE #L-4

SUBJECT: "VOLUNTEER" AND NON-EMPLOYEE DRIVING STANDARDS

EFFECTIVE DATE: February 17, 1988

Issue:

Cities provide for automobile liability coverage to protect their assets from being depleted due to incidents caused by negligent acts as a result of driving City vehicles. This policy and procedure addresses necessary loss control measures aimed to reduce the chances of such negligent acts from occurring.

Discussion:

Volunteers and other Non-employees whose duties necessitate driving City vehicles in the course of their volunteer activities need to maintain certain acceptable standards. The privilege of driving is granted through the issuance of a license by the Department of Motor Vehicles. Certain proficiencies and physical requirements must be proven prior to the granting of such license. The failure to meet these requirements results in revocation or the non-issuance of such a State license.

In addition, insurance companies have established certain requirements of drivers in order to meet insurability at standard premium rates. Drivers not meeting certain underwriting standards must be placed, if possible, in other more expensive plans. Because of bad driving experience a financial burden may be placed on the City due to increased insurance costs.

Policy:

It shall be the requirement of SCORE Liability Plan members to institute and enforce the Volunteer driving eligibility standards as set forth in this policy and procedure. Volunteers and non-employees failing to meet the standards as outlined in this policy and procedure shall be excluded from coverage under the SCORE Auto Liability coverage.

S.C.O.R.E
POLICY AND PROCEDURE #L-4

Procedure:

City Responsibility:

To effectively enforce this policy the member City must ensure the following:

1. All Volunteers and non-employees shall be informed of the policy guidelines and standards. Volunteers and non-employees shall be required to read the policy standards and to have acknowledged the reading of same by signing a statement to that fact. Such acknowledgement shall be placed on file.
2. Volunteers and non-employees who use City vehicles must continue to meet the established minimum driving standards outlined below.
3. Driving standards shall be enforced consistently and fairly among ALL volunteers and non-employees where driving is required or may be required.
4. Department of Motor Vehicle license checks shall be made at least annually on volunteers or non-employees who may drive a City vehicle.
5. The names of volunteers and non-employees not meeting the standards shall be provided to the Program Administrator within 15 calendar days upon the awareness of such volunteer's or non-employee's failure to comply with the standards.

Driving Standards:

Minimum Eligibility Standards:

1. Volunteers and non-employees must possess a valid California Drivers License to legally operate the class of vehicle(s) they operate in their activities.
2. Volunteers and non-employees may not have more than two at-fault accidents involving bodily injury or property damage in excess of \$500 within the last three years.
3. Volunteers and non-employees having any of the following within the last three years shall not be allowed to drive City vehicles:

S.C.O.R.E
POLICY AND PROCEDURE #L-4

Conviction of:

- a. Two driving while under the influence (DUI) offenses, one of which occurred within the preceding 12-month period.
- b. Hit and Run.
- c. Homicide or assault arising out of the operation of a vehicle.

Exclusion From Coverage:

Volunteers and non-employees who do not meet the above standards shall be excluded from coverage under the SCORE Auto Liability Plan coverage.

New Volunteers and Non-Employees:

All prospective volunteers and non-employees whose activities may entail the driving or operation of City vehicles and equipment shall meet the established minimum driving eligibility standards. If not, they shall be excluded from coverage under the SCORE Auto Liability Plan.

Current Volunteers and Non-Employees:

Current volunteers and non-employees failing to meet the above minimum eligibility standards shall be informed they fail to meet the standards and shall not be allowed to drive City vehicles. Should they continue to operate City vehicles they shall be excluded from coverage under the SCORE Auto Liability Plan.

ADOPTED BY BOARD ACTION: February 17, 1988

S.C.O.R.E
POLICY AND PROCEDURE #L-5

SUBJECT: USE OF PRIVATE VEHICLES ON CITY BUSINESS

EFFECTIVE DATE: February 17, 1988

Issue:

There are times when it may be necessary and expeditious for volunteers to use their own vehicles in the course of City business. This policy and procedure addresses necessary loss control measures aimed at reducing the chances of liability and property damage exposures in such practice.

Discussion:

Employees and volunteers who use their own private vehicles on City business often are compensated for using their vehicles. This is usually in the form of a mileage allowance. The allowance is to compensate the employee or volunteer for the cost of gasoline and oil, wear and tear on the auto and for insurance costs. Insurance coverage for autos is purchased on the basis that the coverage follows the auto. If there is no liability insurance on the auto the driver of the vehicle has no coverage. It is therefore important that the employee or volunteer who is receiving an allowance be expected to have appropriate automobile insurance coverage. If not, the City will likely be held responsible. In addition, the law in California now requires that motorist be able to show proof of insurance should they be stopped by the CHP.

If the employer or volunteer does not receive a mileage allowance for the use of his/her vehicle while performing business for the City it can be assumed the City will become responsible for any loss if there is no insurance on the vehicle.

In both of the above circumstances it is prudent for the City to require proof of automobile insurance coverage prior to allowing an employee or volunteer to use a private vehicle on City business.

Policy:

It shall be the requirement of SCORE Liability Plan members to institute and enforce the driving standards and the minimum insurance requirements as outlined in this policy and procedure.

S.C.O.R.E
POLICY AND PROCEDURE #L-5

Procedure:

The City will ensure the following:

1. Employees and volunteers using their private vehicles on City business possess a valid California Drivers License to legally operate the class of vehicle used.
2. Employees meet the minimum driving standards as outlined in the "Employee Driving Standards" policy and procedure.
3. Volunteers meet the minimum driving standards as outlined in the "Volunteer and Non-employee Driving Standards" policy and procedure.
4. Employees and volunteers show proof of automobile liability insurance in the minimum amounts listed below:

	State Requirement
Bodily Injury Each Person	\$15,000.
Bodily Injury Each Accident	\$30,000.
Property Damage Each Accident	\$ 5,000.

ADOPTED BY BOARD ACTION: February 17, 1988

SCORE Risk Management Best Practices Related to Vehicle Use and Operations Used in Scorecard Assessment

	Operational Best Practices
	Vehicle Use and Operations Each member must adopt a comprehensive fleet management program to include driver training (defensive driver training), driver screening and selection, vehicle use, non-owned vehicle use, and vehicle maintenance.
	Driver Selection and Training Measures
D1.	There is a written program in place that is actively utilized as the basis for driver selection and screening of employees and prospective employees for driving related duties.
D2.	There is evidence that employees with negative Motor Vehicle Records (MVR) activity as defined by the SCORE standards are provided personnel counseling, training, rehabilitation, and/or remove from driving responsibilities depending on the nature and seriousness of the activity on their MVR or observed driving behavior.
D3.	All employees who drive any vehicle on City business are enrolled in the DMV Employer Pull Notice (EPN) program and MVRs are reviewed to prevent negligent retention. Note: Release required for drivers whose license does not require participation in the EPN program.
	Vehicle Maintenance Measures
D4.	Vehicles and records are maintained to meet standards and warranties relevant to the vehicles or equipment and to help defend negligence claims.
	Vehicle Operations Measures
D5.	The City has adopted a vehicle use policy detailing when and how City and personal vehicles may be used for City business.
D6.	The City has adopted a cell phone or distracted driver policy and all vehicle accident investigations reflect any "distracted driver" implication as part of the root cause analysis.

LIABILITY POLICY AND PROCEDURE #L-1

SUBJECT: DRIVING STANDARDS

Issue:

This policy and procedure addresses necessary measures aimed at reducing losses related to vehicle operation.

Discussion:

Employees and volunteers whose duties necessitate driving vehicles in the course of their assignments and duties need to maintain certain acceptable standards in order to reduce the City's exposure to loss. The privilege of driving is granted through the issuance of a license by the Department of Motor Vehicles. Certain proficiency and physical requirements must also be proven prior to the granting of such license. Failure to meet these requirements results in revocation or non-issuance of such a state license.

Because of bad driving experience, a financial burden may be placed on the City due to increased insurance costs and exposure to liability. Therefore, in order to control the risk of losses and the accompanying expense of paying for losses, it is necessary to ensure that employees maintain an acceptable driving record.

Policy:

It is the policy of SCORE to require each Member City to institute and enforce the driving standards as set forth in this policy and procedure. Member Cities failing to institute and enforce the standards may be subject to disciplinary actions up to and including the provisions of Article XIII, Expulsion, of the Joint Powers Authority Agreement.

Member Requirements and Standards:

1. All SCORE members shall enroll in the Department of Motor Vehicles' Employee Pull Notice Program, as described on the DMV website.
2. All employees who are required to drive in the course of their employment shall be placed in DMV's pull notice program upon hire. All existing and prospective employees who drive on the Member's behalf must sign a written waiver allowing them to be enrolled in the pull-notice program.
3. On an annual basis employees shall be informed of the policy guidelines and standards, as described in the attached sample letter.

4. Job descriptions, or other formally adopted policies of the City, should state that employees must continue to meet established driving standards as a condition of employment for that position. Decisions regarding employment or assignment of non-qualifying employees are the purview of the Member City.
5. Driving standards shall be enforced consistently and fairly among all employees working in classifications where driving is required.
6. The City will require applicants for positions requiring driving on the City's behalf to provide a current DMV driving report prior to employment.

Employee Requirements and Standards:

1. Employees who are required to drive vehicles in the course their employment must possess a valid driver's license to legally operate the class of vehicle(s) they operate in their employment.
2. Employees accumulating two violation points, as valued and enumerated in the Department of Motor Vehicles' Negligent Operator Count Sheet DL551 in one year, three points in two years, and four points in three years, shall be considered marginally acceptable and may be required to attend a defensive driving class, the duration and nature of such class to be determined by the City. Employees or volunteers will be counseled and/or disciplined, and advised of the consequences of accumulation of more than five points.
3. Employees accumulating five violation points within the last three years, **shall be excluded from the City's coverage under the Risk Sharing Layer** of the SCORE liability insurance coverage.
4. The conviction date as determined by the DMV shall be considered as the starting date for the periods discussed in #2 and #3 above.
5. The provisions of #2 and #3 above shall apply regardless of whether the driving which resulted in acquiring the violation points was or was not in the course of employment.

Volunteer and Non-Employee Requirements and Standards:

1. All volunteers and non-employees who may drive a City vehicle or their own vehicle on City business shall be required to read the policy standards.
2. Volunteers and non-employees who may drive City vehicles or their own vehicle on City business must meet the established minimum driving standards applicable to employees, as noted above.
3. Driving standards shall be enforced consistently and fairly among all volunteers and non-employees who may drive a City vehicle.
4. Department of Motor Vehicle license checks shall be made at the time of enlistment and at least annually thereafter.
5. Elected Officials are subject to these requirements.

Use of Private Vehicles on City Business:

There may be times when it may be necessary and expeditious for employees and volunteers to use their own vehicles in the course of City business. In this situation reimbursement is often provided in the form of a mileage allowance. The allowance is intended to compensate the employee or volunteer for the cost of gasoline and oil, wear and tear on the auto and **for insurance costs**. Insurance coverage for autos “follows the car”, meaning the insurance covering the auto is primary and any coverage from SCORE is excess. If there is no liability insurance on the auto, in the case of an occurrence the Member City may be subject to a penalty from the JPA.

It is therefore important that the employee or volunteer be expected to have appropriate automobile insurance coverage. In addition, State law requires drivers to have automobile insurance. It is, therefore, prudent for the City to require proof of automobile insurance coverage prior to allowing an employee or volunteer to use a private vehicle on City business.

Requirements and Standards for Use of Private Vehicles on City Business:

1. Driving standards required of Employees shall also apply to persons using private vehicles on City business.
2. Employees shall show proof of automobile liability insurance annually in accordance with the State of California minimum requirements, and SCORE recommends that employees who drive for the City on a regular basis obtain higher limits:

Coverage Type	Minimum	Recommended
Bodily Injury Each Person	\$15,000	\$100,000
Bodily Injury Each Accident	\$30,000	\$300,000
Property Damage Each Accident	\$5,000	\$50,000

Effective Date: tbd

[SAMPLE LETTER TO MEMBERS]

Member Name

Address

SCORE RISK MANAGEMENT REVISED POLICY AND PROCEDURE RM-2 - DRIVING STANDARDS EFFECTIVE December 8, 2016

Dear _____ :

At the most recent SCORE Board of Directors meeting, the mandatory Risk Management Policy and Procedure RM-2, *Driving Standards* was revised.

The policy addresses measures aimed at reducing losses related to vehicle operation. It covers two aspects of vehicle usage:

The first section is unchanged and deals with employees and volunteers whose duties necessitate driving vehicles in the course of their assignments. Members are required to institute the driving standards summarized below (please refer to the complete policy):

- Members must enroll in the DMV pull notice program and utilize this programs for all employees or volunteers who are required to drive frequently (once a month or more) in the course of their employment;
- Employees or volunteers are to be informed of the guidelines annually, usually this has been accomplished in pay envelopes;
- Employees or volunteers required to drive must possess a valid license to legally operate the class of vehicle they operate in their employment;
- Employees or volunteers accumulating two to four violation points will be considered marginally acceptable and may be required by the city to attend defensive driving class;
- Employees or volunteers accumulating five violation points within the past three years shall be excluded from the City's coverage under the Risk Sharing Layer of the SCORE liability insurance coverage.

The second section deals with employee and volunteer use of private vehicles on City business and is summarized here:

- Private insurance coverage for automobiles follows the vehicle.
Employees who drive their vehicles for City business are covered first by **their private insurance** and excess of that amount by the City.
- Employees and volunteers who use their own vehicles must have insurance and must provide proof of insurance prior to allowing use of their vehicle on City business;

The State of California minimum amounts of coverage apply to all employees. SCORE recommends that employees who drive for the City on a regular basis obtain higher limits, as indicated below:

Coverage Type	Minimum	Recommended
Bodily Injury Each Person	\$15,000	\$100,000
Bodily Injury Each Accident	\$30,000	\$300,000
Property Damage Each Accident	\$5,000	\$50,000



LUNCH PRESENTATION

EMPLOYMENT LAW HOT TOPICS AND TRENDS

INFORMATION ITEM

ISSUE: Michael Christian from the law firm of Jackson Lewis will provide an update on recent legislation and case law related to Employment Practices Liability (EPL) and hiring best practices and pitfalls, with time for Q&A from the members.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: Jackson Lewis is one of the law firms that contracts with ERMA, the Employment Risk Management Authority ermajpa.org, for defense of claims against its members and for a variety of training presentations. Michael Christian works with a number of SCORE members who belong to ERMA and has provided an annual update of employment law topics at Board meetings for several years.

ATTACHMENTS: Presentation at meeting



DKF RISK CONTROL SERVICES

INFORMATION ITEM

ISSUE: DKF will present the Board with an update on the SCORE Member Risk Management Scorecard, recent activities, and upcoming member visits.

Members are asked to review and provide comment on the attached Scorecard criteria with the goal to have the best practices adopted as SCORE Risk Management Policies and Procedures at a future Board meeting.

RECOMMENDATION: Review and provide feedback on Scorecard best practices, DKF services, and schedule of on-site assessments.

FISCAL IMPACT: None.

BACKGROUND: As part of their ongoing services and site visits, DKF evaluates member risk management practices based on a set of Best Practices for various operations and summarizes them in a Scorecard for Board review.

ATTACHMENTS: SCORE Risk Management Self Evaluation Assessment (Scorecard)

In addition to presentation at meeting

**SCORE Risk Control Program
Self Evaluation and Accountability Model
2015**

Member:	Date:
Contact:	
Names of Those Completing the Self Assessment:	

A	Risk Management Framework	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	To reduce or eliminate costs associated with risks of loss, each member must create a risk management structure with adequate resources to address the risk exposures of the City with visible support of City Management.					
	Measures					
A1.	City Council has adopted a resolution supporting a formal Risk Management Program and Policy and provides appropriate resources.					
A2.	City Manager endorses the Risk Management Program and Policy and communicates to all employees.					
	Injury & Illness Prevention Plan (IIPP)					
	The City maintains an up-to-date Injury & Illness Prevention Plan (IIPP) as required by OSHA, and actively maintains its requirements.					
A3.	a. IIPP is available for review and shows proof of periodic review/revision.					
	b. IIPP identified person of authority who is responsible for IIPP administration.					
	c. Accountability standards and method of enforcement are included.					
	d. System for communicating hazards to employees and receiving employee feedback on safety concerns is in place.					
	e. Procedure for identifying workplace hazards is in place, including regular inspections and observations of work practices.					
	f. Procedure for accident investigation in place. Documentation demonstrating quality of investigation available for review.					
	g. System of follow-up of identified unsafe conditions or physical hazards in place (records of mitigation maintained for one year).					
	h. Required and/or appropriate training is documented and maintained for one year.					
A4.	A Risk Management Coordinator must be appointed who is responsible for the implementation of risk management programs.					
	Risk Management Committee					
	A Risk Management Committee (RMC) or Team with clearly defined accountabilities must be named. This may be a scope enhancement of current safety committees.					
A5.	a. The Chair of the RMC must attend and report on risk management plans and activities at monthly Senior Management Meetings.					
	b. The Committee must hold regular meetings. Minimum acceptable frequency is quarterly.					

A	Risk Management Framework	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	To reduce or eliminate costs associated with risks of loss, each member must create a risk management structure with adequate resources to address the risk exposures of the City with visible support of City Management.					
	Measures					
	c. Written minutes must be kept of each meeting along with an attendance list.					
A5.	d. The Committee (or subcommittee) will review all accidents and near misses to: <ul style="list-style-type: none"> 1. Evaluate adequacy of root cause analysis 2. Ensure action plan and follow-up protocols are developed and accountability assigned 3. Determine if broader exposure to loss exists. 					
	e. The RMC will serve as a mechanism for review and approval of equipment purchases or new practices/programs to evaluate risk exposure that may be created for the Member.					
	Goals & Objectives					
	Risk management goals and objectives are developed and published annually and address the most significant risk exposures as identified through data analysis developed jointly with SCORE.					
A6.	a. Trending of accident claims/reports by type is maintained and used to define action plans to address actual and potential claim types.					
	b. Each risk management goal has a corresponding action plan, the components of which may be measured.					
	c. Performance measures for all employee levels are established to ensure risk management goals and objectives are addressed.					
	d. Annual goals and objectives are distributed to all employees.					
	e. Costs are allocated to each department for general liability.					
	f. Costs are allocated to each department for workers' compensation.					
	Claim Reporting and Follow-Up					
	Successful claim resolution is ensured by good communications among claimant, member, and adjuster with immediate reporting of claims.					
A7.	a. Member has assigned a claims liaison who is assigned to work with SCORE adjusters to address and investigate claims.					
	b. Designees from each Member City are identified and trained to provide claimants with information and address their needs without inappropriately increasing the liability of the City.					
	c. All claims filed against the Member City that may be covered by SCORE are reported promptly (within 48 hours).					
	d. Member staff is trained to recognize and reports incidents that may result in claims versus the City.					

A	Risk Management Framework	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	To reduce or eliminate costs associated with risks of loss, each member must create a risk management structure with adequate resources to address the risk exposures of the City with visible support of City Management.					
Measures						
	e. All claims covered by SCORE but paid by the member should be reported to SCORE to maintain the accuracy of loss data and provide trending information.					
	f. A formal accident investigation procedure is in place with mandatory review by senior management to ensure corrective action is based on management action to prevent a re-occurrence rather than placing blame on employee.					
A7.	g. Participation in SCORE Risk Management and control programs as demonstrated by: <ol style="list-style-type: none"> 1. Active participation in loss prevention/risk control surveys and discussions by SCORE staff on strategies to prevent loss. 2. Written response within 45 days upon request providing status of "best practice" recommendations. 3. Development of action plan/strategy to address the five most significant risk exposures as defined by audits and data analysis. 					

B.	Data Tracking And Utilization	●	●	●	N/A	Comments
	Purpose and Scope	In Place Effective	In Progress Needs Work	Absent Ineffective	N/A	Plan for Action
	Effective risk control programs require implementation of loss-directed action plans prioritized by actual and potential level of risk. Members will track and use loss data to monitor program performance and direct their risk control programs.					
	Measures					
B1.	<p><u>Experience Modifier* Trending Factors</u></p> <p>Favorable An uninterrupted downward trend of 15% or more over a three-year period in the experience modifier will be interpreted as a sign that the Member is demonstrating a consistently strong commitment to sound risk management practices.</p> <p>Unfavorable An uninterrupted upward trend of 15% or more over a three-year period in the experience modifier will be interpreted as a sign that the Member may not be attentive to risk management matters.</p> <p>*Experience Modifier = Provides a relative comparative measure among individual member performance. Example: 100 is average, less than 100 is better than average, and greater than 100 is poorer than average.</p>					
B2.	<p>Loss history frequency** and severity*** summary is communicated to managers and supervisors semi-annually to support accountability for preventing and minimizing claims and losses and development of loss-focused action plans.</p> <p>**Frequency = Number of claims per \$100 payroll ***Severity = Cost of claims per \$100 payroll</p>					
B3.	Trending of accident/claims/reports by type is maintained and used to define action plans to address actual and potential claim types.					
B4.	A written action plan, developed annually, is in place that incorporates an understanding of the causes of losses for prevention purposes. (Obtain copy to verify).					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	Vehicle Use and Operations					
	Each member must adopt a comprehensive fleet management program to include driver training (defensive driver training), driver screening and selection, vehicle use, non-owned vehicle use, and vehicle maintenance.					
	Driver Selection and Training Measures					
D1.	There is a written program in place that is actively utilized as the basis for driver selection and screening of employees and prospective employees for driving related duties.					
D2.	There is evidence that employees with negative Motor Vehicle Records (MVR) activity as defined by the SCORE standards are provided personnel counseling, training, rehabilitation, and/or remove from driving responsibilities depending on the nature and seriousness of the activity on their MVR or observed driving behavior.					
D3.	All employees who drive any vehicle on City business are enrolled in the DMV Employer Pull Notice (EPN) program and MVRs are reviewed to prevent negligent retention. Note: Release required for drivers whose license does not require participation in the EPN program.					
	Vehicle Maintenance Measures					
D4.	Vehicles and records are maintained to meet standards and warranties relevant to the vehicles or equipment and to help defend negligence claims.					
	Vehicle Operations Measures					
D5.	The City has adopted a vehicle use policy detailing when and how City and personal vehicles may be used for City business.					
D6.	The City has adopted a cell phone or distracted driver policy and all vehicle accident investigations reflect any "distracted driver" implication as part of the root cause analysis.					
	Sidewalk Inspection and Maintenance					
	Member has adopted a sidewalk/walkway inspection, maintenance, and complaint response plan.					
D7.	There is an effective, written, City-specific procedure in place to minimize sidewalk defects such as raised offsets, tilts or steep cross slopes, sunken sections, spalling, improper repairs to surround structures such as drains, and offsets between public and private sidewalks.					
D8.	The City has an ordinance in place transferring the liability for injuries due to failure to maintain sidewalks to the adjoining property owner.					
D9.	The City has a written process in place to notice property owners to repair sidewalks where allowed by Municipal Code.					
D10.	The City has a follow-up procedure to ensure defects have been addressed by marking, barricading, etc. within reasonable periods.					
D11.	The City has a follow-up procedure to ensure defects have been mitigated by the property owner or other responsible party within a reasonable period.					
D12.	Photographs are taken and maintained in Public Works to visually record action taken to guard against contact by the public with a hazardous sidewalk site. This will aid in defense against allegations of inaction by the City.					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	Urban Forest Management (Trees and Vegetation) The City has a written urban forest management plan, which includes selection and placement of trees and provides for identification and mitigation of tree/shrub/vegetation related hazards.					
D13.	The City has adopted an ordinance defining ownership and maintenance responsibilities for trees					
D14.	Urban forest management is under the control and supervision of persons who have the necessary professional credentials and expertise to qualify as an urban forester or arborist.					
D15.	A written plan is in place and documented to provide for methodical, periodic inspection, care, maintenance, and complaint/emergency response for trees and other vegetation.					
D16.	There is a written process to select, situate, and maintain trees to minimize hazards, hardscape damage, and maintenance costs. Inspection and monitoring frequency is prioritized by degree of exposure of the public to vegetation hazards. (i.e. obscured intersections, parks, playgrounds)					
	Sewer Loss Prevention and Management The City has a written program for risk assessment and review, regular inspection, preventive maintenance, and emergency response for its sanitary sewer system.					
D17.	An ordinance is in place that meets or exceeds current plumbing code requirements for backflow devices. Council meeting minutes reflect recommendations and cost justification by staff for adoption of an ordinance requiring backflow devices when events not addressed by the code occur, such as when a property owner suffers a loss, remodels, or sells the property. Cleanout backflow relief devices are allowed.					
D18.	Key personnel have been trained to interact with property owners when responding to reports of sewer backup Training topic outline and document templates are available for review if training not provided by SCORE (David Patzer)					
D19.	Sewer inspection and maintenance protocols reflect identification and attention to “high frequency or impact areas” of the system.					
	ADD LATEST ON SSMOs					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
	<p align="center">Police Risk Management</p> <p>Police risk management is an integral part of the overall City's risk management exposure and should be subject to the risk assessment and evaluation review process as conducted by representatives from all City departments.</p>					
D20.	Member-written General Orders (GO's) or guidelines reflect dates indicating reviews and updates. Key policies should be reviewed annually.					
D21.	Each Member subscribes to a legal liability service for updated policy and procedure notification and advice.					
D22.	Member departments have adopted a "reasonable force" approach to policing. Training records reflect this philosophy.					
D23.	Code 3 driving standards are in place and documented, which reflect current legal liability and professional standards that minimize risk to others sharing roads with emergency vehicles.					
D24.	Member departments comply with all POST-mandated training requirements, including perishable skills, and training to General Orders is documented.					
D25.	Digital audio-visual technology in patrol vehicles and/or on person, are used to provide defense against alleged police misconduct claims.					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	Fire Risk Management Fire risk management is an integral part of the overall City's risk management exposure and should be subject to the risk assessment and evaluation review process as conducted by representatives from all City departments.					
D26.	Dispatch has either been transferred to another agency or detailed training, data and communication management, and technology are used to prevent dispatch error.					
D27.	The department has a written policy clearly defining if and how emergency response (Code 3) driving is permitted and executed.					
D28.	The department has equipment, procedures, and training in place to address equipment/gear that may not be enclosed or secure and may fall from the apparatus.					
	Adherence to Firefighter Training and Exam Policy					
	Contractor Selection and Control Additional selection and evaluation criteria are used along with "low bidder" to ensure safe, cost effective, completion of member projects.					
D29.	Member has contractor selection criteria that includes reference and site checks, interviews, insurance loss history, Cal/OSHA citation history, and license verification for general and all subcontractors.					
D30.	The contractor has a safety program (IIPP) in place.					
D31.	The contractor has site protection, traffic control, inspection, and debris removal plan in place.					
D32.	Member has documented planning, oversight, and quality control meetings with contractor.					
	Road Maintenance Member has a systematic process in place for inspection, maintenance, repair, and emergency response for roadways.					
D33.	The City Council and/or City Engineer signs off on all road site protection plans to preserve governmental immunity.					
D34.	Member has on staff or access to a CalTrans trained work zone safety specialist to oversee and approve all work zones.					
D35.	To enhance the Member's ability to defend claims, protection of work-sites should be documented in photographs to illustrate protection provided to ensure drivers/pedestrians/cyclists do not come in contact with hazardous conditions.					
D36.	Contract language is signed by contractors accepting responsibility for the clean up and debris removal from work-sites to reduce potential for damage to vehicles or cyclist.					
D37.	Member has adopted a minimum Pavement Maintenance Index to serve as the standard to which road surfacing is to be maintained. Example: PMI=70					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
	Contractual Risk Transfer					
	All contracts in which the City is involved are part of the risk management review process.					
D38.	A contract review process is in place to provide for consistent contract administration and oversight.					
D39.	All contracts are reviewed and approved by legal counsel to ensure that the City is adequately protected and risk is transferred or shared as intended.					
D40.	Contracts are reviewed for safety plans, staffing, oversight, and accountability.					
	ADA Compliance and Transition Plans					
	The Congressional passage of the Americans with Disabilities Act (ADA), which became effective in 1992, dictates equal access to public buildings and facilities, along with hiring and other EEOC-enforced provisions.					
D41.	Members have an ADA transition plan in place.					
D42.	Documentation verifies action taken on transition plan items.					
D43.	Five-year budget and development plans reflect budgeting for ADA compliance projects.					
D44.	Alternative procedures are in place to provide access for disabled persons to buildings and facilities until full structural access is achieved.					
	Playground Safety					
	Member playgrounds must be designed, inspected, and maintained in compliance with the State of California requirements, which are described in <i>The Handbook for Public Playground Safety</i> and ASTM F187-95.					
D45.	a. A current playground equipment inventory exists for each playground.					
	b. An annual playground audit is available for review and reflects equipment as stated in the inventory. The audit is conducted either by a Certified Playground Safety Inspector (CPSI) or personnel trained by a CPSI.					
	c. Documented monthly inspections and repair records are available for review. Inspections are conducted and signed off by a CPSI or staff who was trained and overseen by a CPSI.					
	d. Depending on frequency and intensity of use, weekly and/or daily inspection checklists are available for audit.					
	e. For playgrounds that do not comply with accessibility requirements under the Americans with Disabilities Act (ADA), an action plan with time tables to bring the site into compliance is available for review.					
	Facilities Maintenance and Hazard Identification					
	City owned and/or operated facilities, including those for which joint use agreements are in place, present risk exposures to users and neighboring facilities. A process for scheduled, documented inspection of City buildings and other facilities should be in place.					
D46.	a. Checklists or other tools used to document inspections are available for review.					
	b. Action items are prioritized and are assigned for correction with a due date for completion. Completion date is recorded.					
	c. All new or newly acquired facilities have a documented risk assessment review for structural and operational risk.					
	d. Buildings that have not been determined to be adequately protected against natural disaster or fire are not used for public gatherings and classes or leased to others.					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
D47	Aquatics Programs The program measures below are not a comprehensive list of all the important practices, which should be in place to help ensure a well-managed and safe aquatics operation. However these measures are good measures to use in the self-evaluation process. They will assist in ensuring that a City-managed aquatics operation includes the most highly recommended management controls.					
D48	All staff responsible for facility operations and swimmer/participant safety are certified by a recognized agency and have received site-specific training with clear assignment of responsibilities. This includes validated, current certifications; required training in pool and/or concession operations; equipment; safety; security; and emergency response, including use of oxygen delivery and use of automated external defibrillators if available.					
D49	At least one facility staffer is certified as a Lifeguard Manager, or has attended educational sessions on Lifeguard Management and has experience in supervision.					
D50	Facility has all recommended rescue equipment, communication devices, posted warnings, information, and instruction signage present and in operable condition.					
D51	Equipment such as diving boards, slides, blobs, and other play equipment are correctly installed for water depth, weight, and use requirements as recommended by the YMCA or other recognized standards. Documented inspections of this equipment are performed daily.					
D52	Lifeguard rotations are no longer than 20-30 minutes with change of body position every 5-10 minutes. Dedicated supervision is provided for special equipment such as slides					
D53	Starting Platforms are only in place for competitions, and are only used under close supervision by participants that have been properly educated in their use.					
D54	No diving is marked clearly on the pool deck in all areas that have less than 5 feet of water depth. Diving instruction should not take place in less than 9 feet of water.					
D55	A Lifeguard on duty supervises all programs and rentals.					
D56	Daily pool maintenance and water quality logs are on site and kept up to date.					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
D57	Special Events & Facility Rentals The program measures below are not a comprehensive list of all the important practices which should be in place to help ensure an incident-free, well-managed and successful special event. However these measures are good measures to use in the self-evaluation process. They will help ensure the planning and execution of a City-sponsored event or facility rental includes the most highly-recommended management controls.					
D58	Contractual Risk Transfer and Contractor Selection and Management Best Practices are followed when issuing permits for an event, renting out a facility, or in hiring or screening contractors for the event.					
D59	If the permittee, renter, or contractor does not have insurance coverage as referenced in the Contractual Risk Transfer best practices, Special Events Insurance, including liquor liability coverage for anyone serving alcohol, is obtained by the sponsor and/or required by all participating organizations.					
D60	Any organization serving alcohol must be properly licensed, have properly trained servers, and control quantities. Security is provided for any event with alcohol.					
D61	For outdoor events, a pre-event safety audit and inspection of site, permanent and temporary structures, lighting, communications, accessibility, emergency plans, traffic and crowd control are conducted and documented.					
D62	Unless provided by an independent contractor, shuttle and parking services are provided by employees who meet the recommended Driver Selection and Training Best Practices, in vehicles which meet applicable safety standards.					

D	Operational Best Practices	●	●	●	N/A	Comments/ Plan for Action
		In Place/ Effective	In Progress/ Needs Work	Absent/ Ineffective		
D63	Employment Best Practices The program measures below are not a comprehensive list of all the important practices, which should be in place to help ensure well-managed and safe employment practices. However these measures are good measures to use in the self-evaluation process. They will assist in ensuring that a City-managed employment practice operation includes the most highly recommended management controls.					
D64	Each agency shall have recruitment procedures that comply with applicable State and Federal laws regulating employment discrimination. Agencies shall take steps to complete a background/reference check on applicants prior to hire.					
D65	Agencies shall have a current anti-harassment and discrimination policy in place and shall train supervisors and manager on the policy in compliance with AB 1825. In addition, agencies shall ensure that workplace safety training, including violence prevention, is completed as required by state and federal laws and regulations (i.e. OSHA and CalOSHA). This includes the development and maintenance of an IIPP along with training for employees.					
D66	Agencies shall have an internal grievance procedure in order to resolve employment related disputes at the lowest level possible.					
D67	Agencies shall have a comprehensive discipline policy and procedure that is timely, reasonable, consistent, well-supported, and provides for procedural due process.					
D68	Agencies shall periodically evaluate for compliance with FLSA to ensure that jobs are correctly classified as exempt or non-exempt and to ensure that payroll processing is accurate relative to the regular rate of pay and overtime compliance.					
D69	Agencies shall have current policies, procedures and/or forms in place relative to the many types of leaves available to employees: industrial leave, ADA/FEHA accommodation leave, CA family sick leave, CA pregnancy disability leave, FMLA/CFRA leave, family temporary disability leave, military leave, leave to appear at child's school, leave for victim of domestic violence, leave for jury duty and court appearances, and time off to vote.					
	Skateboard Parks					
	Adherence to SCORE Policy requiring that design of skateboard parks be certified and signed by an engineer.					



BACK TO AGENDA

**Small Cities Organized Risk Effort
Long Range Planning
October 3, 2019**

Agenda Item H.1.

CJPRMA PROGRAM & SERVICES

INFORMATION ITEM

ISSUE: Tony Giles of CJPRMA will present an overview of their programs and services.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: CJPRMA has been the Excess General Liability coverage carrier since 1992. They provide up to \$40M in limits above SCORE's self-insured retention of \$500,000.

ATTACHMENTS: Presentation at meeting



LESSONS LEARNED FROM RECENT CLAIMS

INFORMATION ITEM

ISSUE: SCORE's service providers will provide an overview of recent claims and court decisions that have resulted in recommendations for managing similar claims and risks in the future.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: SCORE's excess coverage provider, CJPRMA, and claims administrator, Sedgwick (formerly York) have years of experience in dealing with municipal claims of all types. Together with the pool's Program Administrator, they have prepared an overview of recent claims and court decisions that may impact pool members, along with recommendations for addressing their associated risks.

ATTACHMENTS: Presentation at meeting