



**President**  
Mr. Roger Carroll  
Town of Loomis

**Vice President**  
Mr. Steve Baker  
City of Yreka

**Secretary**  
Ms. Brooke Woodcox  
City of Rio Dell

**Treasurer**  
Ms. Linda Romaine  
Town of Fort Jones

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

<b>A</b>	<b>Action</b>
<b>I</b>	<b>Information</b>
<b>1</b>	<b>Attached</b>
<b>2</b>	<b>Hand Out</b>
<b>3</b>	<b>Separate Cover</b>
<b>4</b>	<b>Verbal</b>
<b>5</b>	<b>Previously Mailed</b>

**Location:** Gaia Hotel  
4125 Riverside Place  
Anderson, CA 96007

**Date:** Thursday, October 13, 2016

**Time:** Breakfast available at 7:45 am  
Special Training at 8:00 am  
Long Range Planning at 9:30 am

### MORNING TRAINING

*Time Certain*

- |           |   |            |
|-----------|---|------------|
| 8:00 am – | <b>SCORE Orientation for New Members</b>  | <b>I 2</b> |
| 8:30 am   | <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> |            |
| 8:30 am – | <b>SCORE Member Services</b>  | <b>I 2</b> |
| 9:00 am   | <i>This session is for new and established Board members who are interested in the services that Vendors make available through SCORE membership.</i>   |            |
| 9:00 am – | <b>SCORE Advanced Session</b>   | <b>I 2</b> |
| 9:30 am   | <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>   |            |

### LONG RANGE PLANNING

- |             |   |            |
|-------------|---|------------|
| <i>PAGE</i> | <b>A. CALL TO ORDER - 9:30 am</b>   |            |
| 9:30 am     | <b>B. ROLL CALL</b>   |            |
|             | <b>C. APPROVAL OF AGENDA AS POSTED</b>                                    | <b>A 1</b> |
|             | <b>D. PUBLIC COMMENTS</b>   |            |
|             | <b>E. OPENING COMMENTS</b>  |            |
|             | <b>1. President's Report</b>  | <b>I 4</b> |
|             | <i>Roger Carroll will address the Board on items pertaining to SCORE.</i> |            |

**F. IMPORTANT FUNDING ITEMS**

9:45 am –  
11:15 am  
Pg. 4

**1. Mini-Cities Pool Funding**

**A 1**

*The Board will receive an overview of the following issues related to Mini-Cities funding as addressed by an Ad Hoc Committee.*

**a. Administrative Expense Allocation**

*The Board will receive analysis regarding proposed changes in the allocation of administrative expenses for the Workers’ Compensation Program and may make a recommendation to change the allocation.*

**b. Mini-Cities Composition**

*The Board will receive analysis regarding the current composition of the Mini-Cities Pool for the Workers’ Compensation Program and may make a recommendation to change the composition of the Mini-Cities Pool.*

**c. Experience Modification Factors**

*The Board will receive analysis regarding the possibility of temporarily capping member Experience Modification Factors to ease the impact of changing the expense allocation and mix of Mini-Cities members.*

11:15 a.m. -  
11:30 a.m.

**BREAK**

**G. TRAINING PRESENTATIONS**

11:30 am –  
12:15 pm  
Pg. 9

**1. Employment Practices Training – Legal Update**

**I 2**

*Michael Christian from Jackson Lewis will provide an update on recent legislation and case law related to Employment Practices Liability (EPL) and trends regarding EPL litigation, with time for Q&A from the members.*

12:15 pm –  
1:15 pm

**LUNCHTIME PRESENTATION – Hiring Best Practices and Pitfalls**

*Michael Christian – part two.*

**2. Risk Control Services**

1:15 pm –  
1:45 pm  
Pg. 10

**a. Sewer Staffing – Benchmarking Report Presentation**

**I 2**

*Randy Musgraves will present an overview of the Sewer Staffing Benchmarking report completed for SCORE members.*

1:45 pm –  
2:00 pm  
Pg. 11

**b. DKF Website Resources**

**I 4**

*DKF will present the Board with a demo of the new Website Resources available to SCORE members.*

2:00 pm –  
2:15 pm  
Pg. 12

**c. DKF Scorecard Update**

**I 4**

*DKF will present the Board with an update of the Scorecard and recent member visits.*

2:15 pm –  
2:30 pm

**BREAK**

- |   |   |                   |
|---|---|-------------------|
| <p>2:30 pm –<br/>3:30 pm<br/>Pg. 13</p> | <p><b>3. Target Funding Benchmarks</b><br/><i>Marcus Beverly will present an overview of SCORE’s financial condition relative to the funding benchmarks established by the Board.</i></p> | <p><b>I 1</b></p> |
| <p>3:30 pm –<br/>4:00 pm<br/>Pg. 14</p> | <p><b>4. State of the Insurance Market 2017</b><br/><i>The Board will receive a presentation on the current state of the insurance market including emerging risks.</i></p>               | <p><b>I 2</b></p> |

**H. CLOSING COMMENTS**

**I. ADJOURNMENT**

**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](http://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.*



Agenda Item F.1.

**MINI-CITIES POOL FUNDING**

**ACTION ITEM**

**ISSUES:** The Board appointed an Ad Hoc Committee to address issues related to the Mini-Cities group within the Workers' Compensation (WC) Program, including that SCORE has no established criteria for Mini-Cities admission (per language in the Workers' Compensation Master Plan documents). In addition, the Mini-Cities have grown to be the largest member of the WC Program, and this may not be in keeping with SCORE's mission and objectives. **The Mini-Cities group may have grown too large, outlived its function, or outlived the funding formula.** These issues have also raised questions regarding whether or not the Mini-Cities mix of members:

1. Is appropriate regarding allocation of administrative costs,
2. How members of similar size and/or risks are treated,
3. Whether or not the risk sharing within the Mini-Cities is equitable.

The Program Administrators have evaluated various options, and based on feedback from the Ad Hoc Committee and Board present the following analysis of proposed changes to how the administrative expenses are allocated and to the mix of Mini-Cities members.

**ISSUE F.1.a: Administrative Expense Allocation**

Currently the administrative expenses are allocated **50% fixed** (equal shares to each member) and **50% variable** (based on payroll), *with the Mini-Cities treated as one member*. The proposed change is to allocate the expenses without treating the Mini-Cities as one member, but phase in the change over three years.

- In the First Year the expenses would be allocated 30% fixed and 70% variable.
- In the Second Year the allocation would be 40% fixed and 60% variable,
- And, in the Third Year the expenses would be allocated 50% fixed and 50% variable.

**Attachment #1** illustrates the change in the current administrative expenses, using the allocation method described above. The increases to the current Mini-Cities in the first year range from \$4,604 to \$7,671, or 69% to 132%, with corresponding decreases in the remaining members from <\$2,761> to <\$14,382>, or <5%> to <53%>. The changes then trend in the same direction in the 2<sup>nd</sup> year, and in the 3<sup>rd</sup> year (when the allocation reaches 50-50%) each of the Mini-Cities Member's administrative expense have **increased by \$8,344** - - and each *regular* member's expense have **decreased by <\$11,919>** from the current level.

**ISSUE F.1.b.: Mini-Cities Member Composition**

Based on feedback from the Board the Program Administrators have developed a *loss allocation formula* based on Mini-Cities Members with fiscal year DE-9 payroll averaging below \$500,000 for the last three years. This results in three of the current Mini-Cities Members, Loomis, Portola and Rio Dell, moving out of the group. **Attachment #2** illustrates the changes in loss allocation and includes a column comparing each member's Experience Modification Factor (Ex-Mod) before and after the change. Based on the losses currently used for the calculations, the Ex-Mod for the Mini-Cities increased from 1.25 to 1.47, further

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exacerbating the proposed increase in the administrative expenses. This is due to the impact (and importance) of the Relative Loss Rate.<sup>1</sup>

As a result, members considered capping the Ex Mods at 1.25, and the Program Administrators projected what the Ex Mods will be for FY 2017/18, based on losses as of 9/30/16. The projection is that the Mini-Cities Ex Mod will decrease, from 1.25 to 1.15, reducing the need to consider capping, though the final numbers will be calculated based on losses at 12/31/16.

**Attachment #3** illustrates the changes if the Ex-Mods were capped at no more than 1.25. This limitation would help to ease the transition to a different administrative expense formula and could be reevaluated once the change has been fully implemented. However, based on the projected FY 17/18 Ex Mods the cap would only apply to Mt. Shasta. This capping would be phased out over time, as discussed directly below in the RECOMMENDATION section.

**RECOMMENDATIONS:**

**ISSUE F.1.a. - Administrative Expense Allocation:** Change the administrative expense allocation to treat **all members** the same, phasing in the change over three years.

**ISSUE F.1.b. - Mini-Cities Member Participation:** Set criteria for the Mini-Cities to consist of members with three-year average payroll below \$500,000 (*and noting that any Member can leave the Mini-Cities with proper notice so as not to negatively impact the remaining Members – with deadlines to be determined.*)

**ISSUE F.1.c. - Ex-Mods:** To ease the impact of the transition by setting limits on **all member** Ex-Mods for the following three years and then re-evaluate, with the goal to increase the cap until it has no impact in the future for any member. For FY 17/18 the cap is proposed at 1.25, increasing to 1.30 for FY 18/19 and 1.35 for FY 19/20. At this point the only member who may hit the cap is Mt. Shasta.

**FISCAL IMPACT:** Increase in administrative expenses for Mini-Cities Members and decrease for the remaining members. See attached spreadsheets for details.

**BACKGROUND:** The issue of the Mini-Cities composition has been discussed at previous Board meetings, with the Board directing the Program Administrators to study options for Mini-Cities membership and the impact on funding. Several members have been added to the Mini-Cities since it was formed in 2001, including Tulelake (2015), Etna, (2005), Montague (2006), and Loyalton (2011). No formal criteria was used to place them in the MC other than comparing their size and payroll to the members of the Mini-Cities at the time of their admission.

**ATTACHMENTS:**

- **Attachment #1:** Proposed administrative expense allocations
- **Attachment #2:** Proposed Mini-Cities < \$500,000 payroll allocations
- **Attachment #3:** Proposed Mini-Cities < \$500,000 payroll allocations with capped Ex-Mods

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<sup>1</sup> The Ex-Mod for any group is influenced by the size of the Membership. As a result, the Relative Loss Rate will change as the number of members being compared changes. With fewer members in the Mini-Cities there are more members overall whose loss rates are being compared. The group changes from 8 members being compared, 7 regular and 1 Mini-cities, to 11 members, 10 regular and 1 Mini-Cities.

Attachment 1.

**Funding Analysis FY 2016/17: Three-Year Transition of Admin Allocation**

	A	B	C	D	E	F	G	H	I	J
	Current	First Year			Second Year			Third Year Completed Transition		
MEMBER ENTITY	Current FY 2016/17 Total Admin With Mini-Cities	Total Admin With No Mini-Cities	\$ Change Admin	% Change Admin	Total Admin With No Mini-Cities	\$ Change Admin From First Year	% Change Admin From First Year	Total Admin With No Mini-Cities	\$ Change Admin From Second Year	% Change Admin From Second Year
Rate/Amount	50%-50%	30% - 70%			40% - 60%			50-50%		
Dunsmuir	\$26,952	\$ 12,570	\$ (14,382)	-53%	\$ 13,801	\$ 1,231	10%	\$ 15,033	\$ 1,231	9%
Isleton (does not participate)										
Live Oak	\$34,190	\$ 22,704	\$ (11,487)	-34%	\$ 22,487	\$ (216)	-1%	\$ 22,271	\$ (216)	-1%
Mt. Shasta	\$38,594	\$ 28,869	\$ (9,725)	-25%	\$ 27,772	\$ (1,097)	-4%	\$ 26,675	\$ (1,097)	-4%
Shasta Lake	\$53,796	\$ 50,152	\$ (3,644)	-7%	\$ 46,014	\$ (4,137)	-8%	\$ 41,877	\$ (4,137)	-9%
Susanville	\$56,005	\$ 53,244	\$ (2,761)	-5%	\$ 48,665	\$ (4,579)	-9%	\$ 44,086	\$ (4,579)	-9%
Weed	\$36,567	\$ 26,032	\$ (10,536)	-29%	\$ 25,340	\$ (692)	-3%	\$ 24,648	\$ (692)	-3%
Yreka	\$48,285	\$ 42,436	\$ (5,849)	-12%	\$ 39,401	\$ (3,035)	-7%	\$ 36,366	\$ (3,035)	-8%
<b>Subtotal Members</b>										
Biggs	\$5,720	\$ 11,213	\$ 5,493	96%	\$ 12,638	\$ 1,425	13%	\$ 14,064	\$ 1,425	11%
Colfax	\$6,308	\$ 12,036	\$ 5,728	91%	\$ 13,344	\$ 1,308	11%	\$ 14,651	\$ 1,308	10%
Etna	\$5,634	\$ 11,092	\$ 5,459	97%	\$ 12,535	\$ 1,442	13%	\$ 13,977	\$ 1,442	12%
Fort Jones	\$5,048	\$ 10,272	\$ 5,224	103%	\$ 11,832	\$ 1,560	15%	\$ 13,391	\$ 1,560	13%
Loomis	\$8,983	\$ 15,781	\$ 6,798	76%	\$ 16,554	\$ 773	5%	\$ 17,327	\$ 773	5%
Loyalton	\$3,497	\$ 8,100	\$ 4,604	132%	\$ 9,970	\$ 1,870	23%	\$ 11,840	\$ 1,870	19%
Montague	\$5,219	\$ 10,511	\$ 5,293	101%	\$ 12,037	\$ 1,525	15%	\$ 13,562	\$ 1,525	13%
Portola	\$8,826	\$ 15,562	\$ 6,735	76%	\$ 16,366	\$ 804	5%	\$ 17,170	\$ 804	5%
Rio Dell	\$11,166	\$ 18,838	\$ 7,671	69%	\$ 19,174	\$ 336	2%	\$ 19,510	\$ 336	2%
Tulelake	\$5,436	\$ 10,815	\$ 5,379	99%	\$ 12,297	\$ 1,482	14%	\$ 13,779	\$ 1,482	12%
<b>Subtotal Mini Cities</b>										
<b>Grand Total</b>		<b>\$360,227</b>			<b>\$ 360,227</b>	<b>\$ 0</b>		<b>\$ 360,227</b>	<b>\$ 0</b>	

Attachment 2.

Fiscal Year 17-18 DRAFT Proposed Funding Analysis\*

Mini-Cities < \$500,000 Payroll For Loss Funding

No Mini-Cities for Admin Funding, 30% Fixed, 70% Variable Allocation

A	B	C	D	E	I	J	K	L	M	N	O	P
Formula/Allocation	CY 2015 Payroll + 3% Inflation Factor	Relative Loss Rate x Credibility Factor	Relative Loss Rate x Credibility Factor	(Projected Payroll x Ex Mod)/ExP Adjustment Factor	Banking + Shared + Excess Layers							
<b>MEMBER ENTITY</b>	<b>Projected Payroll (PP)</b>	<b>Current Ex Mod</b>	<b>Projected FY 17/18 Ex Mod*</b>	<b>Ex-Mod Adjusted Payroll (ExP)</b>	<b>NEW Loss Funding</b>	<b>Current Loss Funding</b>	<b>\$ Change in Loss Funding</b>	<b>Proposed Admin Total First Year Transition</b>	<b>Proposed Total Deposit</b>	<b>Current Total Deposit</b>	<b>\$ Change in Total Funding</b>	<b>% Change in Total Funding</b>
<b>Rate/Amount</b>	<b>1.03</b>		<b>Calc</b>		<b>Calc</b>			<b>30% - 70%</b>	<b>75% CL</b>	<b>75% CL</b>		
Dunsmuir	\$501,483	1.03	1.04	\$510,082	\$34,155	\$33,473	\$682	\$12,570	\$46,725	\$60,425	-\$13,700	-23%
Isleton (does not participate)												
Live Oak	\$1,319,431	0.81	0.76	\$975,145	\$65,295	\$69,396	(\$4,101)	\$22,704	\$87,999	\$103,586	-\$15,587	-15%
Loomis	\$760,704	1.25	0.84	\$623,194	\$41,729	\$61,683	(\$19,954)	\$15,781	\$57,510	\$70,666	-\$13,156	-19%
Mt. Shasta	\$1,817,046	1.42	1.64	\$2,907,952	\$194,715	\$166,928	\$27,787	\$28,869	\$223,584	\$205,522	\$18,062	9%
Portola	\$742,971	1.25	1.23	\$891,833	\$59,717	\$60,245	(\$528)	\$15,562	\$75,279	\$69,071	\$6,208	9%
Rio Dell	\$1,007,403	1.25	0.88	\$863,485	\$57,818	\$81,687	(\$23,869)	\$18,838	\$76,656	\$92,853	-\$16,197	-17%
Shasta Lake	\$3,534,954	0.67	0.65	\$2,223,364	\$148,875	\$154,310	(\$5,435)	\$50,152	\$199,027	\$208,106	-\$9,079	-4%
Susanville	\$3,784,517	1.01	1.15	\$4,246,489	\$284,342	\$248,319	\$36,023	\$53,244	\$337,586	\$304,324	\$33,262	11%
Weed	\$1,588,058	1.00	0.94	\$1,453,330	\$97,314	\$103,374	(\$6,060)	\$26,032	\$123,346	\$139,942	-\$16,596	-12%
Yreka	\$2,912,180	1.00	1.05	\$2,987,544	\$200,044	\$189,104	\$10,940	\$42,436	\$242,480	\$237,389	\$5,091	2%
<b>Subtotal Members</b>	<b>\$17,968,748</b>	<b>0.92</b>	<b>0.97</b>	<b>\$17,682,419</b>	<b>\$1,184,004</b>	<b>\$1,168,519</b>	<b>\$15,485</b>	<b>\$286,188</b>	<b>\$1,470,192</b>	<b>\$1,491,884</b>	<b>-\$21,692</b>	<b>-1%</b>
Biggs	\$391,965	1.25	1.15	\$439,647	\$29,439	\$31,783	(\$2,344)	\$11,213	\$40,652	\$37,503	\$3,149	8%
Colfax	\$458,398	1.25	1.15	\$514,162	\$34,428	\$37,170	(\$2,742)	\$12,036	\$46,464	\$43,478	\$2,986	7%
Etna	\$382,228	1.25	1.15	\$428,726	\$28,707	\$30,994	(\$2,287)	\$11,092	\$39,799	\$36,627	\$3,172	9%
Fort Jones	\$316,012	1.25	1.15	\$354,454	\$23,734	\$25,624	(\$1,890)	\$10,272	\$34,006	\$30,672	\$3,334	11%
Loyalton	\$140,726	1.25	1.15	\$157,845	\$10,569	\$11,411	(\$842)	\$8,100	\$18,669	\$14,908	\$3,761	25%
Montague	\$335,336	1.25	1.15	\$376,129	\$25,185	\$27,191	(\$2,006)	\$10,511	\$35,696	\$32,410	\$3,286	10%
Tulelake	\$359,828	1.25	1.15	\$403,601	\$27,025	\$29,177	(\$2,152)	\$10,815	\$37,840	\$34,613	\$3,227	9%
<b>Subtotal Mini Cities</b>	<b>\$2,384,494</b>	<b>1.25</b>	<b>1.15</b>	<b>\$2,674,565</b>	<b>\$179,087</b>	<b>\$193,350</b>	<b>(\$14,263)</b>	<b>\$74,039</b>	<b>\$253,126</b>	<b>\$230,211</b>	<b>\$22,915</b>	<b>10%</b>
<b>Grand Total</b>	<b>\$20,353,242</b>	<b>1.03</b>	<b>1.01</b>	<b>\$20,356,983</b>	<b>\$1,363,092</b>	<b>\$1,361,869</b>	<b>\$1,223</b>	<b>\$360,227</b>	<b>\$1,723,319</b>	<b>\$1,722,095</b>	<b>\$1,224</b>	<b>0%</b>

Verification of Total \$20,353,300 \$20,353,300 \$ 1,362,511  
 Difference -\$58 \$20,876,905 \$581  
 ExP Adjustment Factor 1.03

Members Moving From Mini-Cities

\* Based on Losses as of 9/30/16



Attachment 3.

Fiscal Year 2017-18 DRAFT Proposed Funding Analysis\*

Mini-Cities < \$500,000 Payroll For Loss Funding

Ex Mods Capped at Maximum = 1.25

A	B	C	D	E	I	J	K	L	M	N	O	P
Formula/Allocation	CY 2015 Payroll + 3% Inflation Factor	Relative Loss Rate x Credibility Factor	Relative Loss Rate x Credibility Factor	(Projected Payroll x Ex Mod)/ExP Adjustment Factor	Banking + Shared + Excess Layers							
MEMBER ENTITY	Projected Payroll (PP)	Current Ex Mod	Projected FY 17/18 Ex Mod*	Ex Mod Adjusted Payroll (ExP)	NEW Loss Funding	Current Loss Funding	\$ Change	Proposed Admin Total 30%-70%	Proposed Total Deposit	Current Total Deposit	\$ Change Overall	% Change Overall
Rate/Amount	1.03		Calc		Calc				75% CL	75% CL		
Dunsmuir	\$501,483	1.03	1.04	\$535,786	\$35,783	\$33,473	\$2,310	\$12,570	\$48,353	\$60,425	-\$12,072	-20%
Isleton (does not participate)												
Live Oak	\$1,319,431	0.81	0.76	\$1,024,284	\$68,407	\$69,396	(\$989)	\$22,704	\$91,111	\$103,586	-\$12,475	-12%
Loomis	\$760,704	1.25	0.84	\$654,598	\$43,717	\$61,683	(\$17,966)	\$15,781	\$59,498	\$70,666	-\$11,168	-16%
Mt. Shasta	\$1,817,046	1.42	1.25	\$2,325,920	\$155,337	\$166,928	(\$11,591)	\$28,869	\$184,206	\$205,522	-\$21,316	-10%
Portola	\$742,971	1.25	1.23	\$936,774	\$62,563	\$60,245	\$2,318	\$15,562	\$78,125	\$69,071	\$9,054	13%
Rio Dell	\$1,007,403	1.25	0.88	\$906,998	\$60,574	\$81,687	(\$21,113)	\$18,838	\$79,412	\$92,853	-\$13,441	-14%
Shasta Lake	\$3,534,954	0.67	0.65	\$2,335,403	\$155,970	\$154,310	\$1,660	\$50,152	\$206,122	\$208,106	-\$1,984	-1%
Susanville	\$3,784,517	1.01	1.15	\$4,460,477	\$297,894	\$248,319	\$49,575	\$53,244	\$351,138	\$304,324	\$46,814	15%
Weed	\$1,588,058	1.00	0.94	\$1,526,565	\$101,952	\$103,374	(\$1,422)	\$26,032	\$127,984	\$139,942	-\$11,958	-9%
Yreka	\$2,912,180	1.00	1.05	\$3,138,092	\$209,578	\$189,104	\$20,474	\$42,436	\$252,014	\$237,389	\$14,625	6%
<b>Subtotal Members</b>	<b>\$17,968,748</b>	<b>0.92</b>	<b>0.97</b>	<b>\$17,844,898</b>	<b>\$1,191,774</b>	<b>\$1,168,519</b>	<b>\$23,255</b>	<b>\$286,188</b>	<b>\$1,477,962</b>	<b>\$1,491,884</b>	<b>-\$13,922</b>	<b>-1%</b>
Biggs	\$391,965	1.25	1.15	\$461,802	\$30,841	\$31,783	(\$942)	\$11,213	\$42,054	\$37,503	\$4,551	12%
Colfax	\$458,398	1.25	1.15	\$540,071	\$36,069	\$37,170	(\$1,101)	\$12,036	\$48,105	\$43,478	\$4,627	11%
Etna	\$382,228	1.25	1.15	\$450,330	\$30,075	\$30,994	(\$919)	\$11,092	\$41,167	\$36,627	\$4,540	12%
Fort Jones	\$316,012	1.25	1.15	\$372,316	\$24,865	\$25,624	(\$759)	\$10,272	\$35,137	\$30,672	\$4,465	15%
Loyalton	\$140,726	1.25	1.15	\$165,800	\$11,073	\$11,411	(\$338)	\$8,100	\$19,173	\$14,908	\$4,265	29%
Montague	\$335,336	1.25	1.15	\$395,083	\$26,386	\$27,191	(\$805)	\$10,511	\$36,897	\$32,410	\$4,487	14%
Tulelake	\$359,828	1.25	1.15	\$423,939	\$28,313	\$29,177	(\$864)	\$10,815	\$39,128	\$34,613	\$4,515	13%
<b>Subtotal Mini Cities</b>	<b>\$2,384,494</b>	<b>1.25</b>	<b>1.15</b>	<b>\$2,809,340</b>	<b>\$187,622</b>	<b>\$193,350</b>	<b>(\$5,728)</b>	<b>\$74,039</b>	<b>\$261,661</b>	<b>\$230,211</b>	<b>\$31,450</b>	<b>14%</b>
<b>Grand Total</b>	<b>\$20,353,242</b>	<b>1.03</b>	<b>1.01</b>	<b>\$20,654,238</b>	<b>\$1,379,396</b>	<b>\$1,361,869</b>	<b>\$17,527</b>	<b>\$360,227</b>	<b>\$1,739,623</b>	<b>\$1,722,095</b>	<b>\$17,528</b>	<b>1%</b>

Verification of Total      \$20,353,300                      \$20,353,300      \$ 1,362,511  
**Difference**                      -\$58                      \$19,875,409              \$16,885  
 ExP Adjustment Factor    0.977

Members Moving From Mini-Cities

\* Based on Losses as of 9/30/16





**EMPLOYMENT PRACTICES TRAINING**

**LEGAL UPDATE  
&  
HIRING BEST PRACTICES AND PITFALLS**

**LUNCHTIME PRESENTATION**

**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:** None

**ATTACHMENTS:** *Presentation at meeting*



**SEWER STAFFING – BENCHMARKING REPORT PRESENTATION**

**INFORMATION ITEM**

**ISSUE:** Randy Musgraves will present an overview of the Sewer Staffing Benchmarking report completed for SCORE members.

**RECOMMENDATION:** Review and share with sewer staff.

**FISCAL IMPACT:** None.

**BACKGROUND:** As part of the risk management services provided by DKF Solutions, Randy Musgraves was engaged to conduct a survey of member sewer operations, benchmark the results, and make recommendations for improvement.

**ATTACHMENTS:** Handout at meeting



BACK TO AGENDA

**Small Cities Organized Risk Effort  
Board of Directors Meeting  
October 13, 2016**

**Agenda Item G.2.b.**

## **DKF WEBSITE RESOURCES**

### **INFORMATION ITEM**

**ISSUE:** SCORE's Risk Management Consultant, DKF Solutions, will present the Board with a demo of the new Website Resources available to SCORE members.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** DKF provides access to My Safety Officer, an online training site, and has recently begun customizing online OSHA training for members.

**ATTACHMENTS:** Presentation at meeting.



BACK TO AGENDA

**Small Cities Organized Risk Effort  
Board of Directors Meeting  
October 13, 2016**

**Agenda Item G.2.c.**

## **DKF SCORECARD UPDATE**

### **INFORMATION ITEM**

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

**RECOMMENDATION:** None.

**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:** Presentation at meeting.



## **TARGET FUNDING POLICY BENCHMARKS**

### **INFORMATION ITEM**

**ISSUE:** Marcus Beverly will present the annual review of SCORE's financial condition as of 6/30/16 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.

**ATTACHMENTS:** Presentation at meeting



BACK TO AGENDA

**Small Cities Organized Risk Effort  
Board of Directors Meeting  
October 13, 2016**

**Agenda Item G.4.**

## **STATE OF THE INSURANCE MARKET 2017**

### **INFORMATION ITEM**

**ISSUE:** Marcus Beverly will present an update regarding the current insurance market, including emerging risks and potential responses.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** Alliant annually updates clients on the state of the insurance market, provides information on emerging risks, and projects how the upcoming renewals will be impacted by the trends.

**ATTACHMENTS:** Presentation at meeting.