



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
June 22, 2012**

Member Cities Present

Michael Botorff, City of Biggs
Brenda Bains, City of Dunsmuir
Pamela Russell, City of Etna
Linda Romaine, Town of Fort Jones
Satwant Takhar, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
Janie Sprague, City of Montague

Ted Marconi, City of Mt. Shasta
Leslie Tigan, City of Portola
Stephanie Beauchaine, City of Rio Dell
Debbie Savage, City of Susanville
Randolph Darrow, City of Tulelake
Kelly McKinnis, City of Weed
Steve Baker, City of Yreka

Member Cities Absent

Bruce Kranz, City of Colfax
Liz Clontz, City of Dorris

Robert Jankovitz, City of Isleton
John Duckett, City of Shasta Lake

Consultants & Guests

Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Marcus Beverly, York Risk Services
Stephanie Hawk, York Risk Services
Debra Yakota, York Risk Services

Craig Wheaton, York Risk Services
Kevin Wong, Gilbert Associates, Inc.
Tracey Smith-Reed, Gilbert Associates, Inc.
Crickett Strock, Town of Loomis
Ron Stock, City of Weed

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:01 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent were the City of Colfax, City of Dorris, City of Isleton and City of Shasta Lake.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.



MOTION: Ted Marconi

SECOND: Kelly McKinnis

MOTION CARRIED

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Draft Board of Directors Meeting Minutes – May 11, 2012
2. Local Agency Investment Fund (LAIF) Monthly States of Investments – March 31, 2012
3. Union Bank Account Statement – May 2012
4. SCORE Checking Account Transaction List – January 1 – March 31, 2012
5. Investment Statements from Chandler Asset Management – May 2012
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Compliance Report
6. Alliant Program Administration Renewal Addendum 2012/2013 – Draft
7. Gilbert Associates – Annual statement of time and cost for services
8. TargetSolutions Utilization Report – May 31, 2012
9. York Claims Bill Review
10. SCORE Service Calendar

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

MOTION: Kelly McKinnis

SECOND: Pamela Russell

MOTION CARRIED

F. COMMITTEE REPORTS

- F1. ERMA Board of Directors Minutes – April 23, 2012**
- F2. LAWCX Executive Committee Minutes – May 3, 2012**
- F3. CJPRMA Board of Directors Minutes – March 15, 2012**

G. ADMINISTRATIVE REPORTS

G1. President's Report

Mr. Roger Carroll advised that the Alliant Insurance Services Program Administration Contract is due to expire June 30, 2013 inquiring if members would like to go out to RFP for these services. He then suggested conducting an employee review of Alliant Insurance Services to determine if a RFP is needed with respects to Program Administration. Ms. Susan Adams suggested also performing a review on MAZE Associates, the financial auditor, as their contract is due to expire June 30, 2012 as well. Ms. Stephanie Beauchaine suggested performing an



informal market check to determine pricing. Direction was given to staff to draft a Vendor Survey and obtain market pricing as respects Program Administration.

G2. Alliant Update

There are no updates from Alliant Insurance Services.

G3. California Joint Powers Risk Management Authority (CJPRMA) Update

Mr. Carroll advised that CJPRMA offers optional coverages as respects Difference in Conditions (DIC) coverage. The group purchase program has an annual aggregate of \$5 million. Should a major earthquake impact any of the member cities, this amount would not be sufficient to coverage the possible losses. Mr. Carroll then mentions the DIC coverage available through PEPiP's program and Ms. Adams mentioned PEPiP's group purchase method can be utilized to assist members from eroding their annual aggregate.

CJPRMA Annual Reports have been provided and copies were brought for members today.

G4. ERMA Update

Ms. Stephanie Beauchaine advised that at their June 18th Board meeting, ERMA accepted 6 new members effective 7/1/12, adopted their 12/13 operating budget and is in the process of replacing Board counsel due to retirement. She also addressed the training opportunities offered by ERMA and Ms. Adams advised that ERMA offers 1-day Regional Training for SCORE members. Ms. Adams suggested asking ERMA to provide training at the upcoming Strategic Planning Session later this year.

There was further discussion as respects to the impact of on-site training vs. online training. Staff will research how many hours are available for ERMA training at the upcoming Strategic Planning Session.

G5. LAWcX Update

Mr. Ted Marconi advised that LAWcX has approved the new Memorandum of Coverage clarifying that the LAWcX layer does provide coverage for Labor Code 4850 benefits. Also, LAWcX deposit premium is based on actual payroll during the year. Mr. Marconi reminded members that SCORE is the only member in LAWcX that attaches at the \$150,000 layer assuming all liabilities from \$150,001 to \$250,000.

Mr. Marconi also advised that LAWcX has reduced their discount factor from 5% to 4.5% for the 12/13 program year explaining that this will increase SCORE's deposit premium by 5%, or \$290,000 with an assessment of \$28,000.



H. JPA BUSINESS

H1. Update on City of Isleton

Mr. Carroll advised that the City of Isleton has paid their 11/12 premium in full noting that their coverage will again expire on June 30, 2012. Payment for the 12/13 premium should be brought to the City of Isleton's attention.

Members requested a copy of Isleton's operating budget and requested meeting attendance from a representative of Isleton who understands the workings of the City should any discussion take place on behalf of the City.

Mr. Steve Baker inquired if there is currently any Policy and Procedure in place to address the issues of Risk Management for members.

Staff was directed to meet with the City of Isleton to express the concerns of the Board which consisted of Risk Management practices and meeting attendance.

Ms. Adams suggested the development of a Policy and Procedure to address the issues of Risk Management for members.

H2. Coverage Issues: RDA Successor Agencies (And Oversight Boards)

Ms. Adams advised that SCORE's Memorandum of Coverage provides coverage to any employee, officer, or elected official of a member who sits on a RDA Successor Agency and/or Oversight Board. Coverage is not provided on behalf of the RDA Successor Agency and/or Oversight Board but to the individual who is acting on behalf of the member city.

H3a. Approval of SCORE's Liability Memorandum of Coverage

Ms. Adams advised that there have been no updates to SCORE's Liability Memorandum of Coverage other than the dates.

A motion was made to approve SCORE's Liability Memorandum of Coverage as presented at today's meeting.

MOTION: Steve Baker

SECOND: Leslie Tigan

MOTION CARRIED

H3b. Approval of SCORE's Workers' Compensation Memorandum of Coverage

Ms. Adams advised that SCORE's Workers' Compensation MOC has been updated to reflect SCORE's Excess Workers' Compensation provider update as respects coverage for Occupational



Disease to mirror the Labor Code **LC 5500.5. Employers liable for occupational disease or cumulative injury.**

A motion was made to approve SCORE's Workers' Compensation Memorandum of Coverage as presented at today's meeting.

MOTION: Kelly McKinnis **SECOND:** Debbie Savage **MOTION CARRIED**

H4. 2012/13 Property Program Renewal

Ms. Adams advised that Staff marketed the Property coverage approaching a wholesaler who felt they could not locate an appropriate coverage to compete with the PEP program. CJPRMA provided a quote in their Property Program at a \$25,000 deductible. Cyber Liability, Pollution and Builder's Risk coverage are included in PEP but not in CJPRMA's property program.

A motion was made to approve the 2012/13 Property Program Renewal with Alliant's Property Program PEP.

MOTION: Stephanie Beauchaine **SECOND:** Ted Marconi **MOTION CARRIED**

H5. ERMA Board Representative

Ms. Adams advised that Debra Maggini, who is SCORE's ERMA Board Representative, has retired. She advised that Ms. Stephanie Beauchaine has agreed to continue the position of ERMA Board Alternate and Mr. Roger Carroll has offered to assume the position as ERMA Board Representative on behalf of SCORE.

A motion was made to appoint Mr. Roger Carroll as the ERMA Board Representative and Ms. Stephanie Beauchaine as the ERMA Board Alternate on behalf of SCORE.

MOTION: Ted Marconi **SECOND:** Kelley McKinnis **MOTION CARRIED**

H6. ACI Specialty Benefits Renewal

Ms. Susan Adams explained that the Employee Assistance Program (EAP) rates have not changed but SCORE's employee count has increased to 391, reminding members that these costs are allocated to members as respects their number of employees. She then advised that EAP program assists members' employees and their current household with all types of work/life assistance.

A motion was made to approve the ACI Specialty Benefits Renewal as proposed.

MOTION: Ted Marconi **SECOND:** Leslie Tigan **MOTION CARRIED**



H7. Resolution 12-01 Establishing 2012-2013 Board of Directors Meeting Dates

Ms. Adams advised that the August meeting may be a teleconference vs. an in person meeting. There was discussion regarding whether the November meeting should be rescheduled back to October 25-26, 2012. This item was tabled until after an approval of Long Range Planning Session Meeting location.

Upon approval of Item H9. Long Range Planning Session Meeting Discussion a motion was made to approve Resolution 12-01 with the amended dates and location for the Long Range Planning Session to be held on October 25th – 26th, 2012 at Bodega Bay, CA.

MOTION: Kelly McKinnis **SECOND:** Linda Romaine **MOTION CARRIED**

H8. Nomination of SCORE's Officers

Mr. Roger Carroll asked Board Members for any volunteers or nominations as respects SCORE's Officers. Currently, Mr. Roger Carroll holds the office of the President of SCORE, Mr. Kelly McKinnis holds the office of Vice-President, Ms. Debra Magginiti holds the office of Secretary, Ms. Linda Romaine holds the office of Treasurer and Mr. Ted Marconi holds the office of Executive-At-Large. Officers are elected in each even numbered year and serve for a term of two years, beginning in July of the year elected.

Mr. Roger Carrol, Town of Loomis, has offered to continue in the role of President and Ms. Pam Russell, City of Etna, has offered to accept the position of Secretary subject to Board approval as Ms. Debra Magginiti has retired.

A motion was made to approve the slate of officers as follows: Mr. Roger Carrol as Board President, Mr. Kelly McKinnis as Vice President, Ms. Pamela Russell as Secretary, Ms. Linda Romaine as Treasurer and Mr. Ted Marconi as Executive-At-Large.

MOTION: Kathy LeBlanc **SECOND:** Debbie Savage **MOTION CARRIED**

H9. Long Range Planning Session Meeting Discussion

A motion was made to hold the Long Range Planning Session Meeting at the Inn at the Tides in Bodega Bay, CA.

MOTION: Debbie Savage **SECOND:** Leslie Tigan **MOTION CARRIED**
AYES:14 **NAYS: 1**

A motion was made to schedule the Long Range Planning Session Meeting on October 25th – 26th, 2012.

MOTION: Ted Marconi **SECOND:** Leslie Tigan **MOTION CARRIED**



H10. California Association of Joint Powers Authorities (CAJPA) Annual Fall Conference and Training Seminar – September 18 – 21, 2012

Mr. Roger Carroll reminded members of the upcoming CAJPA Annual Fall Conference and Training Seminar on September 18 – 21, 2012 in South Lake Tahoe.

H11. SCORE Vendor Contracts

Ms. Adams explained that York is still reviewing the Liability and Workers' Compensation Claims Administration Contracts and don't expect any changes. With respects to the Risk Control Services Contract, staff has met with SBK and the contract specifically states that Training is not included in SBK's contract.

A motion was made to approve the SCORE Vendor Contracts for Risk Control Services and Workers' Compensation and Liability Claims Administration Services as presented at today's meeting.

MOTION: Steve Baker

SECOND: Mt. Shasta

MOTION CARRIED

I. FINANCIAL

I1. Quarterly Financials for Period Ending March 31, 2012

Ms. Tracey Smith-Reed gave a brief report of the Quarterly Financials for Period Ending March 31, 2012 explaining the Net Assets that the changes from last year to current year. Scott Valley Bank – General Assets has decreased from \$2,539,795 to \$1,211,779 due to dividends that have been paid out. Member Accounts Receivable has increased to \$833,235 from \$507,439 as assessments have been included.

Ms. Smith-Reed explained that the Total Operating Revenue has decreased from \$3,827,155 to \$2,667,023 due to Crescent City and Williams leaving the program.

Mr. Steve Baker asked for a line item to show Net Operating Revenue prior to Dividends.

A motion was made to approve the Quarterly Financial Report for Period Ending March 31, 2012.

MOTION: Stephanie Beauchaine

SECOND: Kathy LeBlanc

MOTION CARRIED

I2. Equity Distribution and Retrospective Rating Adjustments

Ms. Adams advised that SCORE approved distribution of dividends at the May 2012 Webinar Board Meeting. Staff and Gilbert Associates did a very thorough analysis of the calculations in



conjunction with SCORE's Master Plan documents and found that the Board may want to analyze the target of 5 x SIR as the retention of net assets. The calculations will be reviewed and discussed at the Long Range Planning Session in conjunction with discount rates used in actuarial funding and confidence level funding.

I3. Adoption of the 2012-2013 SCORE Program Budget

Ms. Adams explained that the total 2012/2013 budget increased by \$151,775 or 6% of the expiring budget. The proposed FY 2012/2013 budget is \$2,645,316. The adopted budget for 2011/2012 was \$2,493,541.

A motion was made to adopt the 2012-2013 SCORE Program Budget as presented at today's meeting.

MOTION: Pamela Russell **SECOND:** Leslie Tigan **MOTION CARRIED**

Direction was given to Gilbert Associates to process the dividend payments for members who have requested them.

I4. Delegation of Investment Authority to SCORE Treasurer

Mr. Roger Carroll advised that on an annual basis per Government Code 53607 provides for the delegation of authority of the legislative body of local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year. Thus, the Board will need to authorize the elected appointed treasurer to invest the funds for SCORE.

Ms. Stephanie Beauchaine raised the concern of delegating investment authority to the SCORE Treasurer and if this gives the Treasurer authority to invest in any way. Mr. Carroll advised that though the Treasurer has the authority to invest on behalf of SCORE the treasurer's investment authorities are restricted to SCORE's Investment Policy with oversight from Chandler Asset Management.

A motion was made to delegate authority to invest or reinvest funds to the Treasurer.

MOTION: Satwant Takhar **SECOND:** Mike Botorff **MOTION CARRIED**

J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:50 p.m., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Liability

- a. Woodsman Lodge v. City of Mt. Shasta**



- b. Kernan v. City of Yreka**
- c. Schisler v. City of Weed**
- d. Kennedy v. City of Weed**

K. REPORT FROM CLOSED SESSION

The Board returned from closed session at 1:02 p.m. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff.

L. INFORMATION ITEMS

L1. SCORE Resource Contact Guide

This was provided as an information item only.

M. CLOSING COMMENTS

There were no closing comments.

AJOURNMENT

The meeting was adjourned at 1:03 p.m.

NEXT MEETING DATE: Friday, June 22, 2012

Respectfully Submitted,

Debra Magginetti, Secretary

Date