



Small Cities Organized Risk Effort (SCORE) Training & Long Range Planning Meeting October 26, 2017

Member Cities Present:

Wes Heathcock, City of Colfax
Mark Brannigan, City of Dunsmuir
Sarah Griggs, City of Etna
Linda Romaine, Town of Fort Jones
Robert Jankovitz, City of Isleton
Jim Goodwin, City of Live Oak
Roger Carroll, Town of Loomis
Cricket Strock, Town of Loomis
Shelley Gray, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola
Melissa Klunby, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Penny Velador, City of Tulelake
Diana Howard, City of Weed
Rene Hoisington, City of Yreka

Member Cities Absent:

City of Biggs
City of Loyalton

City of Susanville

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Mike Harrington, Bickmore Risk Services
Kathryn Mullis, ACI
Colleen Shuster, ACI
Carlos Oblites, Chandler Asset Management

Don Freeman
David Patzer, DKF Solutions
John Balestrini, DKF Solutions
Charles Anderson, League of California Cities
Cameron Dewey, York Risk Services

SCORE ORIENTATION FOR NEW MEMBERS

Marcus Beverly presented the Board with an introduction to the SCORE JPA to help orientate new members and provide a refresher for returning Board members. He provided a background of the composition of SCORE and its members, the documents that govern the pool, how the pool is funded, the layers of coverage available, programs that are available for members to participate in, and vendors who provide services to our members.

SCORE MEMBER SERVICES

Marcus Beverly provided a review of the services available to members through their SCORE membership which included visiting vendor websites. There was mention of the need for training for potential EPL Exposures. Recent review of ERMA Claims reports show that while SCORE has no



claims there are other ERMA members who are paying out large claims and SCORE members may have the same type of exposure.

SCORE ADVANCED SESSION

Marcus Beverly provided the members with a review of the SCORE Funding Formula in the Liability and Workers' Compensation programs reviewing each piece of the formula in detail.

A. CALL TO ORDER

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

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the City of Biggs, City of Loyalton and the City of Susanville.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Robert Meacher

SECOND: Mark Brannigan

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

Charles Anderson from the League of California Cities and noted that most all of the SCORE members are part of the League of California Cities. The Sacramento Valley division is geographically the largest but is comprised of smaller cities and towns.

E. OPENING COMMENTS

E1. PRESIDENT'S REPORT

Mr. Roger Carroll pointed out that he attended the Fall into Education that it was a great opportunity which provided an OSHA Update for Public Works and informed members that you are required to provide Hepatitis B vaccinations (Hepatitis A is also recommend) and if the vaccination is declined the employee must sign a form. He also noted there is a training session regarding silica exposure in Rocklin which is free of cost to attend and he will send out information once the date is finalized. Lastly CJPRMA has a Law Enforcement conference coming up and member cities should consider sending employees to attend the session Nov. 29 in Sacramento (also free to attend) – send chief and supervisors. Coming up in the late winter/early spring Gordon Graham will be doing another training session for Employment Liability for Fire Departments.



E2. PROGRAM ADMINISTRATOR REPORT

Marcus Beverly provided the Board with a copy of the FY 17/18 Annual Report and noted the format has been updated and the Program Administration contact information is listed on the back cover. The Program Administration will send out a PDF version of the report but members were also encouraged to share the Annual Report with City Councils—it was noted that we can have more printed if need be.

F. FINANCIAL REPORT

F1. TARGET FUNDING BENCHMARKS

Marcus Beverly provided a review of the Target Funding Benchmarks set for the pool which included definitions of keywords. He noted the three main risks to a pool from an insurance or financing perspective – large losses, reserving errors, pricing errors.

-) Overall the SCORE programs remain well funded and within target benchmarks.
-) Significant dividends paid over the last several years have been offset this year by a decrease in liabilities in GL but not in WC.
-) WC and GL programs still have less room for error and dictate a more conservative approach until the trends change.

SCORE is well funded to meet its future claims liabilities and the margin for error has improved for the GL program somewhat this year. The programs will continue to be closely monitored to try to anticipate and mitigate any negative trends.

F2. UNDERSTANDING THE ACTUARIAL REPORT

Mike Harrington from Bickmore Risk Services presented information about how to read an Actuarial Report. He reviewed commonly used terminology and provided members with information about what an actuary needs to help develop rates—loss data, exposure data, asset info and budget—as well as outstanding liabilities and FY 17/18 funding guidelines.

There was a question regarding how SCORE charges for volunteers (fire and police) – it was noted that SCORE has followed the same process for the last 15 years – DE-9 Payroll information is inflated by 3% and losses are included in the Experience Modified (ExMod) which is how we account for the volunteers. It was mentioned if we were to change this it could skew the numbers.

F3. CHANDLER ASSET MANAGEMENT FINANCIAL PORTFOLIO REVIEW

Carlos Oblietes from Chandler Asset Management presented the SCORE Board with the Investment Portfolio. He noted the types of investments that a JPA are allowed to make are subject to California Code which restricts where you are allowed to invest. He noted that the portfolio objectives focus on the safety of principal, liquidity and provide returns when purchasing bonds which are allowed by code (1-5 years investments) and mentioned while there is more yield with longer term investments there is also more volatility. Chandler confirmed they work to ensure compliance with Government



Code and SCORE's Investment policy. Carlos mentioned SCORE has been more conservative with their portfolio which has helped to offset the rise of interest rates over the last two years.

G. TRAINING PRESENTATIONS

LUNCHTIME PRESENTATION – FUNCTIONAL CAPACITY EVALUATIONS

Don Freeman presented the Board with information about Functional Capacity Evaluations and the importance of accurate job descriptions which include lift requirements.

G.1. EMPLOYMENT LAW HOT TOPICS AND TRENDS

Michael Christian from Jackson Lewis will present the Board with a legal update. He noted the cost of claims is rising as a result of Jury's awarding several hundred thousand dollars per claim.

Recent Passed Legislation Update

AB 168 – Gov. signed 10/12/17 prohibits an employer from relying on the salary history info of an application for employment as a factor in determining whether to offer an applicant employment or what salary to offer the applicant. Unless the potential candidate that offers this information voluntarily then the employer may consider this information.

AB 1008 – Gov. signed 10/14/17 Repeals (2013 law) the prohibition on state or local agency from asking an application for employment to disclose information regarding a criminal conviction. Until you have made a conditional offer of employment then you can seek this information. Also requires the employer who makes a preliminary decision to deny employment based upon its individualized assessment to provide written notice to the application and would grant the application 5 business days to respond to that notification before the employer may make a final decision.

Or you can do an individual's position and if a criminal history has a direct and adverse relationship with the duties

SB 396 – amends GNMT Code 12950 as to require employer conducting mandatory sexual harassment to include gender identity, gender expression, and sexual orientation.

SB 63 – Gov. signed 10/12/17 prohibits an employer from refusing to allow an employee with more than 12 months of service to take up to 12 weeks of parental leave – prohibits an employer from refusing to maintain and pay for coverage under a group health plan for an employee who takes this leave. Prohibits an employer from refusing to hire or discharging, fining, suspending, expelling or discriminating against an individual for exercising the right to parental leave provided by the bill

New Regulations eff. July 1, 2017

Transgender protections

Preferred pro-nouns

Employee rights to use restroom they identify with

Employers cannot seek gender or sex-related information from applications and employers



Members requested a letter from SCORE to member city councils to address the AB 1732 required training effective March 1, 2017 (noting that training must be completed within 6 months of assuming the position) – the letter should also ensure members are aware of the mandatory signage requirements for single use toilet facilities in any business establishment, place of public accommodation or government agency which are now required to be identified as all-gender toilet facilities.

G.2. RISK CONTROL SERVICES – DKF SCORE CARD UPDATE

David Patzer and John Balestrini were present to discuss the recent claim trends for SCORE members. John Balestrini provided a Loss Analysis and noted that Slips Trips & Falls is most comment for Emergency Services and Field Workers, followed by Stuck By/Strains. Ageing infrastructure will be contributing to sewer backup claims and water main break claims. DKF will be providing a significant number of training sessions in the upcoming year and members are encouraged to attend.

Upcoming Regional Trainings – Winter/Spring (Likely Redding/Yuba City)
Sewer Cleaning Nozzle Selection Best Practices
Biomechanics for the Non-Office Employee

Members were reminded of the My Safety Officer Subscription which includes 100 Computer Based Training (CBT's) topics and mentioned DKF will notify members what is required by CalOSHA as follow up training. John Balestrini noted over the next month he will be reaching out to each SCORE member to determine what they would like to focus on at their upcoming site visit (training sessions, review of SOP procedures, creation of SOP's, etc.)

G.3. ACI – EMPLOYEE ASSISTANCE PROGRAM

Kathryn Mullis and Colleen Shuster presented the Board with information about the ACI EAP program and services available to members.

G.4. STATE OF THE INSURANCE MARKET 2017

Marcus Beverly presented the Board with information about the current state of the insurance market and what should be expected in 2018. He mentioned the Property/Casualty Industry Performance Combined Ratio at 3/31/17 was 99.6% – this means for every dollar an insurance company receives they are paying out almost the same. Cyber Security and Data Breaches have been increasing in numbers and members should continue to monitor credit reports (as the data has already been breached and can be used). Catastrophic losses are increasing in frequency and severity and will affect rates in the upcoming year. Lastly, he mentioned Disruption (i.e. UC Berkeley Republican Speakers, Charlottesville, Virginia riots) as an upcoming exposure that is not an insurable risk at this time but does impact our public agencies costs, and more importantly have a direct social impact.



H. CLOSING COMMENTS

Michelle Minnick reminded members that the Social Hour will begin in the same room at 6:00 pm followed by dinner served at 7:00 pm. Members were encouraged to enter from the hallway to receive nametags.

I. AJOURNMENT

The meeting was adjourned at 4:20 PM

NEXT MEETING DATE: October 27, 2017 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

1/19/18
Date