



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
January 29, 2016**

Member Cities Present:

John Busch, City of Biggs
Laurie Van Groningen, City of Colfax
Randy Johnsen, City of Dunsmuir
Sarah Griggs, City of Etna
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Robert Jankovitz, City of Isleton
Roger Carroll, Town of Loomis
Crickett Strock, Town of Loomis
Kathy LeBlanc, City of Loyalton

Shelly Grey, City of Montague
Robert Meacher, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Laura Redwine, City of Shasta Lake
Jared Hancock, City of Susanville
Jenny Coelho, City of Tulelake
Diana Howard, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

Muriel Howarth Terrell, City of Mt. Shasta

Consultants & Guests

Michael Simmons, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services

Kevin Wong, Gilbert Associates, Inc.
Howell Southmayd, Keenan Associates
Sidney DiDomenico, CSAC EIA
Naomi Whatley, GSRMA

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:00 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. The only city absent from this meeting was the City of Mt. Shasta.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Steve Baker

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

Sidney DiDomenico from CSAC EIA and Naomi Whatley from GSRMA addressed the Board regarding the CSAC EIA Employee Benefits Health program. Howell Southmayd from Keenan Associates also presented information about an Employee Benefits program to the Board. The Board was asked if they would like to receive a 30 minute presentation from either program and it was noted that each city has a unique structure and if a member is interested they were encouraged to reach out to either presenter for additional information.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – October 29-30, 2015
2. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments –December 31, 2015
 - a. Treasurer’s Report
3. US Bank Custodial Account Statement – November – December 2015
4. SCORE Checking Register as of December 31, 2015
5. Investment Statements from Chandler Asset Management – October – December 2015
6. Target Solutions Administrative Summary – October – December 2015

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

MOTION: John Busch

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. Alliant Update

Marcus Beverly provided an update and indicated that this year we will be conducting an audit for both the General Liability and Workers’ Compensation programs and we will be preparing an RFP to be sent out after the next meeting. He also mentioned that we will be doing a sit down claim review with York as well. Lastly members were reminded about the Property Renewal for the FY 16/17 and asked members to review the pre-renewal information that was sent out to them recently.

F2. President’s Report

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

F3. CJPRMA Update

Mr. Roger Carroll mentioned that CJPRMA presented the actuarial report and noted that portion of our costs will go up in the next fiscal year. CJPRMA discussed the requirements of Board members and re-enforced the rule that you either have to be an employee of the organization or an official of the organization. Marcus Beverly indicated that we are getting a refund of \$37,310 and typically we use these refunds to reduce the amount of the excess coverage premium.



F4. ERMA Update

John Duckett provided the Board of Directors with some highlights from the last ERMA meeting which took place on November 2, 2015. He indicated that ERMA is recruiting additional cities and presented the draft audited financial statement for review. John also mentioned that ERMA created a Training Ad Hoc Committee who is currently looking at freeing up \$5,000 per member to use for updating Policies & Procedures manuals, and noted a final decision will be made regarding approval of these funds at the February ERMA Board meeting and he will report back at the SCORE April 1, 2016 meeting. John also reminded members to keep current with all required training (AB 1825 Sexual Harassment and 1234 Ethics). Marcus Beverly indicated that we have many sources of training available and reminded members that if there is a training that a member city needs we can find a way to make it happen.

F5. LAWCX Update

Steve Baker provided the Board of Directors with an update of the last LAWCX meeting and noted they are discussing a strategic plan to deal with how things will evolve in the future. He also indicated that next year we will see the increase in our rate but noted it will be below five percent.

F6. YORK Update

Cameron Dewey provided the Board of Directors with an update regarding the Liability Claims Examiner Craig Nunn and noted that he will be helping with fieldwork on some files but Cameron will still be working on claims. Cameron also provided members with his new phone number and business cards.

G. FINANCIAL - Dividend and Assessment Analysis

Marcus Beverly presented an analysis to the Board to help determine what amount of dividends each member would receive if there was any money coming out of the Shared Layer. The percentage of the money coming out of the Shared Layer would be what we use to determine how much each member would receive but noted that the funds would be returned to the Banking Layer. Kevin Wong from Gilbert Associates indicated that dividend releases are at the Board's discretion to what degree any dividend would be issued if at all. Kevin also provided draft calculations of the pool's financial position as respects any dividends or assessments that may be declared, per SCORE's Dividend and Assessment Plan (DAP).

A motion was made to approve distribution amounts as follows: \$200,000 from the Workers' Compensation Banking Layer, \$300,000 from the Liability Shared Layer and \$350,000 from the Liability Banking Layer.

MOTION: Jared Hancock

SECOND: Linda Romaine

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H1. Ad Hoc Committee Items

H1a. Meeting Notes

Marcus Beverly indicated that the meeting notes for the Ad Hoc committee were prepared and presented to the Board for review and he provided a summary of the meeting itself. He noted that the



Ad Hoc committee has made a recommendation to hold off on moving members in or out of the Mini-Cities' pool. It was also mentioned that there is some inequity of the administrative expenses being paid by the Mini-Cities pool and a suggestion was made to increase the administrative expense of the Mini-Cities members up to 50% to help address the issue. Marcus also noted that the Ad Hoc Committee recommended no changes to the voting rights of members.

H1b. Mini-Cities - Definition of a Member

Marcus Beverly indicated that there is no criteria for who is a member of the Mini-Cities pool and the Program Administrators have focused on Payroll to help better define who should be a part of the Mini-Cities Pool. He noted that there are members who would move out of the Mini-Cities members if the Board chose to use the threshold approach to defining a member. Marcus did note that the Ad Hoc has recommended to not move any members in or out of the Mini-Cities pool at this time. A question was asked regarding the City of Dunsmuir and if they wanted to apply to be part of the Mini-Cities would they be allowed entrance into the Mini-Cities pool. Mike Simmons noted that we did not want to create inequity with the choices we are making but the Mini-Cities pool should have the ability to underwrite new members into their mini risk shared group. Jared Hancock indicated that he was on the Ad Hoc Committee and he is not in agreement with the Ad Hoc Committee's recommendation as he noted that all three items are very closely tied together. He went on to mention that the formula for assessing Administrative Expenses is based upon a percentage of payroll and so there is already a fairness factor built in. He did note that he would support the increase of the Administrative Expenses for the Mini-Cities members—specifically to charge the Mini-Cities members an Administrative Expenses equivalent to 2-3 members rather than just one member as it is now.

Mike Simmons noted that instead of having a payroll number to define a Mini-Cities member it was suggested that an underwriting standard should be developed in the future and should be used to help define a Mini-Cities member. While that is being developed it was suggested that the Board address the inequity of Administrative Expenses for the next fiscal year.

***NOTE: At this time the Board of Directors asked to review Items H1c. Administrative Expense Allocation and H1d. Mini-Cities Voting Rights prior to making a motion.**

H1c. Administrative Expense Allocation

Marcus Beverly indicated that when we left the Board of Directors meeting in October the Program Administrators noted the current allocation of Administrative Expenses is calculated as 50% fixed expense and 50% of the remaining Administrative Expenses are allocated based upon payroll. As there was discussion of potentially moving members out of the Mini-Cities pool the Board provided the Program Administrators with parameters to ensure any moving Mini-Cities members would see no more than a 25% increase in Administrative Expenses and there should be no increase in administrative expenses for the larger members. It was noted the parameters that were provided at the last Board meeting the Program Administrators recommended keeping the current 50% fixed expense/50% based upon payroll administrative allocation and applying a cap instead.

A question about how the premiums are calculated for regular members was posed and Marcus Beverly provided a brief explanation of the formula for the Workers' Compensation program. He indicated that we obtain payroll from the members and using four years of payroll and loss history (with individual claims being capped at \$50,000) we calculate an average relative loss rate and Experience Modification (EX Mod).



Once this calculation is completed the payroll of each member is multiplied by a rate provided by the actuary and then multiplied by the EX Mod.

After a discussion of the item it was noted that this was a small step to correct a larger issue and it was suggested that no action be taken until all of the issues are corrected.

***NOTE:** *The Board of Directors voted on Items H1b. and H1c. in the same motion.*

A motion was made to take no action until these issues have been completely studied - the Ad Hoc committee and Program Administrators will continue to research the equity of the Administrative Expenses.

MOTION: Laurie Van Groningen **SECOND:** Jared Hancock **MOTION CARRIED**

AYES: LeBlanc, Duckett, Woodcox, Busch, Griggs, Goodwin, Jankovitz, Meacher, Coelho, Grey

NAYS: Howard, Baker, Carroll, Johnsen, Romaine

ABSENT: Howarth-Terrell

H1d. Mini-Cities Voting Rights

Marcus Beverly noted that there was no recommendation made regarding the voting rights of the Mini-Cities members. It was mentioned that there are members that do not participate in the Workers' Compensation program but it was also noted that every member is afforded a vote on all issues.

No motion was made on this item.

H2. Company Nurse Services

Marcus Beverly presented information about Company Nurse which is available to all members with the exception of City of Colfax, City of Dunsmuir and the City of Etna who have not provided the necessary information in order to be enrolled. When an injury occurs at work the supervisor is to call Company Nurse Hotline at which time the injured worker provides basic information about the injury to a nurse. The nurse will triage the injury and send the injured worker to an approved clinic—if necessary—and will also report the claim to York. Marcus noted that the information obtained is consistent and Company Nurse will also provide the initial report to the clinic. Marcus also mentioned that Wallet Cards are available and if members require them to reach out to the Program Administrators for updated copies.

H3. FY 2016/17 Meeting Dates and Locations

Michelle Minnick presented the members with the proposed SCORE Board meeting dates for the FY 2016/17 and it was asked if the August meeting could be a Teleconference. Members also indicated that the dates for the Long Range Planning two-day meeting fall on the same day as the League of California Cities meetings and it was suggested that the dates for the SCORE Long Range Planning two-day meeting be changed to October 13-14, 2016.



A motion was made to accept the dates provided with the following changes-the August Board of Directors meeting will be a Teleconference and the dates for the Long Range Planning two-day meeting will be October 13-14, 2016.

MOTION: Linda Romaine

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H4. 2016/17 Insurance Market Update and Renewal Marketing Plan

Marcus Beverly indicated that in terms of the Market themselves we are not anticipating any change and we are planning to stay with LAWCX and CJPRMA and the Property to remain the same. The Property program is anticipated to be relatively flat this year. The Crime program with Aliant and the Program Administrators are looking at limits above the current \$1 million. For members that are not in the Crime program the Program Administrators recommend passing a resolution which allows you to cover all employees from the city rather than having an individual bond.

Marcus Beverly noted that it is early to give the Board a hard number for increases but noted that the trends are supporting an increase in Workers' Compensation and offered a potential increase of 10-12%. For the Liability program he provided a potential of 5-10% increase as CJPRMA's rates are going up. For the Property program members were reminded that if the total insured values are going up then members will see an increase in the premium.

This was an information item.

H5. SCORE Service Provider Survey Results

The Board of Directors received an update regarding the SCORE Service Provider completed through Survey Monkey. The results were generally positive and were provided to the members including the anonymous responses. Overall the Program Administrators can improve on making the Agenda Minutes sufficient to understand with timely relevant information. It was mentioned that the website got mixed responses – it was noted that the website is updated regularly and the Program Administrators are trying to drive more traffic to the website and members are asked to provide feedback as to how to improve it. Kevin Wong from Gilbert Associates was very appreciative of the feedback provided by members and mentioned that Gilbert is striving to improve as well. A suggestion was made for future surveys to have the responses go directly to the Board President to ensure candid responses from members.

A motion was made to accept and file the responses and to conduct an annual survey of all service providers.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

H6. 2016/17 Service Calendar

Michelle Minnick presented the 2016/17 Service Calendar to the Board of Directors and noted that the calendar will now include deadlines for submission of items that will be requested throughout the year. A



comment was made regarding the dates we request information. Members were encouraged to provide any feedback or suggestions regarding items that are included in the Service Calendar.

A motion was made to accept the Service Calendar as presented.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:45 P.M, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Workers' Compensation

- a. Inman v City of Susanville*

MOTION: John Duckett

SECOND: Randy Johnsen

Motion Carried Unanimously

J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:51 PM. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

K. INFORMATION ITEMS

K1. 2016 PARMA Conference – February 23 – 26, 2016 in Anaheim, CA

This was provided as an information item only.

K2. Glossary of Terms

This was provided as an information item only.

K3. Certificate Request Form

This was provided as an information item only.

K4. SCORE Travel Reimbursement Form

This was provided as an information item only.

L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

Roger Carroll indicated there is an ADA parking spot with faded paint and the sign is missing and asked the Board if they were aware of a rule or law which indicates the need for assigned ADA parking spaces. It was



noted that cities and towns are required to have ADA parking spaces on the street or members could open themselves up to a lawsuit. It was also mentioned that this happened in Red Bluff and is still an active case.

M. CLOSING COMMENTS

Members indicated that they receive emails from CSAC EIA, DKF and Target Solutions regarding upcoming training sessions and it was requested that the Program Administrators create a list of upcoming training that members can provide to city staff. Steve Baker noted that this will be the last meeting that Randy Johnsen from Dunsmuir will attend as the city is appointing a new City Manager and thanked him for his time serving on the SCORE Board.

N. AJOURNMENT

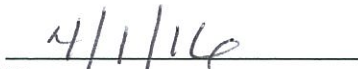
The meeting was adjourned at 12:59 PM

NEXT MEETING DATE: April 1, 2016 in Anderson, CA

Respectfully Submitted,



Brooke Woodcox, Secretary



Date