



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
March 25, 2022**

Member Cities Present:

Mark Sorensen, City of Biggs
Wes Heathcock, City of Colfax
Shanna Stahl, City of Colfax
Blake Michaelsen, City of Dunsmuir
Aaron Palmer, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
David Dunn, City of Montague

Alyssa Merrill, City of Montague
Todd Juhasz , City of Mt. Shasta
Wendy Howard, City of Shasta Lake
Jason Peterson, City of Shasta Lake
Jenny Coelho, City of Tulelake
Anna Guzman, City of Weed
Sandra Duchi, City of Weed
John Elsnab, City of Yreka

Member Cities Absent:

City of Etna
City of Isleton
City of Portola

City of Rio Dell
City of Susanville

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Kebin Wong, Gilbert Associates

Ariel Leonhard, Sedgwick
Summer Simpson, Sedgwick
David Patzer, DKF
Mike Harrington, Bickmore Actuary

A. CALL TO ORDER

Mr. Wes Heathcock called the meeting to order at 10:02 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the City of Etna, City of Isleton, City of Portola, City of Rio Dell, City of Susanville.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as presented.

MOTION: Todd Juhasz

SECOND: Blake Michaelsen

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – January 25, 2022
2. US Bank Custodial Account Statement – January – February 2022
3. SCORE Checking Register – January – February 28, 2022
4. Investment Statements from Chandler Asset Management – January – February 2022
5. Loss Control Fund Program Usage by member as of March 18, 2022
6. PRISM Pollution March 2022 Premium Estimate
7. FY 22/23 SCORE Service Calendar

A motion was made to accept the consent calendar.

MOTION: Roger Carroll

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F.1.A. President's Report

Mr. Wes Healthcock provided the Board with information about a recent CalOES grant which will provide approximately \$6.8M for home hardening and members were encouraged to look out for those types of grants.

F.1.B. CJPRMA Report

Roger Carroll noted that CJPRMA has been considering a risk sharing layer to cover their deductibles but noted they had to assess themselves after the first year of claims. He also noted that we will later be discussing the attachment level as the SCORE group will need to declare to CJPRMA what attachment level we selected later during this meeting. Marcus Beverly got notice CJPRMA requires \$5M in limits for fireworks.

F.1.C. ERMA Report

Roger Carroll noted that the ERMA Board that there have been an increase in claims frequency due to COVID and not wanting to return. He also noted that ERMA requires reporting of any potential claim, even if it is a verbal complaint or anything that could possible evolve into a claim – if you fail to report they reserve the right to deny your claim and double the deductible. He also provided a reminder about CA89 which provides 3 years to make a claim.



F.1.D. LAWCX Report

Wes Heathcock noted that LAWCX has not had a meeting since our last SCORE Board meeting but noted that they are still working on a captive market and should help to get higher returns on their investments and there is more flexibility in coverage.

F.2. Alliant Update

- a. Form 700 – Annual Filing Deadline April 1, 2022**
- b. Renewal Update**

Michelle Minnick provided the Board with a reminder regarding changes at the City level as it relates to the Form 700 and required filing. Marcus Beverly provided an update regarding the renewals and he reminded members who are seeking a Cyber quote to please complete the Cyber Portal application and let us know.

G. FINANCIAL

G.1.A. ACTUARIAL STUDIES – LIABILITY

Mike Harrington provided the Board with a review of the Liability Actuarial Studies combined rates increase 5.6% with a move to the \$750K attachment level. He noted that with a move to the higher retention there will be an increase in what the group is responsible for. Mike mentioned that rates are coming down based on historical losses and SCORE is well funded at above the 90% CL.

G.1.B. ACTUARIAL STUDIES – WC

Members requested the WC Study be discussed before a motion was made. Mike Harrington went on to note that things have come in as expected. The recent years determine the rates and we are seeing a 1% increase overall in the rates while banking decreased 5% and shared is up 15%. Liabilities have increased about 6% and assets are set aside to pay, and SCORE is well funded above the 90% CL.

A motion was made to accept the Actuary reports for Liability and Workers' Compensation as presented.

MOTION: Kathy LeBlanc

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

G.2. QUARTERLY FINANCIAL REPORT – PERIOD ENDED DECEMBER 31, 2021

Kevin Wong and provided a review of the Quarterly Financial Report – Period Ended December 31, 2021. He noted that the healthy increase in total assets of about \$2M more than last year and total net position has increased about \$1.6M. Total IBNR has decreased as well. Expenses

A motion was made to accept and file the report as presented.

MOTION: Blake Michaelsen

SECOND: Todd Juahsz

**MOTION CARRIED
UNANIMOUSLY**



G.3. SCORE DIVIDEND & ASSESSMENT PLAN (DAP)

Kevin Wong provided the Board with a review of the revised proposed Dividend & Assessment Plan it was noted that the Board had approved a release of dividends to help with the discussion of the Property Program Banking Layer. In the Workers' Compensation there is no money coming out of the shared layer but there is \$300k from the banking – a total of \$700k being distributed – we are being more conservative on the Liability side due to the change in retention with CJPRMA.

A motion was made to approve the distribution of the DAP as presented.

MOTION: Roger Carroll

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

It was requested that the Board review Item H.2.A. at this time followed by Item H.2.C.

H.2.A. SERVICE PROVIDER CONTRACT RENEWALS – GILBERT ASSOCIATES ACCOUNTING ENGAGEMENT LETTER

Marcus Beverly provided a review of Gilbert & Associates agreement terms – he noted there was not much change in the scope of services to the terms of the agreement but does include an increase annually and based on the long term relationship with SCORE it was not as substantial as what the market is seeing. Additionally, Kevin Wong noted that they are committed to doing the additional work with the Property Banking Layer.

A motion was made to approve the agreement with Gilbert as presented.

MOTION: Wendy Howard

SECOND: Blake Michaelsen

**MOTION CARRIED
UNANIMOUSLY**

Abstain: Roger Carroll

H.2.C. SERVICE PROVIDER CONTRACT RENEWALS – DKF SOLUTIONS LOSS CONTROL AGREEMENT

David Patzer provided the board with a review of the DKF Solution proposal and expressed the value the relationship with the SCORE members noting improvement in all members since our relationship began. Training via Zoom has allowed us to increase the amount of services that are available to SCORE members and reminded that all members have 2 seats available at all training sessions for free. David provided an update regarding Sewer Overflow and noted they are revising the standards and the expectation is that the State will release draft in Fall with the intent to go into effect at the first of the year. Updating Sewer management plan – include a component of “if you flood someone’s home or business” the first responders and can set the tone correctly then things go better. DKF will provide response packets for the City reference.

A motion was made to approve the DKF Solutions agreement as presented.

MOTION: Jenny Coelho

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**



G.4. PROPERTY PROGRAM BANKING LAYER

Marcus Beverly noted that we originally provided this as an item at the October 2021 Board meeting and we wanted to revisit. The Actuary has noted that if SCORE was to fund a Property Banking layer (up to \$25K) at an 80% Confidence Level he provided the estimated premiums using current values and noted that these numbers may be subject to change. It was noted that there is a choice on the auto deductible and it was noted that the banking layer provide an opportunity to be assessed if you are underfunded. After a general discussion it was also noted that the DAP could help to fund the Property Banking Layer.

A motion was made to approve the creation of a Property Program Banking Layer.

MOTION: Wendy Howard SECOND: Jenny Coelho MOTION CARRIED UNANIMOUSLY

ROLL CALL VOTE:

CITY OF BIGGS	YES
CITY OF COLFAX	YES
CITY OF DUNSMUIR	YES
TOWN OF LOOMIS	YES
CITY OF LOYALTON	YES
CITY OF MONTAGUE	YES
CITY OF MOUNT SHASTA	YES
CITY OF SHASTA LAKE	YES
CITY OF WEED	YES
CITY OF YREKA	YES
CITY OF LIVE OAK	ABSENT

It was requested that the Board review Item H.3. at this time.

H.3. NOMINATIONS FOR ELECTION OF SCORE OFFICER POSITIONS

Michelle Minnick provided a review of the terms for the open positions – it was noted that if members were happy with the current slate of officers, a nomination of the same slate of officers is possible.

A motion was made to nominate the current slate of officers.

MOTION: Roger Carroll SECOND: Mark Sorensen MOTION CARRIED UNANIMOUSLY

LUNCH PRESENTATION – FUNDING ALLOCATIONS

Marcus Beverly provided the Board with a review of the SCORE Funding allocations and an explanation of the calculations and how premiums are determined in both the Liability & WC programs.



H. JPA BUSINESS

H.1.A. FY 22/23 FUNDING RATES AND ALLOCATIONS - LIABILITY

Marcus Beverly provided a review of the FY 22/23 Funding rates for the Liability program and noted that in the future the Board should consider increasing the Confidence Level in the liability program.

A motion was made to accept the FY 22/23 Funding allocations.

MOTION: Todd Juhasz

SECOND: Blake Michaelsen

**MOTION CARRIED
UNANIMOUSLY**

H.1.B. FY 22/23 FUNDING RATES AND ALLOCATIONS - WC

Marcus Beverly provided a review of the FY 22/23 Funding rates for the Workers' Compensation Program and Program Administration was asked to determine why the payroll for Live Oak is incorrect.

It was requested that the Board review Item K. Closed Session at this time.

K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY

1. Workers' Compensation

- a. SCWA-556187 v. City of Live Oak**
- b. SCWA-556107, SCWA-556128, SCWA-556171 v. City of Yreka**

L. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:46 P.M. Mr. Beverly reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

H.2. SERVICE PROVIDER CONTRACT RENEWALS

H.2.B. SERVICE PROVIDER CONTRACT RENEWALS – ACI EAP ENGAGEMENT LETTER

Marcus Beverly provided a review of ACI EAP Program and noted there was not much change to the coverage but noted there was a decrease in the rate per employee.

A motion was made to approve the agreement as presented.

MOTION: Blake Michaelsen

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**



H.4. ERMA RESOLUTION NO. 2020-01, PROOF OF COMPLIANCE WITH TRAINING MANDATED BY STATE LAW

Michelle Minnick provided the Board with a reminder about the ERMA Resolution and training requirements. Members were encouraged to reach out if they need to schedule a training – and reminded the penalty for being out of substantial compliance (90% or higher), will be the member’s retention being doubled. Members were also reminded to complete the Compliance Survey which self-reports that the City has completed the required training for all employees included Elected Officials.

H.5. FY 22/23 SCORE PRELIMINARY ADMINISTRATION BUDGET

Marcus Beverly provided a review of the Preliminary Administration Budget for FY 22/23. He noted there were some changes as a result of the approved contract renewals and additional changes are due to proposed increases from the Excess Carriers and as we get closer to June we see numbers solidify.

H.6. LOSS CONTROL GRANT FUND PROGRAM

Michelle Minnick provided the Board with a reminder regarding the use of FY 21/22 Loss Control Grant Funds. Members were encouraged to review the funds available and submit a request by the deadline of June 15, 2022.

H.7. SCORE TRAINING/PLANNING DAY TOPICS

Marcus Beverly provided the Board with an update regarding the October meeting and asked if there were any topics of interest to the group. It was mentioned that Bay Area Transparency has been doing rounds and members were put on notice to help quell any issues.

I. GENERAL RISK MANAGEMENT ISSUES

There was no discussion.

J. INFORMATION ITEMS

J.1. Glossary of Terms

This was provided as an information item only.

J.2. FY 21/22 Resource Contact Guide

This was provided as an information item only.

M. CLOSING COMMENTS

N. AJOURNMENT

The meeting was adjourned at 1:10 PM



NEXT MEETING DATE: June 25, 2022 Gaia Hotel, Anderson CA

Respectfully Submitted,

Muriel Terrell

Muriel Terrell, Secretary

6-24-22

Date