



**Small Cities Organized Risk Effort (SCORE)  
Board of Directors Meeting  
October 17, 2014**

**Member Cities Present:**

John Busch, City of Biggs  
Laurie Van Groningen, City of Colfax  
Richard Kelby, City of Dunsmuir  
Pamela Russell, City of Etna  
Robert Jankovitz, City of Isleton  
Roger Carroll, Town of Loomis  
Robert Meacher, City of Portola  
Susan Scarlett, City of Portola

Don Kincade, City of Montague  
Muriel Howarth Terrel, City of Mt. Shasta  
John Duckett, City of Shasta Lake  
Gwenna MacDonald, City of Susanville  
Randolph Darrow, City of Tulelake  
Jenny Coelho, City of Tulelake  
Ron Stock, City of Weed  
Rhetta Hogan, City of Yreka

**Member Cities Absent:**

Town of Fort Jones  
City of Live Oak

City of Loyalton (Medical Emergency)  
City of Rio Dell

**Consultants & Guests**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
Kevin Wong, Gilbert Associates, Inc.

Tracey Smith-Reed, Gilbert Associates, Inc.  
David Patzer, DKF Solutions Group, LLC  
John Balestrini, DKF Solutions Group, LLC  
Arthur Ngo, Crowe Horwath LLP

**A. CALL TO ORDER**

Mr. Roger Carroll called the meeting to order at 10:02 am.

**B. ROLL CALL**

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the Town of Fort Jones, the City of Live Oak and the City of Rio Dell. Mr. Ernie Teague from the City of Loyalton had a medical emergency at the meeting yesterday and left at approximately 11:00 am.



## **C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the Agenda as posted.

**MOTION:** John Duckett     **SECOND:** Rhetta Hogan     **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth  
Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox

## **D. PUBLIC COMMENT**

There were no public comments.

## **E. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes – August 22, 2014
2. SCORE Checking Account Transaction List as of September 30, 2014
3. Investment Statements from Chandler Asset Management as of September 30, 2014

A motion was made to approve the Consent Calendar.

**MOTION:** John Duckett     **SECOND:** Rhetta Hogan     **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth  
Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox

## **F. ADMINISTRATIVE REPORT**

### **F1. President's Report**

Mr. Carroll advised that he had sent out an e-mail asking if any member has any KOA Campgrounds or RV Parks. The Town of Loomis has an old KOA and in its conditional use permit it has a 5 day stay limitation. He explained that there is a company who is buying these types of RV Parks or Campgrounds and contesting the fact that people have been staying on premises for longer than 30 days. If people are staying longer than 30 days, it is not considered a RV Park but a Special Use Park and Transient Occupancy Tax (TOT) must be collected for those spaces.

### **F2. Alliant Update**

Mr. Marcus Beverly explained that the CAJPA Accreditation was performed by Robin Johnson and SCORE is expected to be re-accredited with excellence by CAJPA. He also explained that the bar at last night's dinner was hosted by Alliant and York. Mr. Simmons then mentioned that an offer letter



has gone out to Michelle Minnick for the position of Laurence Voiculescu with a background in Workers' Compensation Claims through Sedgewick.

### **F3. CJPRMA Update**

CJPRMA's meeting is next week. There is nothing to report as respects to CJPRMA.

### **F4. ERMA Update**

ERMA has not had a meeting since the last time SCORE met. There is nothing to report as respects to ERMA. Mr. Beverly noted that SCORE had no Employment Practice claims in the past 4 years.

### **F5. Loss Control Update**

Mr. David Patzer provided the Board with an overview of the Loss Control Services provided by DKF Solutions.

## **G. FINANCIAL**

### **G1. SCORE's Quarterly Financial Report Ending June 30, 2014**

Mr. Kevin Wong provided the board with the Quarterly Financial Report for SCORE ending June 30, 2014. He explained that the Incurred But Not Reported was increased by about \$1 million. The Total Net Position decreased by about \$1.4 million and the Operating Revenues remained consistent from year to year. He also explained that the General and Administrative Expenses remain similar from year to year and that the majority of the financial changes are due to the change in claims liabilities. Net Revenues show a \$1.4 million loss. He then noted that the Liability and Workers' Compensation Banking Layer Activities were also provided in the Financial Report by member city.

Ms. Tracey Smith-Reed noted that the LAIF account is decreased by \$1.2 million which were used to fund dividends and some of the claim payments. She noted that as of October about \$500,000 was paid out in claims. All Dividends Payable have been paid out in June and the only remaining are those due to Crescent City and Williams.

A motion was made to approve the Quarterly Financial Report Ending June 30, 2014.

**MOTION:** John Duckett     **SECOND:** Don Kincade     **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth  
Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox



## **G2. Audited Financial Report for Year Ending June 30, 2014**

Mr. Arthur Ngo provided the Board with the Audited Financial Report for Year Ending June 30, 2014. He advised that the Report is ready to be finalized upon approval by the Board of Directors. He explained that GSAB 67 and GSAB 66 did not have a material impact on SCORE's Financial Statements. He also advised that Crowe has found that Financial Reports provided to SCORE by Gilbert Associates throughout the year are correct with no material misstatements.

A motion was made to approve the Audited Financial Report for Year Ending June 30, 2014.

**MOTION:** Pamela Russell **SECOND:** Muriel Howarth Terrel **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox

## **H. JPA BUSINESS**

### **H1. Long-Range Planning Recommendations**

Mr. Simmons suggested having Program Administrators bring back a well written plan at a later meeting for the Board to approve but asked for feedback from the Board regarding the items discussed during yesterday's Long Range Planning Session.

Mr. Beverly then briefly reviewed the items discussed during yesterday's SWOT Analysis. With respects to Strengths members listed pooling assets together; stability; proficiency & knowledge; benefits of being a JPA; regional memberships; unique membership (size); expertise of leadership/professionalism; and Board driven decision making.

With respects to Weaknesses members listed member participation; more loss prevention training; size; small cities and proper training. He noted there were only 4 members who did not attend today's meeting and that later the Board will be asked to discuss Loss Control Services.

With respects to Opportunities members listed growth – other cities, special districts, etc.; many training programs/resources through excess pools; ability to be innovative and proactive; pool for grant opportunities; grant own funds to members; and accumulation of best practices as respects to HR, etc.

With respects to Threats members listed loss of Members; large frequency and severity of claims; legislative changes such as Work Comp reform and regulation of risk JPAs; unions such as Police and Fire; lack of member cities requesting special events coverage; and lack of members requesting assistance/resources available.



Mr. Carroll reminded members that SCORE Consultants are a great resource for any Risk Management or Insurance related questions.

Program Administration was given direction to draft a recommended Long Range Action Plan for board approval at their next meeting.

## **H2. Loss Control Services and Grant Program**

Mr. Beverly requested that the Board review the 2014/15 Loss Control Services to determine if more or less services are necessary. He explained that SCORE currently contracts with TargetSolutions for various online training courses. The utilization report shows most of the utilization is from members' fire departments. Mr. Beverly advised that the current contract is up for renewal on November 1<sup>st</sup>, 2014 in the amount of \$25,000 annually.

Mr. Carroll advised that the Town of Loomis uses TargetSolutions mostly for AB1234 and AB1825 Training which may be available through ERMA and DKF Solutions. Most Public Works Departments do not use TargetSolutions services. Mr. Patzer then advised that some pools have developed their own online training modules for certain types of training which may benefit SCORE if there is not a need for such a wide range of training. There was discussion on renewing only the Fire Training Modules for SCORE in attempt to reduce the \$25,000 for TargetSolutions services. Mr. Beverly explained that he will reach out to other vendors to see if there are other fire training services available through other vendors or excess pooling partners.

A motion was made to approve the renewal of the TargetSolutions contract for online risk services contingent upon no other viable solution for appropriate online training for SCORE's fire departments.

**MOTION:** John Duckett    **SECOND:** Muriel Howarth Terrel    **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox

Mr. Beverly then asked the Board if members would like to continue the Loss Control Grant Program to assist members in funding for Risk Management type services. Mr. Carroll suggested renewing the program and reviewing it again at the April meeting during the budget discussion to determine whether or not to continue. Direction was given to Program Administrators to continue the Loss Control Grant Program with a status update to be brought to the April Board of Directors meeting.

Mr. Beverly also noted that another service available to SCORE members is the EAP services through ACI Specialty which also includes and Wellness portion and that if members have any questions or concerns regarding this service to contact Program Administration for more information.



### **H3. Target Equity Policy Update**

Mr. Beverly explained that the Target Equity Policy was approved on October 20, 2007 and contains reference to the Master Plan Documents (MPDs) for the Liability Program and an Appendix. Since that time changes have been made to the MPDs for both Liability and Workers' Compensation, most notably changes made earlier in 2014 to implement a new Dividend Assessment Plan (DAP). As a result of these changes the Target equity Policy needs updating. In addition, the Program Administrators are recommending changes to clean up the language, refer to more specific terms found in the actuary and financial reports, and adjust two of the target ratios as well as an addition of a target ratio for Net Contributions. He explained that most of the recommended changes are updating Net Equity to Net Assets. He also recommended changing "Outstanding Reserves" "Expected Liabilities".

A motion was made to approve the recommended revisions to the Target Equity Policy

**MOTION:** Ron Stock      **SECOND:** Muriel Howarth Terrel      **MOTION CARRIED**  
**AYES:** Busch, Van Groningen, Kelby, Russell, Jankovitz, Carroll, Meacher, Kincade, Howarth Terrel, Duckett, MacDonald, Darrow, Coelho, Stock, Hogan  
**NAYS:** None  
**ABSENT:** Romaine, Goodwin, Teague, Woodcox

### **H4. Firefighter Physical Fitness & Driving Policy Revision**

Mr. Beverly explained that this item was presented at the June 27, 2014 Board of Directors meeting but was tabled so that members may present the policy to their fire departments for feedback. He advised that so far the only feedback provided was concern about the frequency of the recommended physical exams required in the revised policy.

Mr. Carroll advised that this policy was never originally intended to be a requirement but more of a recommendation to members. Mr. Robert Meacher offered to commit time to review and make recommendations as he has a lot of related experience.

Mr. Don Kincade from the City of Montague suggested that the recommended policy seems excessive and the cost of training their Firefighters to meet the recommended requirements may prove too costly. Mr. Ron Stock explained that if this policy was adopted it may present some liabilities to those members who are not able to adhere to the recommendations.

Upon further discussion direction was given to Program Administration to hold an Ad Hoc Committee to review and make recommendations to the Board of Directors.

The Ad Hoc Committee volunteers were as follows: Muriel Howarth Terrel (Mt. Shasta), Rhett Hogan (Yreka), Don Kincade (Montague), and Dan Hinrichs (Isleton).



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

At 10:50 am, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment.

**1. Liability Program**

- a. Larson vs. City of Isleton
- b. Abaco vs. City of Loomis
- c. Fabbrini vs. City of Dunsmuir
- d. Arth vs. City of Dunsmuir
- e. Schwartz vs. City of Susanville
- f. Shivy vs. City of Weed\*\*

**2. Workers' Compensation Program**

- a. SCWA-55810 vs. City of Portola\*\*
- b. SCWA-357421 & SCWA-388672 vs. City of Mt. Shasta\*\*
- c. SCWA-552919 vs. City of Weed\*\*
- d. SCWA-555589 vs. City of Yreka\*\*

**J. REPORT FROM CLOSED SESSION**

The Board returned from closed session at 11:37 am. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Program Consultants.

**K. INFORMATION ITEMS**

1. PARMA Conference, February 8-11, 2015, Anaheim, CA
2. SCORE Resource Contact Guide

Mr. Carroll reminded members that the PARMA Conference continues to provide a wealth of information as respects to Risk Management for Public Agencies.

**L. CLOSING COMMENTS**

There were no closing comments.

**AJOURNMENT**

The meeting was adjourned at 11:40 am.



**NEXT MEETING DATE: January 23, 2015 in Anderson, CA**

Respectfully Submitted,

---

Pamela Russell, Secretary

---

Date





**NEXT MEETING DATE: January 23, 2015 in Anderson, CA**

Respectfully Submitted,

*Pamela Russell*  
Pamela Russell, Secretary

1-23-15  
Date

DRAFT