



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
January 27, 2017**

Member Cities Present:

Roger Frith, City of Biggs
Wes Heathcock, City of Colfax
Randy Johnsen, City of Dunsmuir
Robert Jankovitz, City of Isleton
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Roger Carroll, Town of Loomis
Crickett Strock, Town of Loomis
Kathy LeBlanc, City of Loyalton

Shelley Grey, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Gwenna MacDonald, City of Susanville
Jenny Coelho, City of Tulelake
Diana Howard, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

Sarah Griggs, City of Etna

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Dorienne Zumwalt, York Risk Services

Kevin Wong, Gilbert Associates, Inc.
Tracey Smith-Reed, Gilbert Associates, Inc.
Cameron Dewey, York Risk Services

A. CALL TO ORDER

Mr. Roger Carroll 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.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Randy Johnsen

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – October 13-14, 2016
2. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments –September 30, 2016
3. Treasurer’s Report as of September 30, 2016
4. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments –December 31, 2016
5. Treasurer’s Report as of December 31, 2016
6. US Bank Custodial Account Statement – November – December 2016
7. SCORE Checking Register as of December 31, 2016
8. Investment Statements from Chandler Asset Management – October – December 2016
9. Target Solutions Course Completions – November 2015 – October 2016
10. ACI Specialty Quarterly Utilization Report – October – December 2016
Company Nurse Injury Summary Report – December 2016

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

MOTION: John Duckett

SECOND: Steve Baker

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

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

F2. Alliant Update

Marcus Beverly noted that the Consent Calendar included the Target Solutions Usage chart which confirms that members are using the service – there are currently nine members using the service. Members were encouraged to use Target Solutions for the required training including ethics, Sexual Harassment and other mandatory training as well as the courses available for the Fire, EMS and Police training.

F3. CJPRMA Update

Mr. Roger Carroll noted that there are a number of different things are happening that involve CJPRMA. The first issues is regarding the dividend declared for SCORE (approximately \$39,000) and asked if members had a preference in how to apply the funds. Members generally agreed that CJPRMA should send us a check for the Retrospective adjustment. Roger Carroll also noted that CJPRMA is still working on and Excess Workers’ Compensation program that they would like to make available



to all CJPRMA members. He noted the advantage to SCORE's participation in this program could be that we would no longer require a LAWCX representative – he indicated that he will continue to report back with updates as they unfold.

Lastly he mentioned that CJPRMA is looking at creating an Ex Mod for members since they do not currently use one. He noted that the recent claims audit revealed SCORE is 1% of the total CJPRMA payroll, 0% of severity, and 10% of the frequency.

F4. ERMA Update

John Duckett provided the Board of Directors with a brief update of the November 7th ERMA meeting. He noted that they are still looking at policy reviews for all agencies out there and are considering surveying the members – average cost would be \$2,500 per member for the policy reviews. John also mentioned that ERMA provides regional training sessions and encouraged members to attend the AB 1825 session held in Shasta Lake on May 11, 2017 at the John Beaudet Community Center. Roger Carroll noted that they are attempting to set up an AB 1825 in June 2017 somewhere in Loomis.

F5. LAWCX Update

Steve Baker provided the Board of Directors with an update of LAWCX matters and indicated there was not much to update the Board but he mentioned there are some high valued claims coming in and they have provided a conservative estimate of premiums increasing up to 35%.

G. FINANCIAL

G.1. Dividend and Assessment Analysis

Marcus Beverly provided information about the proposed Dividend Assessment Plan DAP and mentioned that Kevin Wong from Gilbert Associates is also in attendance if members have any questions. He started with good news and indicated that Workers' Compensation program has \$100,000 available from the Shared Layer and another \$200,000 from the Banking Layer making a total of \$300,000 available.

Marcus added that for members that have withdrawn from SCORE we are supposed to hold back 50% (Dorris, Crescent City and Williams) but the Program Administrator will need to do some analysis. He also noted that we will need to address the dividend history for members - due to the changes of the Mini-Cities composition in the following year we will need to address as members move out of the Mini-Cities group.

A motion was made to approve the calculation as presented in the agenda packet.

MOTION: Linda Romaine

SECOND: Roger Frith

**MOTION CARRIED
UNANIMOUSLY**



G.2. Quarterly Financial Report – Period Ended September 30, 2016

Kevin Wong from Gilbert Associates presented a summary of the Quarterly Financial Report for the Period Ended September 30, 2016 – he mentioned that this information was distributed to members in electronic form yesterday. He indicated:

-) Member Accounts Receivable has grown quite a bit
-) Total Net Position increased \$300,000 from last year
-) SCORE's Budget to Actual compares the current quarter to the overall budget and is on track

It was also noted that we have recently closed a lot of claims which is helping our financial position.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended September 30, 2016.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

G.3. Projected Workers' Compensation Experience Modification Factors

Marcus Beverly noted that we were not able to obtain the DE-9 payroll information from all members and so the following is presented as an information item only and should represent a preview of the upcoming fiscal year. It was mentioned the individuals that will be leaving the Mini-Cities group will change as well as the members Ex Mods who remain in the group. He provided a breakdown of the calculation of the Relative Loss Rate (rate of payroll to losses for last 4 years). Then he provided a breakdown of the Credibility Factor (Member Projected Payroll/Member Projected Payroll + Largest Member Projected Payroll) he mentioned that Susanville is the largest member. He noted that even with the changes to the Mini-Cities composition it appears that the Ex Mod might be going down.

Mini-Cities members requested the Budget include individual Ex Mods for the Mini-Cities in the FY 17/18 Budget when it is presented to the Board next. There was a question as to why Live Oak and Shasta Lake have low Ex Mods and it was noted that while they are rather large members they do not have a Police Department or Fire Department.

H. JPA BUSINESS

H.1.a. Master Plan Documents (MPD's) Amendments – Workers' Compensation

Marcus Beverly presented information to the Board about changes to the MPD's and indicated that the Board previously approved the criteria for a Mini-City member. He reminded the Board that we will be phasing in the new administrative allocation for the Workers' Compensation program – specifically treating each member individually in terms of administrative expenses but treating the Mini-Cities as one member for loss funding. It was also noted that the Board will review the funding formulas at least every four years.



It was mentioned that the MPD's were not clear and it was suggested that a sentence be added for clarification purposes regarding if a members' average payroll drops below \$500,000 then they may apply to join the Mini-Cities subject to Board approval. The members suggested the following wording be added: "The \$500,000 threshold, 3 year average calendar year they may apply to join the Mini-Cities subject to Board approval"—Members generally agreed. It was noted the Program Staff would update the MPD's to reflect these suggested changes and they will be sent out to all members.

A motion was made to approve the changes to the MPD's including the addition of "The \$500k threshold, 3 year average calendar year they may apply to join the MC subject to BOD approval" to the wording.

MOTION: Wes Heathcock

SECOND: Linda Romaine

**MOTION CARRIED
UNANIMOUSLY**

H.1.b. Master Plan Documents (MPD's) Amendments – Liability

Marcus Beverly noted that the only change to this document is related to the Board reviewing the program funding formulas every 4 years.

A motion was made to approve the changes to the Liability MPD's as presented to the Board.

MOTION: Roger Frith

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

H.2. Long Range Planning work plan

Marcus Beverly was pleased to report that the Board just voted on most of the action plans from the Long Range Planning meeting. He reminded the Board that there was a Sewer Survey completed by Randy Musgraves and noted this might be an area of focus to discuss shared services among members. The concept of master service agreements with vendors for sidewalks, arborists or potentially the purchase of backflow devices for homes was discussed. Marcus also mentioned possible incentives (credits or debits) based on risk management criteria that could potentially impact member funding.

Members discussed possible training at the upcoming meetings and it was noted that Biggs recently had a City Council training at their meeting and it went very well. It was also requested that a 'sample sewer back up claim' with pictures and costs be created to educate Public Works employees on the true cost of a sewer back up claim.

H.3. FY 17/18 Meeting Dates and Locations

Michelle Minnick provided members with a list of potential meeting dates for the FY 17/18 in an effort to avoid scheduling conflicts. The members generally agreed that the Gaia is centrally located for all cities and has treated us well.



A motion was made to approve Resolution 17-01 for FY 17/18 meeting dates and locations.

MOTION: John Duckett

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H.4. Form 700 Reporting Protocol Changes

Michelle Minnick informed the Board that the FPPC required Form 700 will now be completed online. It was noted that members should have received a welcome email from the FPPC indicating this change and if not they should reach out to Alliant for assistance.

Some members have already completed their Form 700 and provided feedback to the Board indicating the website was very easy to use and took very little time to complete.

H.5. Loss Control Grant Fund Program

Michelle Minnick provided the Board with an update regarding usage of the FY 16/17 Loss Control Grant Funds. It was noted there have only been 2 requests for funds during this year and members were encouraged to make use of the funds available. Members were provided with examples of requests made in the past (ADA signage, Public Works Equipment, training sessions, bulletproof vests, etc.). Roger Carroll noted that the Town of Loomis was able to use their funds to purchase Ergonomic chairs.

It was also suggested that members consider using these funds to share services – for example Sidewalk Cutting, Arborists, etc. as the end of the fiscal year approaches to ensure the funds are used.

H.6. SCORE Service Provider Survey Results

Marcus Beverly presented an overview of the survey results and noted there were only 7 responses. Regarding the York Service responses he also mentioned when we combined the surveys into one survey the responses did not translate for the York questions. It was recommended in the future to send out this survey every 2 years and break it down into smaller parts – this way the person at the city who is most knowledgeable could answer the questions.

Overall the scores were positive and it was mentioned that if a member city would like for the Program Administrators to come visit and provide services or training they were encouraged to reach out to the Alliant Staff. Roger Frith indicated that Marcus attended a City Council meeting and it was a great way to get them to understand where their money is going. Members generally agreed they are happy with the services Alliant is providing. There was a question about the frequency of going out to bid and it was noted that we will complete a survey before any contract renewal but generally speaking we complete a survey every two years which determines the need to go out to bid.



Cameron Dewey noted that members are encouraged to provide him with feedback if things are not being handled the way they would like. He indicated that he will make a change and fix whatever needs to be addressed.

H.7. FY 17/18 Service Calendar

Michelle Minnick presented the Fiscal Year 17/18 Service Calendar to the members for review. It was noted the 'proposed' meeting dates were labeled as such and if the Board approves the draft of the Service Calendar that was presented the Program Administrators will update the document and include it in the Consent Calendar at the next meeting.

A motion was made to approve the FY 17/18 Service Calendar as presented.

MOTION: Steve Baker

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H.8. FY 17/18 Renewal Marketing Plan

The Board of Directors received an update regarding the FY 17/18 Marketing Plan. It was noted that sewer backup claims should be of concern for members as CJPRMA may have to raise their rates to keep up with the general trends—liability claims remain relatively stable in terms of frequency but high severity of claims.

In regards to the Crime program there is no expected increase at this time but we recommend members obtain a quote for a \$3 million limit for comparison. It was also noted that not all SCORE members participate in the Crime program but all members were encouraged to obtain a quote as this is a group purchase you could possibly get better coverage and a lower rate.

It was mentioned that Cyber coverage is purchased as part of the Property program and is a hot insurance issue right now. It was noted that rates are going up due to the number of ransomware claims and members were encouraged to have good backup procedures in place.

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 11:42 A.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. SCWA-555963 v. City of Shasta Lake*

b. SCWA-503501 v. City of Crescent City*

2. Liability

a. Blakely v. City of Mt. Shasta



J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 11:57 A.M. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

LUNCH PRESENTATION SCORE FY 16/17 Annual Report

Marcus Beverly presented the Board with the first ever Annual Report which summarizes SCORE's history, current coverage and available services through the SCORE membership. Members were encouraged to share this information with their City Councils to help them understand the value that a SCORE membership provides.

K. INFORMATION ITEMS

K1. 2017 PARMA Conference – February 12 – 15, 2017 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

There were no items for discussion.

M. CLOSING COMMENTS

Roger Carroll encouraged members to consider attending PARMA in the future as it is a great training event and noted this year it is being held at Disneyland.

N. AJOURNMENT

The meeting was adjourned at 12:36 PM

NEXT MEETING DATE: March 31, 2017 in Anderson, CA



Respectfully Submitted,

Brooke Woodcox, Secretary

Date