



Small Cities Organized Risk Effort (SCORE) Board of Directors Meeting Minutes March 31, 2023

Member Cities Present:

Wes Heathcock, City of Colfax
Shanna Stahl, City of Colfax
Blake Michaelson, City of Dunsmuir
Pamela Eastlick, City of Etna
Charles Bergson, City of Isleton
Aaron Palmer, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
David Dunn, City of Montague

Muriel Terrell, City of Mt. Shasta
Todd Juhasz, City of Mt. Shasta
Jon Kennedy, City of Portola
Kyle Knopp, City of Rio Dell
Dan Newton, City of Susanville
Heidi Whitlock, City of Susanville
Jenny Coelho, City of Tulelake
Anna Guzman, City of Weed
John Elsnab, City of Yreka

Member Cities Absent:

City of Biggs

City of Shasta Lake

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Mike Harrington, Bickmore Actuary
James Kim, Bickmore Actuary

Jill Petrarca, Sedgwick
Chris Richards, Sedgwick
David Patzer, DKF
John Balestrini, DKF
Byrne Conley, Gibbons & Conley

A. CALL TO ORDER

Mr. Wes Heathcock called the meeting to order at 10:03 a.m.

B. ROLL CALL

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

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as revised.



MOTION: Blake Michaelsen

SECOND: Dan Newton

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – January 27, 2023
2. US Bank Custodial Account Statement – January – February 2023
3. SCORE Checking Register – January – February 28, 2023
4. Investment Statements from Chandler Asset Management – January – February 2023
5. SCORE Treasurer’s Report for Period Ending December 31, 2022
6. Loss Control Fund Program Usage by member as of March 27, 2023
7. PRISM Pollution March 2023 Premium Estimate
8. FY 23/24 SCORE Service Calendar – Draft Approved by BOD on January 27, 2023
9. Chandler Asset Management – Authorized Representatives and Account Preferences Form

A motion was made to accept the consent calendar with a revision to the attendees.

MOTION: Roger Carroll

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F.1.A. President’s Report

Mr. Wes Heathcock had not report for the group.

F.2.A. CJPRMA Report

Roger Carroll provided that the excess coverage is still up in the air but noted that he is optimistic that it won’t be as bad as past years. Meeting in February and had a special BOD meeting to discuss claims and members were encouraged to educate their staff. Marcus Beverly provided that we need to be cognizant that they will be assessing folks as they are in a deficit – they meet at the beginning of June so we will have an update at the next meeting. Assessments need to happen to take care of underfunded years.

F.2.B. ERMA Report

Michelle Minnick reminded members of the annual ERMA Compliance Survey which is used to confirm that all required training has been completed. Additionally members were encouraged to consider hosting training during FY 23/24 and more information will be shared once available. Any members who are not currently participating in ERMA were encouraged to request a quote to join.



F.2.C. LAWCX Report

Marcus Beverly noted that we have received the rates from LAWCX but there has been no meeting.

F.2. Alliant Update

- a. Form 700 – Annual Filing Deadline April 3, 2023**
- b. Renewal Update**

Marcus Beverly noted that we will have property numbers soon and will send an estimate to the Board once available. He noted that AMVP is anticipated to see an increase of approximately 5-15%. Additionally members were reminded the cyber coverage is still questionable as to the increase, highly encourage you to involve IT Staff to complete the application on the Alliant Portal.

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

H.3.A. SELECTION OF WORKERS' COMPENSATION TPA

Marcus Beverly provided the Board with an update of the RFP that was released and noted we received four responses, and interviews with Sedgwick and Intercare took place on Thursday prior to the Board meeting. Wes Heathcock and noted that the Ad Hoc is recommending collaborating with Intercare to handle Workers' Compensation Claims Administration. After a general discussion it was agreed to partner with Intercare for Workers' Compensation Claim Third Party Administration.

A motion was made to transition Workers' Compensation Claims Administration to Intercare to authorize the Executive Committee to execute a contract with Intercare.

MOTION: Todd Juhasz

SECOND: Shanna Stahl

**MOTION CARRIED
UNANIMOUSLY**

The Board was introduced to the Intercare Claims Team and indicated that they will be working closely with the Program Administration toward the effective date of 7/1/2023.

G. FINANCIAL

G.1.A. ACTUARIAL STUDIES - LIABILITY

Mike Harrington provided the Board with a review of the Liability Actuarial study and noted that in Liability across the board is getting slammed. He noted that the COVID impact is subsiding and we are getting back to a new normal and based upon last year's analysis we are showing positive claim development for FY 22/23. In summary losses have decreased, liabilities are up and indicated that the banking and shared layers combined are showing a 14.7% increase from prior year.

Marcus commented that SCORE is currently funding at 80% CL in WC and would recommend moving to the same for the Liability program but the caveat is that the estimate from CJPRMA is



probably high and if it goes down enough we would suggest moving to an 80% CL while the rates are going down.

G.1.B. ACTUARIAL STUDIES – WORKERS’ COMPENSATION

Mike Harrington noted that the Banking and Shared is up approximately \$281k which is up from the prior year. Ultimate losses are up and looking ahead using the 80%CL for WC and noted the rate of \$6.819 as compared to prior rate of \$6.447 which is a 5.8% increase over the prior year. There was favorable development in the Banking layer which resulted in a decrease in rates.

A motion was made to accept and file the General Liability and Workers’ Compensation report as presented and request a final report.

MOTION: Kyle Knopp

SECOND: Pamela Eastlick

**MOTION CARRIED
UNANIMOUSLY**

G.2. QUARTERLY FINANCIAL REPORT – PERIOD ENDED DECEMBER 31, 2022

Marcus Beverly noted that Kevin Wong was not in attendance due to illness and Jennifer Zraick is on vacation. In their absence Marcus Beverly provided a review of the Quarterly Financial Report – Period Ended December 31, 2022. He noted the Net Revenue is at \$344k and indicated the Combined Statement of Net Position.

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

MOTION: Blake Michaelson

SECOND: David Dunn

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H.1.A. FY 23/24 FUNDING RATES AND ALLOCATIONS – LIABILITY

Marcus Beverly provided a review of the Liability program rates as noted by the Actuary earlier. Combined rates decreased by 4% and we will bringing back the 80% funding at the next meeting (dependent upon the CJPRMA estimate decreasing). We are seeking to build up reserves in order to take on the \$1M SIR in the future – SCORE has not exceeded that amount but if we have another big claim, we may be surcharged (or we can cut the surcharge in half by moving to a higher SIR \$1M). He provided a review of the calculation

A motion was made to approve the draft rates as presented.

MOTION: Roger Carroll

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**



H.1.B. FY 23/24 FUNDING RATES AND ALLOCATIONS – WORKERS’ COMPENSATION

Marcus Beverly noted that due to the way the industry is moving we are going to be seeing increasing rates as TD rates also went up as well. Overall 13% and payroll increased 7% represents. Marcus reviewed the calculation – noted the difference for the mini-cities. It was also noted that we are still paying off the LAWCX assessment (paid over 10 years). Marcus reviewed the comparison from the prior year and noted the changes that are affecting the funding.

A motion was made to approve the draft rates as presented.

MOTION: Jon Kennedy

SECOND: Blake Michaelsen

**MOTION CARRIED
UNANIMOUSLY**

H.2. DKF SSO EMERGENCY PREPAREDENSS & RESPONSE

David Patzer and John Balestrini provided the Board with a review of the updates to the Sewer Emergency Response Plan to include the Spill emergency response plan that are due by the June 5th deadline to complete. David provided the responsibilities of the City during a mainline sewer backup. John Balestrini provided the Board with information about the recent visits for the SERP updates – members were encouraged to reach out and confirm meeting dates to ensure compliance with the new requirements. He reminded members of the tailgate training that happens bi-weekly (which are also recorded and can be shared with employees to watch at their convenience). John Balestrini noted that he will send out a flyer to share with all field staff and a reminder of the tailgate trainings.

LUNCHTIME PRESENTATION – BYRNE CONLEY BROWN ACT

Byrne Conley has a long history of working with the SCORE JPA and provided that he has been working with CJPRMA and SCORE follows the form of the Excess Carrier. He provided a review of the Open & Public V and provided a review of the recent changes as it relates to public attendance and requirements. He indicated that the Brown Act was created before most of the technology that is used today and so they keep adding layers to catch up with technology. He reviewed the different governing bodies as well as the requirements for each.

H.3. SERVICE PROVIDER CONTRACTS

H.3.B. SELECTION OF GENERAL LIABILITY TPA

Marcus Beverly reminded that the Board directed an Ad Hoc Committee to review the responses, interviews were conducted yesterday. Roger Carroll provided a review of the interviews and provided that the Ad Hoc committee is recommending transitioning General Liability Claims handling to George Hills. Todd Juhasz noted that it was a hard decision to move away from the incumbent as it relates to sewer back up claims. After a discussion it was generally agreed to partner with George Hills.



A motion was made to approve transitioning to George Hills for General Liability Claims handling and grant authority to program administration the Executive Committee to execute a contract after program administration negotiates pricing.

MOTION: Dan Newton

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**

H.3.C. GIBBONS & CONLEY ENGAGEMENT LETTER

It was noted that Byrne Conley has served as the SCORE Attorney for several years and noted that his contract will expire at the end of the year and the board was asked to consider his proposed agreement.

A motion was made approve the agreement as presented.

MOTION: Jon Kennedy

SECOND: Todd Juhasz

**MOTION CARRIED
UNANIMOUSLY**

H.3.D. LEXIPOL MOU

Michelle Minnick presented the Board with the proposed Lexipol agreement and reminded members that the annual subscription provides Daily Training Bulletins and help with policy updates for Police Departments. There was a brief discussion about the potential to add Fire Department services.

A motion was made to approve the agreement as presented.

MOTION: Kyle Knopp

SECOND: Shanna Stahl

**MOTION CARRIED
UNANIMOUSLY**

H.3.E. VECTOR SOLUTIONS

Michelle Minnick provided the Board with a review of the usage of the Vector Solutions platform and noted that the proposed three year agreement presented includes a 5% increase annually. After a brief discussion it was agreed to renew the agreement. Roger Carroll also reminded members that some training is additionally available on the ERMA in2vate platform

A motion was made approve the agreement as presented.

MOTION: Todd Juhasz

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**

H.3.F. ED OBAYASHI RETAINER AGREEMENT

Marcus Beverly provide the board with a review of the agreement that provides members the opportunity to participate in services with Ed Obayashi. It was noted that he has agreed to provide 1



POST certificate training and we wanted members to have access to services but not be required to commit to his services and billing will be done on a pass through basis.

A motion was made approve the agreement as presented.

MOTION: Kyle Knopp
Abstain: Portola, Jon Kennedy

SECOND: Kathy LeBlanc

MOTION CARRIED

H.4. ERMA RESOLUTION NO. 2021-03

Michelle Minnick provided the Board with a reminder of ERMA's Resolution

H.5. FY 23/24 SCORE PRELIMINARY ADMINISTRATION BUDGET

Marcus Beverly provided the Board with a review of the preliminary budget and noted there are some items that are not yet negotiated and final numbers will be presented at the June Board meeting. He noted that once we have finalized Program Administration will share with the members.

H.6. SCORE TRAINING & LONG RANGE PLANNING DAY TOPICS

Marcus Beverly opened a discussion regarding any training topics

H.7. FY 23/24 LOSS CONTROL GRANT FUND PROGRAM

Michelle Minnick provided the board with a review of the current usage of the Loss Control Grant Fund program for FY 22/23. Members were encouraged to utilize funds from FY 22/23 and start considering items for FY 23/24. Members were reminded the deadline to submit a request is June 15, 2023 and members were encouraged to submit any invoices by July 15, 2023 as we need to close the books in anticipation of the financial audit.

A motion was made to approve the allocation as presented.

MOTION: David Dunn

SECOND: Roger Carroll

MOTION CARRIED
UNANIMOUSLY

I. GENERAL RISK MANAGEMENT ISSUES

Chris Carmona and Chris Shaffer provided the Board with an introduction – noted that he is planning to meet with stakeholders in anticipation of the transition effective 7/1/2023.

J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

****REQUESTING AUTHORITY**

1. Liability



a. SCGA02029A1 v. City of Weed** LOOMIS, MT SHASTA

2. Workers' Compensation

a. 4A21109559C-0001 v. City of Colfax** LOOMIS, COLFAX

b. SCWA-556188 v. City of Yreka** ETNA, LOYALTON

c. SCWA-556116 v. City of Susanville** LOOMIS, ETNA

K. REPORT FROM CLOSED SESSION

The Board returned from closed session at 2:24 P.M. Mr. Conley reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

L. INFORMATION ITEMS

L.1. Glossary of Terms

This was provided as an information item only.

L. 2. FY 22/23 Resource Contact Guide

This was provided as an information item only.

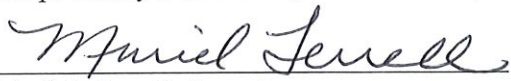
M. CLOSING COMMENTS

N. AJOURNMENT

The meeting was adjourned at 2:26 PM

NEXT MEETING DATE: June 24, 2023 Gaia Hotel, Anderson CA

Respectfully Submitted,



Muriel Terrell, Secretary

10/12/23

Date