



## **Small Cities Organized Risk Effort (SCORE) Board of Directors Meeting Minutes January 27, 2023**

### **Member Cities Present:**

Wes Heathcock, City of Colfax  
Shanna Stahl, City of Colfax  
Blake Michaelson, City of Dunsmuir  
Pamela Eastlick, City of Etna  
Jessica Mata, City of Live Oak  
Roger Carroll, Town of Loomis  
Kathy LeBlanc, City of Loyalton  
David Dunn, City of Montague  
Todd Juhasz, City of Mt. Shasta

Muriel Terrell, City of Mt. Shasta  
John Kennedy, City of Portola  
Wendy Howard, City of Shasta Lake  
Dan Newton, City of Susanville  
Jenny Coelho, City of Tulelake  
Heidi Cureton, City of Tulelake  
Sandra Duchi, City of Weed  
John Elsnab, City of Yreka

### **Member Cities Absent:**

City of Biggs  
City of Rio Dell

City of Isleton

### **Consultants & Guests**

Marcus Beverly, Alliant Insurance Services  
Conor Boughey, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services

Rimma Daian, Sedgwick  
Amy Whitman, Sedgwick  
Ed Obayashi

Amy Whitman from Sedgwick provided the Board with a review of the Workers' Compensation 101 training which included how to report claims, best practices when incidents occur. She reviewed some of the benefits available to the employees as a result of a work related injury. She encourage members to provide Modified Duty assignment as soon as capable as it encourages the employee to return to work while recovering from their injury. Marcus Beverly provided the Board with a reminder that Company Nurse is available to SCORE members to use when reporting a Workers' Compensation claim.

### **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 Biggs, City of Isleton, and the City of Rio Dell.

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

*A motion was made to approve the Agenda as presented.*

**MOTION: Blake Michaelson**

**SECOND: Todd Juhasz**

**MOTION CARRIED  
UNANIMOUSLY**

### **D. PUBLIC COMMENT**

There were no public comments.

### **E. CONSENT CALENDAR**

1. Board of Directors Meeting *REVISED* Minutes – August 26, 2022
2. Board of Directors Meeting *Draft* Minutes – October 27-28, 2022
3. US Bank Custodial Account Statement – October – December 2022
4. SCORE Checking Register – October – December 31, 2022
5. Investment Statements from Chandler Asset Management – October – December 2022
6. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – December 31, 2022
7. ACI Specialty Annual Utilization Report – January – December 2022
8. Vector Solutions Utilization Report Summary – July – December 2022
9. Alliant Additional Commission Opt Out letter (APIP & ACIP) FY 2022-2023
10. Loss Control Fund Program Usage by member as of January 20, 2023
11. PRISM Pollution January 2023 Premium Estimate
12. Ft. Jones Letter – Revised Assessment
13. ACI Addendum – Addition of City of Montague to Program
14. Sedgwick Trending Report

*A motion was made to accept the consent calendar.*

**MOTION: Kathy LeBlanc**

**SECOND: Roger Carroll**

**MOTION CARRIED  
UNANIMOUSLY**

### **F. ADMINISTRATIVE REPORTS**

#### **F.1.A. President's Report**

Mr. Wes Colfax wanted to report that the EC committee met on the 11<sup>th</sup> and noted that all items that were reviewed at that meeting will be reviewed later in the meeting today.

#### **F.1.B. CJPRMA Report**

Roger Carroll provided that he CJPRMA Board met in December and approved the actuary report. He indicated that premiums could see increases of 20% over the prior year due to the use of a 90% Confidence Level.





### **F.1.C. ERMA Report**

Roger noted that there is an ERMA meeting next week and mentioned to the Board that training and documentation of training is important. If you have a claim and you have not done the training, there are penalties that will be enforced.

### **F.1.D. LAWCX Report**

Wes Heathcock noted that LAWCX last met on the first indicated that there was notice of CAMP showing high returns, after a discussion it was indicated that would be better to leave funds in the money market account as the Treasurer does not think that CAMP is showing greater returns than we are seeing in LAIF.

### **F.2. Alliant Update**

- a. Excess Cyber App Portal**
- b. ERMA Training Reminder**

Members received a reminder regarding the Alliant Connect Portal where members can complete their Cyber applications in anticipation of the FY 23/24 renewal. Additionally members were reminded to consider hosting one of ERMA's training sessions at their city.

## **G. FINANCIAL**

### **G.1. SCORE Investment Policy**

Marcus Beverly provided a review of the Investment Policy that was some updated language included in the redline version that was presented. He noted that the objectives were updated to include safety liquidity and return. He noted there were some roles and responsibilities that were added for the SCORE Treasurer to confirm what the Treasurer is already doing. Roger Carroll noted that the policy has been updated to reference the code and that is the current trend which he supports.

*A motion was made to approve the Investment Policy as presented.*

**MOTION: Blake Michaelsen      SECOND: Wendy Howard      MOTION CARRIED  
UNANIMOUSLY**

### **G.2. SCORE Internal Controls and Guidelines**

Marcus Beverly provide the Board with a redline version of the updated SCORE Internal Controls and Guidelines and noted the changes in the banking institution (now US Bank). It was noted that any reference to Union Bank will be corrected to reflect US Bank. Roger noted that Roger said that this is referenced in the Investment Policy and will be reviewed on an annual basis moving forward.

*A motion was made to approve the Internal Controls and Guidelines with the changes indicated.*

**MOTION: Roger Carroll      SECOND: Kathy LeBlanc      MOTION CARRIED  
UNANIMOUSLY**



### **G.3. QUARTERLY FINANCIAL REPORT – PERIOD ENDED DECEMBER 31, 2022**

Marcus Beverly provided a review of the Quarterly Financial Report – Period Ended December 31, 2022. He indicated that Claim reserves went down while total liabilities went up about \$1M and additionally noted that net position has not changed significantly. Marcus also noted the new Property Banking Layer is included in the report (which is accrued) so members are only seeing one quarter.

*A motion was made to accept and file.*

**MOTION: Pamela Eastlick**

**SECOND: Jenny Coelho**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.4. SCORE DIVIDEND & ASSESSMENT PLAN (DAP)**

Marcus Beverly noted that we do this annually and noted that the funding we do annually is based on what we expect the losses to be (did we do better or worse than expected) so the DAP is the true up (in the banking and shared layers) and they are subject to dividend or assessment. At this time, we are not recommending any distribution from the shared layer in either program. For Liability there is a couple options but for both the banking layers a \$300K dividend – we do set aside \$100k for Loss Control grant Funds (from the Liability share layer) – look at the current SIR (now \$750K) and at a higher \$975K. He indicated there is an chance that we will be pushed to a higher SIR at CJPRMA in the future and we should be ready for that potential change. He reviewed the potential money available in the WC program and indicated that after applying the benchmarks we are below the amount needed so no recommendation to release anything from the Shared layer in that program. Marcus reviewed the multiple options and noted for the Liability Program it appears that there is money available in the Shared layer total of \$300K that would waterfall into the Banking Layer for distribution and \$400k that would be available for distribution from the Liability Banking layer.

*A motion was made to approve the calculation for the higher SIR and distribute \$300K from the liability program.*

**MOTION: Roger Carroll**

**SECOND: Blake Michaelsen**

**MOTION CARRIED  
UNANIMOUSLY**

\*Marcus noted that he will be sending out the final version to the Board after the meeting.

### **G.5. SCORE Property Program Refund**

Marcus Beverly provide the Board with a review of the commission cap while reviewing the Alliant Contract for renewal. As soon as it was identified a refund check was issued and the Board was asked to consider the allocation back to the members. It was noted that members will be given the option to decide where they would like to have these funds applied.

*A motion was made to approve the refund allocation as provided.*





**MOTION: Todd Juhasz**

**SECOND: Sandy Duchi**

**MOTION CARRIED  
UNANIMOUSLY**

## **H. JPA BUSINESS**

### **H.1. STRATEGIC GOALS AND ACTION PLAN**

Marcus Beverly provided a review of the Strategic Goals from the SCORE Long Range Planning meeting and noted the efforts that Program Administration will be taking over the next year. He noted that we have discussed and launched the Property Program Banking layer and we will discuss with the Actuary if there is a need to include the Property Banking Layer in the annual Actuary Reports. He mentioned the Liability Program is looking at different retentions (\$750k and \$1M SIR) and we will share with the Board as part of the budget. He additionally mentioned the new Cyber risk control items that are available through Beazley and members were encouraged to take advantage of the resources.

*A motion was made to high five.*

**MOTION: Blake Michaelson**

**SECOND: Pamela Eastlick**

**MOTION CARRIED  
UNANIMOUSLY**

### **H.2. SCORE RFP BEST PRACTICES**

Marcus Beverly discussed with the board a sample of a policy from YCPARMIA and noted that this is more of a purchasing policy but indicated there is not a lot of detail as it relates to Professional Services. He recommended that if the Board is interested in developing criteria for the potential policy the Board should discuss at this time. After a discussion it was agreed that SCORE will continue to complete an annual survey to determine if vendors are doing well.

### **H.3. SCORE GENERAL LIABILITY CLAIMS AUDIT PROPOSAL**

Marcus Beverly provided a review of the SCORE General Liability Claims Audit Proposal from Ken Maiolini and noted there was no change from the prior proposal.

*A motion was made to approve the proposal as presented.*

**MOTION: Blake Michaelson**

**SECOND: Todd Juhasz**

**MOTION CARRIED  
UNANIMOUSLY**

### **H.4. FY 23/24 Renewal Marketing Plan**

Marcus Beverly noted that WC should be stable and mentioned that a 10% increase is anticipated and payroll has been increasing. Pressure on the re-insurance side has been impacted (as a result of the COVID-19 claims) - Liability is calming down and is hopeful that we will see approximately a 20-25% increase and the same for the property program. Recent storms (Ian and California) have influenced the market. 7.5% increase for Real Property and being conservative, we are expecting 20%



increases. He mentioned that at the March meeting we will have a better idea of the potential budget for FY 23/24.

#### **H.5. FY 23/24 Service Calendar**

Marcus Beverly provided a review of the SCORE FY 23/24 Service calendar and highlighted the proposed meeting dates and conferences that will occur throughout the year.

#### **H.6. Form 700 Reporting – Annual Filing Deadline April 1, 2023**

Michelle Minnick provided the Board with notice of the FPPC form 700 Filing deadline of April 1, 2023. Members were reminded if there have been any changes at the city level to notify the Program Administration as soon as possible to avoid any penalty for their members.

#### **H.7. ALLIANT PROGRAM ADMINISTRATION AGREEMENT**

Wes Heathcock notified the Board the Executive Committee reviewed the proposed agreement at the January 11, 2023 Special EC meeting and noted that there were not many changes from the prior year. Marcus Beverly noted the Commission Cap was increased from \$50k to \$75k and also provided the proposed pricing for the next 5 years with an annual average increase of 3.94%. Additionally, he noted the highlights and accomplishments were included in the packet for review.

*A motion was made to approve the agreement as presented.*

**MOTION: Jon Kennedy**

**SECOND: Wendy Howard**

**MOTION CARRIED  
UNANIMOUSLY**

**LUNCHTIME PRESENTATION - Ed Obayasi Law Enforcement Current Hot Button Issues**

Ed Obayashi provided the Board with a discussion of

#### **I. GENERAL RISK MANAGEMENT ISSUES**

Amy Whitman provided the Board with the WC Trending Report for the Board. She noted that the total number of claims is reducing each year and in the last fiscal year, there were more MO claims than Indemnity claims. Members were also encouraged to back up systems as city's are more vulnerable to cyber attacks.

#### **J. INFORMATION ITEMS**

##### **J.1. Glossary of Terms**

This was provided as an information item only.



**J.2. FY 22/23 Resource Contact Guide**

This was provided as an information item only.

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

It was noted that the Claim listed on the agenda has already resolved and did not need to be reviewed by the Board.

**M. CLOSING COMMENTS**

There were no comments.

**N. AJOURNMENT**

The meeting was adjourned at 12:56 PM

**NEXT MEETING DATE: March 31, 2023 Gaia Hotel, Anderson CA**

Respectfully Submitted,

A handwritten signature in black ink, reading "Muriel Terrell", is written over a horizontal line.

Muriel Terrell, Secretary

3.31.23

Date