



Small Cities Organized Risk Effort (SCORE) Board of Directors Meeting Minutes January 26, 2024

Member Cities Present:

Shanna Stahl, City of Colfax
Dustin Reif, City of Dunsmuir
Pamela Eastlick, City of Etna
Charles Bergson, City of Isleton
Aaron Palmer, City of Live Oak
Wes Heathcock, 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
Jim Murphy, City of Portola
Kyle Knopp, City of Rio Dell
Wendy Howard, City of Shasta Lake
Dan Newton, City of Susanville
Jenny Coelho, City of Tulelake
Tim Rundel, City of Weed
John Elsnab, City of Yreka
Cyndy Prohaska, City of Yreka

Member Cities Absent:

City of Biggs

Consultants & Guests

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

Shawna Culp, Intercare
Danielle Buri-Beaton, Intercare
Agnes Hoberling, Intercare
Chris Carmona, George Hills

A. CALL TO ORDER

Mr. Wes Heathcock called the meeting to order at 9:03 a.m.

B. ROLL CALL

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

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as presented.

MOTION: Kathy LeBlanc

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – October 26-27, 2023
2. US Bank Custodial Account Statement – October – December 2023
3. SCORE Checking Register – October – December 31, 2023
4. Investment Statements from Chandler Asset Management #590 – October – December 2023
5. Investment Statements from Chandler Asset Management Enhanced Cash Account – October – December 2023
6. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – December 31, 2023
7. SCORE Revised Treasurer Report Quarter Ending March 31, 2023
8. SCORE Revised Treasurer Report Quarter Ending June 30, 2023
9. SCORE Revised Treasurer Report Quarter Ending September 30, 2023
10. SCORE Treasurer Report Quarter Ending December 31, 2023
11. ACI Specialty Annual Utilization Report – January – December 2023
12. Vector Solutions Utilization Report Summary – September – December 2023
13. Alliant Additional Commission Opt Out letter (APIP & ACIP) FY 2023-2024
14. Loss Control Fund Program Usage by member as of January 14, 2024

There was a request to pull item E1 from the Consent for discussion.

A motion was made to accept the consent calendar items E2-E14 as presented.

MOTION: Todd Juhasz

SECOND: Dustin Reif

**MOTION CARRIED
UNANIMOUSLY**

A motion to approve the October 27, 2023 minutes as amended.

MOTION: Wendy Howard

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F.1.A. President's Report

Mr. Wes Colfax had nothing to report and noted they in the process of getting a new finance director for the Town of Loomis.

F.2.A. CJPRMA Report

Marcus Beverly noted that we will be discussing some items later in the agenda are not anticipating any changes to the SIR or coverage at this time. The largest member of CJPRMA has given notice to leave at the end of the policy period but it is not certain if they will be leaving at this time.



F.2.B. ERMA Report

Muriel Howarth Terrell provided ERMA is going to be doing an update to Personnel Policy manuals and each member will be assigned a counsel to review so they will be making a request to members to submit their policies for review. Additionally, it was noted there is a training set for next week in Napa so there will be more to report in the future.

F.2.C. LAWCX Report

Marcus Beverly provided a review of the LAWCX meeting and noted that the Excess has increased and the LAWCX pool rates decreased. He mentioned that LAWCX is in pretty good shape similar to PRISM and no future assessments are anticipated.

F.3. Alliant Update

- a. VectorSolutions – Admin Updates**
- b. ERMA Training Reminder**

Michelle Minnick reminded the Board members of the training services provided by VectorSolutions and announced that Program Administration are seeking updated contacts at the city level in an effort to increase utilization on the platform. Additionally, members who participate in ERMA were reminded to consider hosting training for FY 24/25 as ERMA will be reaching out to request host cities. Members who do not participate in ERMA were encouraged to reach out to obtain a quote

G. FINANCIAL

G.1. SCORE FINANCIAL AUDIT FOR PERIOD ENDED JUNE 30, 2023

Amy Meyer provided the Board with a review of the Audited Financial Report for Year Ending June 30, 2023. Maze provided an unmodified opinion and noted that the Management Discussion and Analysis was completed by the Program Administration and the accountant. Net increase of \$643k and that change is due to the negative fair value assessment (negative \$200k) – see on page 10 the comparison for claims - claims paid \$1.5m compared to \$1.M from the prior year. Historically, other programs have a small net position included in the .354m for other programs. She additionally noted there was one other matter related to the misstatements in the June 30th Treasurer's Report as there was a new account that was set up and that has already been corrected earlier in this meeting. There were no material weaknesses to report and no other information items to report other than changes to the GASB which did not affect SCORE's finances.

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

MOTION: Wendy Howard

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

G.2. QUARTERLY FINANCIAL REPORT – PERIOD ENDED SEPTEMBER 30, 2023



Kevin Wong provided a review of the Quarterly Financial Report – Period Ended September 30, 2023. After a brief review Marcus Beverly added some comments and noted that the Property Banking layer is increasing.

A motion was made to accept and file.

MOTION: Dustin Reif

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

G.3.A. CJPRMA UPDATES - CASH ASSESSMENT

Marcus Beverly provided the Board with notice that CJPRMA has approved an assessment for \$138,315 for the SCORE group for the review of the period FY 12-13 to FY 16-17. CJPRMA doesn't use an Ex Mod and those with certain high loss ratios have been surcharged, it was mentioned that SCORE has not been surcharged as they throw out the largest loss but there are 2 claims of concern coming down the pike and may be surcharged later). The recommendation is to pay the full balance due so we will not earn interest – it was additionally noted the ELF is an extra catastrophe fund that has been released to help address the assessment. We may consider moving to a higher SIR (move to \$1M from \$750K) at some point in the future.

A motion was made to approve as allocated in the staff report.

MOTION: Wendy Howard

SECOND: Pamela Eastlick

**MOTION CARRIED
UNANIMOUSLY**

G.3.B. CJPRMA UPDATES – POTENTIAL INCREASE IN LIMITS

Marcus Beverly provided that there are some groups that are exploring increasing limits in the excess liability layer and we were approached to see if SCORE would be interested as well. After a discussion direction was provided to request pricing for a higher limit.

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

Kevin Wong provided a review of the dividend calculation. He noted SCORE has a process where we look at the shared layer first and then that flows into the banking layer to address any deficit position. After a review of the calculation Marcus Beverly additionally noted that we are considering using the Dividend/Assessment plan to help fund the CJPRMA Assessment noted in the prior item.

A motion was made to approve a dividend \$300k from the Liability program.

MOTION: Dan Newton

SECOND: Kyle Knopp

**MOTION CARRIED
UNANIMOUSLY**

After the motion as approved the Board considered a second motion to increase the dividend release.



A motion was made to approve a dividend of \$440k from the Liability Program which includes funding the CJPRMA Assessment of \$140K.

MOTION: Todd Juhasz **SECOND:** Wendy Howard **MOTION CARRIED**
AYES: Stahl, Eastlick, Palmer, Heathcock, Le Blanc, Dunn, Murphy, Coelho, Rundel, Elsnab.
NAYS: Reif, Howard, Newton, Knopp.
ABSTAIN: Bergson.

G.5. GILBERT ACCOUNTING CONTRACT UPDATE

Restatement of their contract and it was noted that we are required to have a conflict of interest statement per CAJPA Accreditation. This has been reviewed by Byrne Conley to meet the new CAJPA Accreditation standard.

A motion was made to approve the contract as presented.

MOTION: Dustin Reif **SECOND:** Jenny Coelho **MOTION CARRIED**
UNANIMOUSLY

G.6. CITY OF ISLETON PAYROLL ADJUSTMENT REQUEST

Charles Bergson from the City of Isleton provided the Board with a request to reduce their payroll and provided the board with a review of how the error occurred. There was a discussion among the Board and the Board was asked to re-consider the city's request to reduce the payroll without the requirement to provide an amended DE-9.

There was no motion made on this item and there was no action taken.

H. JPA BUSINESS

H.1. STRATEGIC GOALS – CLAIM ANALYSIS AND ACTION PLAN

Marcus Beverly provided a review of the Strategic Goals from the SCORE Strategic Planning meeting and noted the efforts that Program Administration will be taking over the next year. For this October we will focus more on Strategic Planning as opposed to training that we have done in past years. Marcus noted that we have explored the claims using the iMetrics report from George Hills. It was noted that there will be years that we have a higher than 100% closing ratio. Lastly, Marcus provided a list of claims that have closed in the last year.

A motion was made to update the Strategic Goals as presented.

MOTION: Kathy LeBlanc **SECOND:** David Dunn **MOTION CARRIED**
UNANIMOUSLY
Absent: Charles Bergson



H.2. UNDERWRITING POLICY REVIEW – FUNDING FORMULA

Marcus Beverly provided the Board with a review of the Underwriting Policy and provides an overview of our underwriting standards. The Board was asked to review and consider any changes. Marcus reviewed the MPD's for the Liability and Workers' Compensation to show how this is calculated. Marcus will work with Mike Harrington and will discuss any potential new language. There was a discussion about the Mini-Cities Payroll threshold and if that should be increased. Additionally, it was mentioned SCORE should explore potentially setting a rate for Public Safety.

A motion was made to approve the Underwriting Policy with no changes.

MOTION: Dustin Reif

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

H.3. SCORE SERVICE PROVIDER SURVEY RESULTS

The members were encouraged to review the results of the SCORE Service Provider Survey and share any thoughts related to the vendors. After a review and discussion it was generally agreed members were satisfied with the services being provided.

A motion was made to accept and file the survey results.

MOTION: Dustin Reif

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

H.4. SCORE PROPERTY APPRAISALS

Marcus Beverly provided the Board with a reminder we have completed Appraisals every 5 years and the Board is being asked to consider if we would like to get appraisals in FY 24/25. Members were reminded that values have been trended annually to keep up with inflation. After a discussion members were generally agreeable to go through with the appraisals during the next fiscal year.

Program Administration was provided with direction to obtain property appraisal firm pricing.

MOTION: Wendy Howard

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

H.5. SCORE WORKERS' COMPENSATION CLAIMS AUDIT PROPOSAL

Marcus Beverly provided a review of the North Bay Associates Proposal and noted there are not many firms perform these types of audit. He noted we have budgeted for this expense in the current year.



A motion was made to approve the proposal as presented.

MOTION: Wendy Howard

SECOND: Tim Rundel

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

H.6. GEORGE HILLS PRICING PROPOSAL

Marcus Beverly noted that the George Hills contract allows for a \$90k fee for the first year and has proposed a 3.3% increase for next year. It was noted that we requested to keep the admin fee the same for the next 4 years and they agreed to a 3.3% and we will come back at the next meeting with an amendment to the agreement.

A motion was made to approve the fee increase.

MOTION: Wendy Howard

SECOND: Todd Juhasz

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

Danielle Buri-Beaton from Intercare provided the Board with a high level overview of the current Workers' Compensation Claims status. Additionally, she provided a review of the Workers' Compensation claims reporting instructions. Members were reminded that they can report claims to Intercare as an "incident only" if they require medical treatment and no lost time from work.

H.7. STATE OF THE MARKET

Conor Boughey presented the Board with information about the State of the Insurance Market – he provided a review of the current market trends and recent losses that have impacted the market.

H.8. FY 24/25 RENEWAL MARKETING PLAN

Marcus Beverly noted that LAWCX rates are going down and we are expecting a flat renewal. He noted that we are going to stick with \$750 SIR in the liability program and mentioned that the re-insurance market is driving a lot of the increase (15-20%). Property increases are anticipated due to losses in the market.

H.9. FY 24/25 SERVICE CALENDAR

Michelle Minnick provided a review of the SCORE FY 24/25 Service calendar – after a discussion it was noted this will be brought back as a Consent Calendar item at the next SCORE Board meeting.

A motion to accept and file the FY 24/25 Service Calendar.



MOTION: Dustin Reif

SECOND: Wendy Howard

**MOTION CARRIED
UNANIMOUSLY**

Absent: Charles Bergson

H.10. FORM 700 REPORTING – ANNUAL FILING DEADLINE APRIL 2, 2024

Michelle Minnick provided the Board with notice of the FPPC form 700 Filing deadline of April 2, 2024. 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.

I. GENERAL RISK MANAGEMENT ISSUES

Chris Carmona from George Hills provided a reminder that if a City's claim form previously mentioned a limit that changed in 2024 (limited jurisdiction went from \$25k to \$35k) – if this is currently listed on your City's claim form then you will need to update the reference on the form. It was additionally noted that First Amendment Auditors such as Bay Area Transparency are happening with more frequency and SCORE members were encouraged to train their staff and have appropriate signage to help respond if it occurs at your city. Members were reminded if their staff feels the auditor is acting aggressively and the employees feel unsafe they were encouraged to vocalize that to the auditor. Additionally, it was noted that PRISM provides First Amendment Auditor training if members are seeking that training. There was also a brief discussion related to the legal use of marijuana as it relates to Police Departments.

J. INFORMATION ITEMS

J.1. Glossary of Terms

This was provided as an information item only.

J.2. FY 23/24 Resource Contact Guide

This was provided as an information item only.

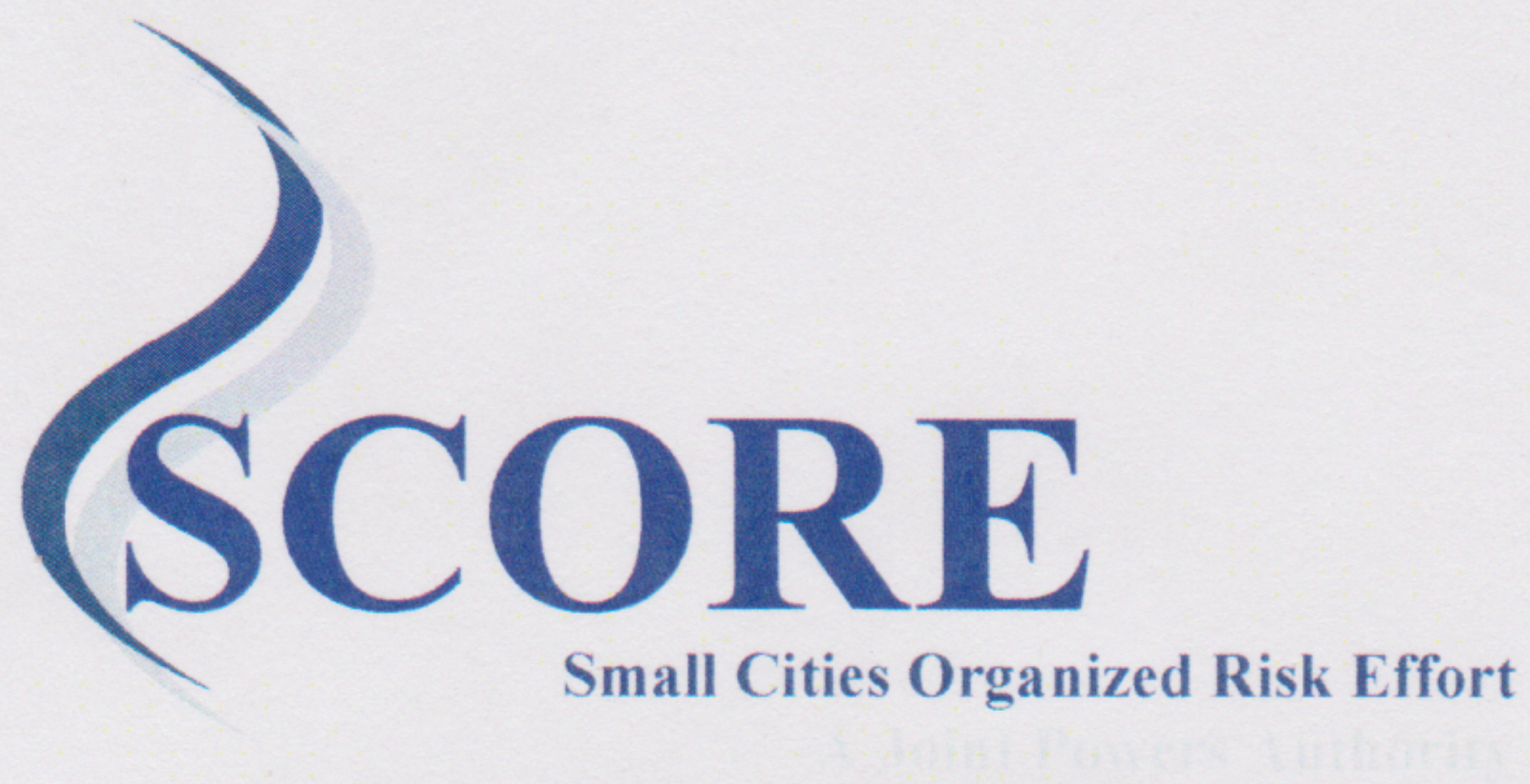
K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY

1. Liability

a. Shoemaker v. Dunsmuir**

L. REPORT FROM CLOSED SESSION

The Board returned from closed session at 2:08 P.M. Mr. Heathcock reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.



M. CLOSING COMMENTS

Tim Rundel noted that Anna Guzman has passed away, survived by her husband and two sons, and grandchild on the way.

N. AJOURNMENT

The meeting was adjourned at 2:10 PM

NEXT MEETING DATE: March 29, 2024 Gaia Hotel, Anderson CA

Respectfully Submitted,

Muriel Terrell

Muriel Terrell, Secretary

6/21/24
Date