



MEETING DATE: February 11, 2025

AGENDA ITEM: 6. Insurance Update: Small Cities Organized Risk Effort (SCORE)

FROM: Adam Cox / Jon Kennedy

RE: SCORE Update

BACKGROUND:

The City recently received notice from its primary insurance pool, Small Cities Organized Risk Effort or "SCORE", that Isleton's membership in the group (and therefore its insurance coverage) was being cancelled by the SCORE Board of Directors.

EXECUTIVE SUMMARY:

On January 15, 2025, the City received notice from SCORE that the SCORE Executive Committee was recommending to the full SCORE Board of Directors to cancel Isleton's participation in the insurance pool. The full SCORE Board met on January 24 and voted to stay an immediate cancellation of participation/coverage and, further, to rescind a future cancellation notice if the City can continue to adhere to the recently offered payment plan. The plan calls for the City to make payments of \$15,000 in January, February, and March. The January payment was delivered to SCORE on January 24.

Even with payment of three \$15,000 monthly installments, Isleton will still owe SCORE approximately \$166,000 by June 30, which represents the entire amount of the 2024-25 insurance premiums.

RECOMMENDATION:

It is recommended that the City Council confirm staff's intention to pay SCORE in full by the end of the fiscal year.

FISCAL IMPACT:

Approximately \$211,000 of general fund and non-general fund dollars.

ATTACHMENTS:

A. SCORE ISLETON BOD TERMINATION NOTICE



February 5, 2025

Adam Cox, City Manager
City of Isleton
101 2nd Street
Isleton, CA 95641

SUBJECT: Notice of Termination of SCORE Membership

Dear Adam:

I'm writing as a follow up to our previous correspondence regarding the SCORE meeting of January 24, 2025, and the Board's decision to issue a 90-day notice to terminate Isleton's participation in the group due to a growing outstanding balance and uncertainty over the ability to pay it.

The city's representatives stated maintaining coverage was their top priority, and the city had the ability to pay \$15,000 per month in January, February, and March, with the goal of paying the entire balance due by June 30, 2025. A check for \$15,000 was delivered at the meeting. Taking the city's desire to remain a member and maintain their coverage, the Board made the following motion:

A motion was made to provide a 90-day Notice of intent to terminate the City of Isleton. The termination notice is stayed if the \$45k amount (paid in \$15,000 installments for Jan, Feb, March) has been paid by the March Board meeting. At the March Board meeting the Board will be presented with the City of Isleton's draft budget for FY 25/26 and the Board will determine if SCORE will require the full payment to be submitted by June 30, 2025.

We look forward to Isleton's continued payment and participation at the March 28, 2025, SCORE Board meeting. At that time the Board will review Isleton's financial status and determine if the full amount of the outstanding balance will need to be paid by June 30, 2025, to maintain membership.

I want to express the Board's desire for Isleton to remain a member of SCORE and appreciation for the city's representatives' attendance at the meeting to present their proposal directly to the members.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marcus Beverly", is written over a light blue circular stamp.

Marcus Beverly
Program Director