

Housing Authority of the



City of Riverbank

Burney Villa Homes ▪ Henrietta F. Rossi Apts. ▪ Fred W. Scheala Apts

DATE: October 15, 2018
TO: Board of Commissioners
FROM: Barbara Kauss, Executive Director
SUBJECT: Discontinuance of California Housing Workers' Compensation Authority

PREPARED BY: Linh Luong, Director of Finance

Resolution No. 725

The Housing Authority of the City of Riverbank (HACR) currently has contracted staffing with the Housing Authority of the County of Stanislaus (HACS). The HACR has not had any payroll since December 2016. The Workers' Compensation Insurance is required by law if a business employs one or more employees. Even though the HACR has no payroll, the administrative fee to remain a member of the California Housing Workers' Compensation Authority (CHWCA) is \$7,245.00 for calendar year 2017 and \$7,474.00 for calendar year 2018.

Staff recommends HACR to forego CHWCA membership to conserve on operating cost. The fiscal impact is a savings to the annual budget with no other consequence. The California Housing Workers' Compensation Authority letter designating cost is attached.

California Housing Workers' Compensation Authority

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833

(800) 541-4591 FAX (916) 244-1199

December 15, 2017

Ms. Barbara Kauss
Riverbank Housing Authority
P.O. Box 581918
Modesto, CA 95358

Subject: CHWCA Member Contribution Package for 2018

Dear Ms. Kauss:

Enclosed is a CHWCA invoice representing the first quarter installment for Riverbank's 2018 Workers' Compensation Contribution. The 2018 annual contribution will be collected in four quarterly installments. Your agency's 2018 contribution and effective rates are developed using the following factors: estimated payroll in the amount of \$8,349, CHWCA layer funding, excess insurance funding, your agency's experience modification factor of 1.020, claims servicing fees, the DIR assessment, and administration fees, for a Total Contribution of **\$7,474**. Below is your agency's effective rate for each payroll classification, should you need to utilize this information for internal allocation purposes.

Please keep in mind that these effective rates are inclusive of all of the factors listed above, **including your experience modification factor**; therefore you may apply these rates directly to your gross payroll to arrive at your approximate year- end total workers' compensation liability for 2018.

<u>Class</u>	<u>Effective Rate</u>
8810	
8742	
9033	89.518
5403	

The Executive Committee has approved a payroll reconciliation method whereby at the end of each program year, the "estimated" payroll used to develop your current contribution will be reconciled to the "actual" payroll reported during the four quarters of the program year. This payroll reconciliation will result in your agency receiving either a credit or an invoice during the first quarter of 2018 for the 2017 program year.

Further, the following document is also enclosed with this 2018 Contribution Package:

- The 2018 CHWCA Final Operating Budget for your files. The budget includes contribution detail by member as well as comparison information to last year's budget. It also includes the detailed calculation of CHWCA's experience modifications ("ex-mods"), approved at the August 2017 EC meeting, using the following parameters:
 - Three-year range of payroll and loss data to determine both expected and actual losses;
 - Individual losses capped at \$100,000;
 - Credibility factor based on the experience of the entire group;
 - A minimum ex-mod factor of 0.75 and a maximum of 1.50.
 - Change in ex-mod from prior year to be capped at .10 in the first year; subsequent years to be capped at .25 change.



CHWCA Member Contribution Package for 2018

Please note the following CHWCA Bylaws sections that pertain to the submissions of premium payments and payroll reporting.

Premium Billings

The existing Bylaws Sections J.2.b. and d. specify that premium payments will be due within 30 days from the date of billing. There will be a five working-day grace period before the application of penalties and interest. Payments not received within 30 days from the date of billing will be assessed a penalty of 1% of the unpaid amount, and an additional penalty of 1% after an additional 45 days of non-payment. Further, interest shall accrue at the rate of 10% per annum.

Quarterly Payroll Submissions

The existing Bylaws Section J.2.b. also specifies that quarterly payroll submissions (including the quarterly DE-9C and the CHWCA Payroll Report Form) are due within 30 days of the end of each quarter. There will be a five working-day grace period for report submissions.

I am pleased to remind you that CHWCA accepts payments via ACH. Transfer instructions are posted on the CHWCA website. Please contact Yahaira Martinez at (800) 541-4591, extension 19019, should you need assistance.

Please feel free to contact me at (800) 541-4591, extension 19146, or by email at rsharma@bickmore.net should you have any questions.

Thank you!

Best Regards,



Ritesh Sharma
Finance Manager

cc: Ric Burwell, CPCU, ARM
Executive Director

Enclosures

Housing Authority of the City of Riverbank

Burney Villa Homes ▪ Henrietta F. Rossi Apts. ▪ Fred W. Scheala Apts

RESOLUTION NO. 725

RESOLUTION APPROVING THE DISCONTINUANCE OF CALIFORNIA HOUSING WORKERS' COMPENSATION AUTHORITY (CHWCA)

WHEREAS, the Housing Authority of the City of Riverbank (HACR) has contracted staffing with the Housing Authority of the County of Stanislaus; and

WHEREAS, the HACR has not had any payroll activities since December 2016; and

WHEREAS, the discontinuance of California Housing Workers' Compensation Authority (CHWCA) will conserve the annual operating cost;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Riverbank, that

1. The Executive Director is hereby authorized to discontinue the California Housing Workers' Compensation Authority membership.
2. This Resolution shall take effect immediately.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Housing Authority of the City of Riverbank this 15th day of October, 2018

On a motion of Commissioner _____, seconded by Commissioner _____, and of the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Attest: _____
Secretary

Approved _____
Chairman