SCORE
Small Cities Organized Risk Effort
A Joint Powers Authority

President
Mr. Roger Carroll
Town of Loomis

Vice President
Mr. Kelly McKinnis
City of Weed

Secretary
Ms. Pamela Russell
City of Etna

Treasurer
Ms. Linda Romaine
Town of Fort Jones

SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING

Date: **Friday, March 22nd, 2013**
Time: **10:00 AM**

Location: **GAIA Shasta Hotel**
4125 Riverside Place
Anderson, CA 96007
(530) 365-7077

A Action
I Information

1 Attached
2 Hand Out
3 Separate Cover
4 Verbal
5 Previously Mailed

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED A 1

D. PUBLIC COMMENTS
This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.

Pg.1 **E. CONSENT CALENDAR** A 1
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request any item to be considered separately.

Pg.2 1. Board of Directors Meeting Minutes – January 25, 2013
Pg.12 2. Local Agency Investment Fund (LAIF) Statement of Investments –December 2012
Pg.13 3. Union Bank Account Statement – January & February 2013
Pg.39 4. SCORE Account Transaction List – January & February 2013
Pg.40 5. Investment Statements from Chandler Asset Management – January & February 2013
   a. Account 590
      i. Portfolio Summaries
      ii. Compliance Report
Pg.46 6. ACI Specialty Utilization Report – February 28, 2013
Pg.54 7. York Claims Bill Review – January & February 2013
Pg.55 8. SBK Monthly Statement – January & February 2013
Pg.59 9. LAWCX Claims Audit

The Small Cities Organized Risk Effort or SCORE, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

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Pg.71 **F. COMMITTEE REPORTS** I 4
Pg.72 1. ERMA Board of Directors Minutes – February 15, 2013
Pg.89 2. LAWCX Executive Committee Minutes – February 26, 2013

G. ADMINISTRATIVE REPORTS

1. President's Report I 4
*Roger Carroll will address the Board on items pertaining to SCORE - **VERBAL***

2. Alliant Update I 4
*Susan Adams will update the Board on Alliant matters pertinent to SCORE - **VERBAL***

3. CJPRMA Update I 4
Roger Carroll will provide the Board with an update action taken at the March 21, 2013 CJPRMA Board Meeting.

4. LAWCX Update I 4
Susan Adams and Ted Marconi will provide the Board with an update on action taken at the February 26, 2013 LAWCX Executive Committee meeting and March 11, 2013 Underwriting Committee meeting.

5. Risk Control Services

Pg.90 **a. Risk Management – 20 Practical Steps to Claims Avoidance** I 1
Mr. Jack Kastorff will present to the Board a White Paper on current loss trends and the "20 Practical Steps to Claims Avoidance" as requested by the Board at the Long Range Planning meeting in October, 2012.

Pg.93 **b. Discussion of Risk Management *SCOREcards* for use in City Risk Assessments** I 3
Mr. Jack Kastorff will address the Board regarding use of SCOREcards as respects analyzing risk exposures of individual members. This request was made at the Long Range Planning meeting in October, 2012.

Pg.94 **c. Sanitary Sewer and Wastewater Management Training Update** A 4
Ms. Susan Adams will address the Board on feedback received from this training held on February 19th and 20th and request Board input on holding future group training seminars on this topic from David Patzer. Claims from this exposure remain SCORE's larges loss leaders.

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H. FINANCIAL

Pg.96 **1. Chandler Asset Manager – Report from Investment Manager** I 1
Mr. Ted Piorkowski will be in attendance to provide the Board with a presentation on SCORE's investment portfolio, as well as to provide a glimpse of how the current economic climate will impact future investment returns.

Pg.123 **2. Approval of Investment Policy Amendments** A 1
Annually, the Board reviews, approves or requests amendments to SCORE's Investment Policy. Chandler Asset Manager is recommending amendments to our policy. Ted Piorkowski will be in attendance to discuss these recommendations to the Board.

Pg.131 **3. Approval of Internal Controls & Guidelines for Investments** A 1
Annually, The Board reviews, approves or requests changes to SCORE's current Internal Controls and Guidelines for Investments.

I. JPA BUSINESS

Pg.137 **1. ACI – Employee Assistance Program Renewal** A 1
ACI's EAP program with SCORE renews September 15, 2013. The Board should review and approve the renewal for one year. Rates are the same as expiring. The Board should also review their employee headcount for accuracy in determining their costs and advise staff of any changes.

Pg.143 **2. 2013/2014 Liability Actuarial Study** A 1
Mr. Mike Harrington from Bickmore will present the Liability actuarial study for 2013/2014 to the Board for review and approval.

Pg.154 **3. 2013/2014 Workers' Compensation Actuarial Study** A 1
Mr. Mike Harrington from Bickmore will present the Workers' Compensation actuarial for 2013/2014 to the Board for review and approval.

Pg.167 **4. 2013 /14 SCORE Preliminary Budget** I 2
Members will be asked to review the 2013/2014 Preliminary Budget and provide staff with direction as necessary. This budget was developed using a 3% increase from the current budget per the Board motion and approval at the October 25, 2012 Board meeting.

Pg.168 **5. LAWCX Premium Refund Distribution** A 1
The Board will review the LAWCX Premium Refund Allocation calculations and decide whether to apply the amount towards the 2013-14 premiums or distribute it back to the members.

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Pg.172	**6. Review and Declaration of the FYE 2012 Liability Retrospective Distributions.** *The Board will review and discuss the attached Equity Distribution presentation to determine the amount of dividend/distribution to be declared.*	A	1
Pg.173	**7. Review and Declaration of the FYE 2012 Workers' Compensation Retrospective Distributions** *The Board will review and discuss the attached Equity Distribution presentation to determine the amount of dividend/distribution to be declared.*	A	1
Pg.174	**8. Request for Dividend Distribution from Prior Members of SCORE** *The Board will review, discuss and take action on distribution requests received from prior Members.*		
Pg.175	a. City of Crescent City	A	1
Pg.176	b. City of Ione	A	1
Pg.177	c. City of Williams	A	1
Pg.178	**9. SCORE Property Appraisals Update** *Staff will provide the Board with an update on the status of the property appraisals.*	I	4
Pg.179	**10. Financial Audit Services Request for Proposals Update** *Staff will update the Board on the status of the Financial Audit Services RFP issued in February 2013. Proposals are due March 29, 2013.*	I	4
Pg.180	**11. City of Tulelake – Request for Payment Plan for 2013/14 Contributions** *The Board should review and discuss if they will approve a Quarterly payment plan for The City of Tulelake for the 2013/14 year.*	A	1
Pg.182	**12. Risk Management – Member Insolvencies White Paper** *The Board of Directors will accept and file the SCORE Risk Management White Paper on "Emerging Financial Issues and Member Insolvencies" prepared by the JPA counsel, Byrne Conley and presented by Ms. Susan Adams.*	A	2
	13. June 2013 Board of Directors Meeting Location - *VERBAL* *Ms. Susan Adams will address the Board with an announcement regarding the upcoming June 2013 Board meeting which will take place in the City of Shasta Lake.*	I	4
Pg.183	**14. SCORE Annual Training Day – October 24-25, 2013** *Staff will seek Board input on topics and suggested meeting venues for the 2013 Training Day and Board Meeting and provide staff with direction.*	I	4

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Pg.184 **J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**
**REQUESTING AUTHORITY

1. **Liability**
   a. Ralston vs. City of Weed**

2. **Workers' Compensation**
   a. Brian Brown vs. City of Susanville**
   b. Thomas Downing vs. City of Susanville**

K. REPORT FROM CLOSED SESSION I 4

L. INFORMATION ITEMS I

Pg.185 1. 2013 CAJPA Fall Conference - Sept. 10-13, 2013 in South Lake Tahoe, CA 1
Pg.187 2. SCORE Resource Contact Guide 1

M. CLOSING COMMENTS

ADJOURNMENT

UPCOMING MEETING

Board of Directors Meeting – June 28, 2013 – TBD, Shasta Lake, CA

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Laurence Voiculescu at Alliant Insurance at (916) 643-2702.

The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item E.

CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board and, if there is any item requiring clarification or amendment, such item should be pulled from the agenda for separate discussion. The Board should adopt the Consent Calendar excluding those items pulled.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be pulled from the Consent Calendar by a member will be placed back on the agenda in an order determined by the President.*

FISCAL IMPACT: None

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption. The Board may accept the Consent Calendar as presented, or pull any items for discussion and separate action and then approving the remaining items.

ATTACHMENT:

1. Board of Directors Meeting Minutes – January 25, 2013
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments –December 2012
3. Union Bank Account Statement – January & February 2013
4. SCORE Account Transaction List – January & February 2013
5. Investment Statements from Chandler Asset Management – January & February 2013
   a. Account 590
      i. Portfolio Summaries
      ii. Compliance Report
6. ACI Specialty Utilization Report – February 28, 2013
7. York Claims Bill Review – January & February 2013
8. SBK Monthly Statement – January & February 2013
9. LAWCX Claims Audit

SCORE
Small Cities Organized Risk Effort
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Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
January 25, 2013

Member Cities Present:

John Busch, City of Biggs
Bruce Kranz, City of Colfax
Robert Baldwin, City of Dorris
Brenda Bains, City of Dunsmuir
Pamela Russell, City of Etna
Linda Romaine, Town of Fort Jones
Robert Jankovitz, City of Isleton
Satwant Takhar, City of Live Oak
Roger Carroll, Town of Loomis
Crickett Strock, Town of Loomis
Kathy LeBlanc, City of Loyalton
Janie Sprague, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta
Ted Marconi, City of Mt. Shasta
Leslie Tigan, City of Portola
Stephanie Beauchaine, City of Rio Dell
John Duckett, City of Shasta Lake
Laura Redwine, City of Shasta Lake
Gwenna MacDonald, City of Susanville
Jared Hancock, City of Susanville
Steve Baker, City of Yreka

Member Cities Absent:

Randolph Darrow, City of Tulelake
Ron Stock, City of Weed

Consultants & Guests

Susan Adams, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Laurence Voiculescu, Alliant Insurance Services
Tom Baber, York Risk Services
Cameron Dewey, York Risk Services
Trisha Engle, York Risk Services
Debra Yokota, York Risk Services
Kevin Wong, Gilbert Associates, Inc.
Tracey Smith-Reed, Gilbert Associates, Inc.
Jack Kastorff, SBK Risk Services

A. CALL TO ORDER

Mr. Roger Carroll 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 Weed and the City of Tulelake.

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C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Ted Marconi **SECOND:** Steve Baker **MOTION CARRIED**

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors & Long Range Planning Meeting Minutes – October 25 & 26, 2012
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments –December 2012
3. Union Bank Account Statement – October - December 2012
4. SCORE Account Transaction List – October – December 2012
5. Investment Statements from Chandler Asset Management – Oct. – Dec. 2012
   a. Account 590
      i. Portfolio Summaries
      ii. Compliance Report
6. ACI Specialty Utilization Report – December 31, 2012
7. York Claims Bill Review – October - December, 2012
8. SBK Monthly Statement – October – December, 2012
9. Target Solutions Quarterly Utilization Report – December 31, 2012
10. 2013 SCORE Service Calendar

Ms. Susan Adams noted that the last item on the Consent Calendar is the 2013 Service Calendar, which is a working list of tasks to be completed in the following year, and is provided for information purposes.

A motion was made to approve the Consent Calendar as presented.

MOTION: Linda Romaine **SECOND:** Leslie Tigan **MOTION CARRIED**

F. COMMITTEE REPORTS

F1. ERMA Board of Directors Minutes – November 19, 2012
F2. LAWCX Board of Directors Minutes – November 11, 2012

G. ADMINISTRATIVE REPORTS

G1. President's Report

Mr. Roger Carroll had no issues to report at this time.

G2. Alliant Update

Ms. Susan Adams introduced Laurence Voiculescu as Alliant's newest staff member. Mr. Voiculescu will be SCORE JPA's Administrative Assistant and will replace Johnny Yang as the main Administrative Assistant for SCORE.

Ms. Adams also inquired if anyone will be attending the PARMA (Public Agency Risk Management Association) conference this year. The conference will take place on February 3-6, 2013 in Rancho Mirage, CA. For next year, the conference will take place in San Jose, CA and will be more convenient to attend.

G3. CJPRMA Update

Mr. Roger Carroll advised that CJPRMA will be going forward with their new Workers' Compensation Program. That said, due to the high attachment limit of $500,000, SCORE's Board of Directors did not consider this new excess Workers' Compensation program to be a viable alternative for SCORE at this time.

CJPRMA also adopted their new actuarial study which has relevance to SCORE as it provides for a lower rate in the following year ($0.753 per $100 of payroll, down from $0.762/$100 of payroll). There was also a proposed re-distribution of $64,000, which historically has been applied towards the next year's premium.

Mr. Carroll also advised the Board that there was a lawsuit involving the County of Santa Clara and an improper claim reporting incident by the County clerk. In essence, the case alleged improper claims handling by the County of Santa Clara and its staff. The verdict given by the appellate court was that if a claim is turned in and accepted by the City staff, the claim is considered reported. As such, City staff should exercise extreme care when accepting a claim form as once it is turned in, the City is responsible to forward it to the proper department.

CJPRMA has advised all member entities to make certain that a claim is being reported to the proper entity and department, before accepting it from the claimant. If the clerk determines that a claim is not being reported to the correct entity/department, the claim should not be accepted. Mr. Carroll also made it clear that it is not the City's responsibility to assist claimants in filing and reporting claims.

G4. LAWCX Update

Susan Adams gave an update on the LAWCX Board of Directors Meeting from November 2012. She advised that the LAWCX Board did discuss SCORE's request to increase their self insured retention to $250,000 per claim. Ms. Adams stated that LAWCX requires underwriting committee approval before allowing the SIR increase but this should not be an issue for SCORE.

Another discussion point was their discounting rate of 4.5% which is not in line with the real earning figures, with real returns being much lower.

LAWCX also hired a new Executive Director to replace Karen Thesing who will be leaving January 1st, 2013. The new Executive Director will be working remote from Southern California and should not affect how the organization is being run.

H. FINANCIAL

H1. Quarterly Financials for Period Ending December 31, 2012

At the Board Meeting, The Board received copies of the Quarterly Financials for the period ending December 31, 2012. Kevin Wong and Tracey Smith-Reed from Gilbert Associates, Inc were both in attendance to present the financial statements and answer any questions from members.

Ms. Tracey Smith Reed reviewed the draft report and noted that SCORE had very minor changes on the Statement of Net assets, showing lower Cash Reserves than in the previous year. This was due to the redistribution of dividends as well as lower investment returns in the previous period. Operating cash expenses did not show a notable increase over the previous year.

Chandler investment returns showed to be favorable with a slight increase in revenues and the reinvestment of earned dividends.

The decrease in the Member Accounts Receivables was driven by the last retroactive distribution that was applied to the Member Assessments, although this number will be decreasing as Members are issued dividends.

On the Statement of Net Assets, Ms. Reed noted that most of the changes are appearing in the claims payable section due to actuarial adjustments made at year end. Overall however, Net Assets increased by $191,000.

That said, Ms. Reed indicated that there was a decrease in the Managed Portfolio due to lower overall returns from investments driven by the unfavorable investment climate. She also advised the Board to expect a continued decrease in investment revenues as maturing investments are sold and new, lower yield instruments are purchased, as dictated by SCORE's investment policy.

Workers' Compensation is showing a loss in net assets of approximately $50,000 but this is not indicative of a trend and Gilbert will continue to monitor how it evolves over time.

Mr. Michael Simmons inquired on whether the financial data was computed on an accrual basis. Mr. Kevin Wong indicated that the financial data is generated on an accrual basis and all claims expenses reflect actuarial estimates.

A motion was made to approve the Draft Financials for period ending December 31, 2012.

MOTION: Ted Marconi **SECOND: Kathy Le Blanc** **MOTION CARRIED**

I. JPA BUSINESS

I.1. SCORE Long Range Planning – Review of Items Discussed and Actions Taken

Ms. Susan Adams advised the Board that the list on the agenda cover is provided as a review of what was discussed at the October 2012 Long Range Planning Meeting. She then went on to briefly outline the discussion points and action taken by the Board at the October meeting.

She then advised that there are updated Item write-ups located in the current Agenda packet with a brief summary of each item and action taken.

I.2. SCORE Long Range Planning Action Plan

Ms. Adams addressed the Board of Directors regarding *Program Funding* and outlined that the Board's decision was to keep premiums relatively stable, allowing for a maximum increase of 3%, and if needed, the remainder will be recovered from equity. This will be ongoing for a three (3) year term at which point the Board will reassess the JPA's financial state and discuss how to proceed forward.

Workers' Compensation will be subject to an increase in SIR to $250,000, up from the $150,000 retention level. The decision was made to take on more risk due to the very favorable claims experience as well as the negligible difference in cost when comparing actuarial projections with the reduction in premium payable to LAWCX.

On the topic of *Risk Management - Sewer backups*, the SCORE Board decided to seek training opportunities from industry specialists. Ms. Susan Adams reminded members that as a member of CJPRMA, SCORE has the ability to access Mr. David Patzer, a well known expert in the industry, who has already agreed to hold two (2) training seminars in the month of February 2013. SCORE Member cities have been briefed on dates and locations for the trainings and senior level Public Works staff has been encouraged to attend and take advantage of the opportunity.

Mr. Jack Kastorff briefly talked about the "*20 Practical Steps to Claim Avoidance*" white paper and stated that it is a work in progress and will be delivered to the Board at the March 2013 meeting.

Regarding "*Member Insolvencies*", Ms. Susan Adams announced that Alliant Staff is currently working with the JPA Legal Counsel on redacting a similar white paper that was written for a Southern California JPA and will be presenting the finished document at the March 2013 Board of Directors meeting.

Mr. Jack Kastorff, SBK Risk Services also addressed the Board as respects the *SCORECards* that the Board of Directors agreed to develop and implement as part of the Individual Member Risk Assessments. Mr. Kastorff is currently working on developing a suitable format and will present the finished product at the March 2013 meeting, giving the Board of Directors a chance to review them and suggest any changes.

I.3. Retrospective Rating Calculations

Mr. Susan Adams and Mr. Kevin Wong, Gilbert Associates, Inc presented the Retrospective Calculation for the Board to review and hold a discussion on the calculated values.

Members were also sent a "Refund Generator" Excel spreadsheet that would make it easy to calculate what a member's potential dividend amount would be depending on what percentage of the available funds the Board of Directors will decide to return to members.

Ms. Susan Adams advised the Board that during the development of the Retro Calculations they have encountered issues reconciling the calculated values with the values shown on the Audited Financials. Mr. Wong stated that their end goal is to have the numbers shown on the Audited Financials match or closely resemble the output values from retro calculation process.

Mr. Wong also went on to state that they were not able to locate where the error is located at this point but that they are working diligently to track down what is driving the current difference of approximately $1.2 Million deficit in the Liability Program and approximately $800,000 surplus in the Workers' Compensation Program. Mr. Wong believes that a driving factor for the difference shown is the legacy data that is inevitably included in the Retrospective Calculations spreadsheet and the old actuarial studies that used to take into account a $2,500 out of pocket deductible that was payable by each member. This deductible no longer applies and was discontinued in 1997, creating a difference in actuarial data that has transferred over the years into the data being used today. He also encouraged the Board to remain conservative in the issuing of dividends, especially for the Workers' Compensation program as the value generated by the retro calculations is higher than the actual available amount.

Mr. Michael Simmons cautioned Members to exercise restraint on the amount of dividends they decide to distribute out of the pool, given the uncertainty of the calculations and the unknown factor that is impacting the "Available Funds". In addition, Mr. Simmons advised that it might not be possible to find where the error is located but that every reasonable effort will be made to reach an agreeable solution. He also advised that there is a possibility that the Board might need to make the decision to freeze the old data and remove it from the calculation process in order to isolate all errors in the future.

I.4. SCORE Master Plan Document Amendments

Ms. Susan Adams advised the Board that they should review the Liability Master Plan red-line strike out document attached which has been amended as respects the calculations done for the

Retrospective Rating Plan. The Board was provided notice at the October 26th Board meeting which meets the 30 days notice requirement in our Bylaws for changes to Governing documents.

The Master Plan documents contain specifics as to how the Retrospective Rating Calculations are done. During recent reviews of the rating calculations, it was discovered that clarification was required in the document and minor changes have been made to improve it.

A motion was made to approve the suggested amendments to the Liability Master Plan Documents.

MOTION: Ted Marconi SECOND: Leslie Tigan MOTION CARRIED

Ms. Susan Adams advised the Board that they should also review the Workers' Compensation Master Plan red-line strike out document attached which has been amended as respects the calculations done for the Retrospective Rating Plan. The Board was provided notice at the October 26th Board meeting which meets the 30 days notice requirement in our Bylaws for changes to Governing documents.

The Master Plan documents contain specifics as to how the Retrospective Rating Calculations are done. During recent reviews of the rating calculations, it was discovered that clarification was required in the document and minor changes have been made to improve it.

A motion was made to approve the suggested amendments to the Workers' Compensation Master Plan Documents.

MOTION: Steve Baker SECOND: Kathy LeBlanc MOTION CARRIED

I.5. SCORE Property Appraisal Services Update

Laurence Voiculescu, Alliant Insurance Services addressed the Board and introduced the updated Property Appraisal Services Schedule provided by AssetWorks, Inc.

Ms. Leslie Tigan from the City of Portola expressed that their scheduled date is a City holiday and as such will likely need to be rescheduled.

Staff agreed to contact the vendor and inform them of the required change.

I.6. SCORE Financial Audit Services Request for Proposals Draft

Ms. Susan Adams advised the Board that a draft copy of the RFP is attached to the agenda and that Staff is looking for suggestions on other vendors that should receive the RFP. She also addressed the Board and noted that the SCORE Finance Committee will have to interview the potential vendors and make a final selection before the selection deadline. The verbiage in the RFP does allow the Finance Committee to conduct oral interviews of the applicants if it so chooses. The

board reviewed the document and had no suggestions for changes. Ms. Adams advised that if anyone wants to suggest any changes they have until the following week on Friday, February 1st, 2013 to do so, otherwise the RFP will be issued as scheduled.

I.7. PEPIP Property and Cyber Liability Claims Reporting Best Practices

Ms. Adams presented the updated claims reporting procedures for Property and Cyber Liability Insurance under Alliant's PEPIP (Public Entity Property Insurance) Program which provides the Property, Pollution and Cyber Liability insurance to SCORE Members.

The Board was asked to carefully review and then distribute the claim reporting procedures to their staff accordingly as to ensure that City staff is well prepared and is aware of who needs to be contacted in the event of a loss. As was discussed at the October Long Range Planning Meeting, timely and appropriate claim reporting allows the insurance carrier to react and take control of claims before they develop into large losses.

Ms. Adams also advised that Cities should notify the insurer of any loss immediately upon becoming aware that the loss occurred.

Mr. Roger Carroll agreed to sign the Acknowledgment Form on behalf of SCORE and its Board of Directors, confirming receipt of the updated reporting information.

J. RESOURCES

a. SCORE Program Manual (*CD Version*)

Ms. Susan Adams briefly introduced the 2012-13 SCORE Program Manual to the SCORE Board of Directors. She noted that this will be the first year when this Program Manual is being offered as a digital document on a CD and members will now have the ability to easily reference the information contained in the 1752 page document.

b. SCORE Resources Contact Guide

The SCORE Resource contact guide was included in the Resources section of the agenda

Both of these items were provided as information items only.

K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 11:20 a.m., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. **Liability**

   a. Ralston vs. City of Weed
   b. Schwartz vs. City of Susanville
   c. Drury vs. City of Susanville
   d. Elliott vs. Crescent City
   e. Arth vs. City of Dunsmuir
   f. Woodsman Lodge vs. City of Mt. Shasta
   g. Hubbard vs. City of Yreka

2. **Workers' Compensation**

   a. Peter Suter vs. City of Susanville**
   b. Tom Hernandez vs. City of Susanville**
   c. Ronald Lewis vs. City of Susanville**
   d. Edwin Goulart vs. City of Mt. Shasta**
   e. Robert Stone vs. City of Portola**

L. REPORT FROM CLOSED SESSION

The Board returned from closed session at 11:51 a.m. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

M. INFORMATION ITEMS

M.1. SCORE Resource Contact Guide

This was provided as an information item only.

N. CLOSING COMMENTS

There were no closing comments.

AJOURNMENT

The meeting was adjourned at 11:58 a.m.

NEXT MEETING DATE: March 22nd, 2013 at the GAIA Shasta Hotel in Anderson, CA.

SCORE
Small Cities Organized Risk Effort
A Joint Powers Authority

Respectfully Submitted,

_____
Pamela Russell, Secretary

_____
Date

JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	S.C.O.R.E.
Account Number	40-04-001

As of 01/15/2013, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2012.

Earnings Ratio		.00000881899236296
Interest Rate		0.32%
Dollar Day Total	$	192,636,945.60
Quarter End Principal Balance	$	2,094,193.62
Quarterly Interest Earned	$	1,698.86

UnionBank

ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

MB 02 001671 72400 H 9 A

SMALL CITIES ORGANIZED RISK EFFORT
ATTN: LINDA ROMAINE
P. O. BOX 40
FORT JONES, CA 96032-0040

Account Statement

Statement Period
January 1, 2013 through January 31, 2013

Account Number
6736301210

Account Name
SMALL CITIES ORGANIZED RISK EFFORT

Relationship Manager
JEANETTE SIMMONS
415-705-7210

Investment Manager
CHANDLER LIQUID ASSET MGMT

Online Access
unionbank.com/trustandcustody

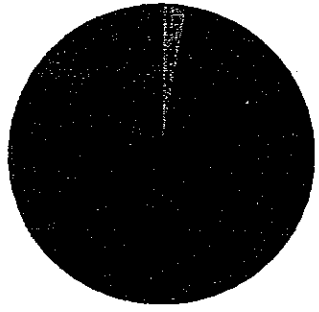
Contents

Overview of Total Account Value

Closing Value on 12/31/2012	$10,664,971.16
Opening Value on 01/01/2013	$10,664,971.16
Closing Value on 01/31/2013	$10,645,172.68
Net Change For Period	***($19,798.48)***

Overview of Account by Investment Category

Your Current Portfolio Mix



% of Total Account	Market Value	Description
2.58%	274,716.88	Cash & Cash Equivalents
81.67%	8,694,190.10	Government Obligations
15.75%	1,676,265.70	Corporate Obligations
100.00%	**$10,645,172.68**	**Total Account Value**

UnionBank

Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period
January 1, 2013 through January 31, 2013

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	274,716.88	2.58%	0.20%
Government Obligations	8,694,190.10	81.67%	1.70%
Corporate Obligations	1,676,265.70	15.75%	2.57%
Total Principal Portfolio	**$10,645,172.68**	**100.00%**	**1.80%**

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	274,668.48	274,716.88	48.40
Government Obligations	8,602,935.92	8,694,190.10	91,254.18
Corporate Obligations	1,662,950.85	1,676,265.70	13,314.85
Total Gain/Loss	**$10,540,555.25**	**$10,645,172.68**	**$104,617.43**

Cash Transactions Summary

	Principal Cash
Receipts	
Dividend	1.20
Interest	9,622.29
Sales	101,539.67
Total Receipts	**$111,163.16**
Disbursements	
Accrued Interest Paid	(122.67)
Purchases	(109,969.49)
Payments to/for Beneficiaries	(1,071.00)
Total Disbursements	**($111,163.16)**
Total Net Transactions	**$0.00**

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UnionBank

Account Number
6736301210

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Statement Period
January 1, 2013 through January 31, 2013

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
HighMark Money Market Funds								
HIGHMARK MONEY MARKET 100% U S TREASURY FD FIDUCIARY SH ***CASH MANAGEMENT SWEEP	431114503S	69,835.780	69,835.78	69,835.78	1.0000 01/31/2013	0.66%	0.00%	1.76
Disc Comm'l Paper/Bnker Accpt								
HSBC AMERICAS INC DISC COML PAPER DTD 12/20/2012 04/19/2013	40427RRK9	205,000.000	204,832.70	204,881.10	99.9420 01/31/2013	1.92%	0.26%	540.39
Total Cash & Cash Equivalents			**$274,668.48**	**$274,716.88**		**2.58%**	**0.20%**	**$542.15**

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 2.5000% 3/31/2013	912828HV5	125,000.000	128,154.72	125,478.75	100.3830 01/31/2013	1.18%	2.49%	3,125.00
UNITED STATES TREAS NTS 0.2500% 4/30/2014	912828SR2	525,000.000	525,057.42	525,330.75	100.0630 01/31/2013	4.93%	0.25%	1,312.50
UNITED STATES TREAS NTS 0.2500% 5/15/2015	912828SU5	250,000.000	248,985.21	249,647.50	99.8590 01/31/2013	2.35%	0.25%	625.00
UNITED STATES TREAS NTS 1.7500% 7/31/2015	912828NP1	225,000.000	223,067.16	232,875.00	103.5000 01/31/2013	2.19%	1.69%	3,937.50
UNITED STATES TREAS NTS 1.3750% 11/30/2015	912828PJ3	250,000.000	249,024.28	256,875.00	102.7500 01/31/2013	2.41%	1.34%	3,437.50

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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 1.5000% 7/31/2016	912828QX1	370,000.000	374,487.57	382,517.10	103.3830 01/31/2013	3.59%	1.45%	5,550.00
UNITED STATES TREAS NTS 1.0000% 8/31/2016	912828RF9	250,000.000	251,690.29	254,022.50	101.6090 01/31/2013	2.39%	0.98%	2,500.00
UNITED STATES TREAS NTS 1.0000% 9/30/2016	912828RJ1	150,000.000	149,619.64	152,355.00	101.5700 01/31/2013	1.43%	0.98%	1,500.00
UNITED STATES TREAS NTS 0.8750% 11/30/2016	912828RU6	350,000.000	350,766.80	353,580.50	101.0230 01/31/2013	3.32%	0.87%	3,062.50
UNITED STATES TREAS NTS 0.6250% 8/31/2017	912828TM2	400,000.000	398,827.51	397,188.00	99.2970 01/31/2013	3.73%	0.63%	2,500.00
UNITED STATES TREAS NTS 0.6250% 11/30/2017	912828UA6	300,000.000	298,864.29	296,931.00	98.9770 01/31/2013	2.79%	0.63%	1,875.00
Federal Govt Agency								
FEDERAL HOME LN BKS 3.8750% 6/14/2013	31339X2M5	200,000.000	200,403.10	202,758.00	101.3790 01/31/2013	1.90%	3.82%	7,750.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000.000	242,426.00	235,096.80	102.2160 01/31/2013	2.21%	4.65%	10,925.00
FEDERAL FARM CR BKS 0.9800% 9/23/2013	31331KET3	115,000.000	114,663.05	115,592.25	100.5150 01/31/2013	1.09%	0.97%	1,127.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000.000	258,142.75	256,105.00	102.4420 01/31/2013	2.41%	3.54%	9,062.50
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000.000	34,625.96	35,770.00	102.2000 01/31/2013	0.34%	2.45%	875.00

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000.000	155,568.75	154,255.50	102.8370 01/31/2013	1.45%	2.43%	3,750.00
FEDERAL NATL MTG ASSN NOTES DTD 05/15/2009 2.500% 05/15/2014	31398AXJ6	300,000.000	301,178.80	308,778.00	102.9260 01/31/2013	2.90%	2.43%	7,500.00
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000.000	259,368.20	265,777.20	102.2220 01/31/2013	2.50%	1.86%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000.000	111,171.90	106,958.00	106.9580 01/31/2013	1.00%	4.91%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	85,000.000	86,005.55	88,849.65	104.5290 01/31/2013	0.83%	2.87%	2,550.00
FEDERAL FARM CR BKS 1.6250% 11/19/2014	31331KHW3	160,000.000	164,560.00	163,889.60	102.4310 01/31/2013	1.54%	1.59%	2,600.00
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000.000	256,160.83	262,900.00	105.1600 01/31/2013	2.47%	2.73%	7,187.50
FEDERAL FARM CR BKS 0.5000% 5/1/2015	3133EANJ3	150,000.000	149,853.00	150,523.50	100.3490 01/31/2013	1.41%	0.50%	750.00
FEDERAL NATL MTG ASSN 1.0000% 5/29/2015	3135G0LB7	135,000.000	135,659.34	135,356.40	100.2640 01/31/2013	1.27%	1.00%	1,350.00
FEDERAL HOME LN BKS 2.8750% 6/12/2015	3133XWNB1	265,000.000	279,807.14	280,698.60	105.9240 01/31/2013	2.64%	2.71%	7,618.75
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000.000	283,288.50	288,673.00	104.9720 01/31/2013	2.71%	2.26%	6,531.25

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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDL NATL MTG ASSN NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	120,000.000	119,720.40	119,744.40	99.7870 01/31/2013	1.12%	0.38%	450.00
FEDERAL FARM CR BKS 2.3500% 12/22/2015	31331J6C2	120,000.000	120,434.40	126,514.80	105.4290 01/31/2013	1.19%	2.23%	2,820.00
FEDERAL NATL MTG ASSN 2.3750% 4/11/2016	3135G0BA0	275,000.000	282,544.63	291,568.75	106.0250 01/31/2013	2.74%	2.24%	6,531.25
FEDERAL HOME LN MTG CORP 2.5000% 5/27/2016	3137EACT4	310,000.000	321,083.36	329,902.00	106.4200 01/31/2013	3.09%	2.35%	7,750.00
FEDERAL HOME LOAN BANKS 2.1250% 6/10/2016	313373SZ6	200,000.000	209,390.00	210,546.00	105.2730 01/31/2013	1.98%	2.02%	4,250.00
FEDERAL HOME LOAN MTGE CORP NTS 2.000% 08/25/2016	3137EACW7	300,000.000	312,151.20	314,937.00	104.9790 01/31/2013	2.96%	1.91%	6,000.00
FEDERAL NATL MTGE ASSN NOTE 1.250% 09/28/2016	3135G0CM3	210,000.000	209,497.89	214,911.90	102.3390 01/31/2013	2.02%	1.22%	2,625.00
FEDERAL NATL MTG ASSN NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	65,000.000	65,514.15	66,728.35	102.6590 01/31/2013	0.63%	1.34%	893.75
FEDERAL NATL MTG ASSN NOTES DTD 01/09/2012 1.25% 01/30/2017	3135G0GY3	175,000.000	174,983.73	178,447.50	101.9700 01/31/2013	1.68%	1.23%	2,187.50
FEDERAL HOME LOAN MORTGAGE CORP 1.000% 03/08/2017	3137EADC0	200,000.000	196,430.40	201,516.00	100.7580 01/31/2013	1.89%	0.99%	2,000.00
FEDERAL HOME LOAN BANK BONDS 1.000% 06/09/2017	313379FW4	200,000.000	199,758.00	201,194.00	100.5970 01/31/2013	1.89%	0.99%	2,000.00

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL FARM CR BKS 0.8300% 9/21/2017	3133EAY28	160,000.000	160,000.00	159,396.80	99.6230 01/31/2013	1.50%	0.83%	1,328.00
Total Government Obligations			**$8,602,935.92**	**$8,694,190.10**		**81.67%**	**1.70%**	**$148,027.50**

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
XTO ENERGY INC 4.9000% 2/1/2014	98385XAD8	100,000.000	109,638.00	104,437.00	104.4370 01/31/2013	0.98%	4.69%	4,900.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000.000	194,130.60	192,238.20	106.7990 01/31/2013	1.81%	5.52%	10,620.00
WAL MART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	931142CQ4	190,000.000	197,746.80	196,872.30	103.6170 01/31/2013	1.85%	3.09%	6,080.00
MICROSOFT CORP NT DTD 05/18/2009 2.950% 06/01/2014	594918AB0	240,000.000	246,233.20	248,354.40	103.4810 01/31/2013	2.33%	2.85%	7,080.00
BERKSHIRE HATHAWAY INC 3.200% 02/11/2015	084670AV0	100,000.000	103,550.10	105,183.00	105.1830 01/31/2013	0.99%	3.04%	3,200.00
PROCTER & GAMBLE CO DTD 11/18/2010 1.80% 11/15/2015	742718DS5	265,000.000	258,615.14	273,575.40	103.2360 01/31/2013	2.57%	1.74%	4,770.00
GOOGLE INC 2.1250% 5/19/2016	38259PAC6	105,000.000	107,568.30	109,667.25	104.4450 01/31/2013	1.03%	2.03%	2,231.25

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
BERKSHIRE HATHAWAYFIN CORP SR NT 1.600% 05/15/2017	084664BS9	105,000.000	105,141.90	106,078.35	101.0270 01/31/2013	1.00%	1.58%	1,680.00
CHEVRON CORP DTD 12/05/2012 1.104% 12/05/2017	166764AA8	140,000.000	140,346.00	139,946.80	99.9620 01/31/2013	1.31%	1.10%	1,545.60
Collateralized Passthroughs								
HONDA AUTO RECV 2012-4 A-3 0.5200% 8/18/2016 ORIGINAL FACE VALUE $100,000.00	43813CAC4	100,000.000	99,990.32	100,003.00	100.0030 01/31/2013	0.94%	0.52%	520.00
TOYOTA AUTO RECEIVABLES 2012 A-3 0.4600% 7/15/2016 ORIGINAL FACE VALUE $100,000.00	89231NAC7	100,000.000	99,990.49	99,910.00	99.9100 01/31/2013	0.94%	0.46%	460.00
Total Corporate Obligations			**$1,662,950.85**	**$1,676,265.70**		**15.75%**	**2.57%**	**$43,086.85**
Total Principal Portfolio			**$10,540,555.25**	**$10,645,172.68**		**100.00%**	**1.80%**	**$191,656.50**
Total Account Values			**$10,540,555.25**	**$10,645,172.68**		**100.00%**	**1.80%**	**$191,656.50**

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UnionBank

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Statement Period
January 1, 2013 through January 31, 2013

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2013		1,125,000.000	1,148,622.32	1,139,911.90	10.78%
2014		2,325,000.000	2,385,285.18	2,391,510.60	22.61%
2015	100,000.00	2,505,000.000	2,528,155.82	2,582,569.60	24.42%
2016	100,000.00	2,685,000.000	2,734,304.32	2,780,646.35	26.30%
2017		1,680,000.000	1,674,351.83	1,680,698.45	15.89%
2018					
2019					
2020					
2021					
2022					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	**$200,000.00**	**10,320,000.000**	**$10,470,719.47**	**$10,575,336.90**	**100.00%**

Transaction Detail

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance				**$0.00**	**$10,532,125.43**
01/02/13	Dividend	CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MMKT #486 DIVIDEND FROM 12/1/12 TO 12/31/12	431114503S	1.20	
01/02/13	Purchases	PURCHASED 1.2 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/02/13	431114503S	(1.20)	1.20
01/07/13	Payments to/for Beneficiaries	CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC PAYMENT PER REQUEST MANAGEMENT FEE FOR PERIOD ENDING 12/31/12 INVOICE #12167		(1,071.00)	

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
01/07/13	Sales	SOLD 1,071 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/07/13	431114503S	1,071.00	(1,071.00)
01/07/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLMC NTS 2.500% 1/07/14 0.0125/$1 PV ON 35,000 PAR VALUE DUE 1/7/2013	3137EABX6	437.50	
01/07/13	Purchases	PURCHASED 437.5 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/07/13	431114503S	(437.50)	437.50
01/15/13	Purchases	PURCHASED 100,000 PAR VALUE OF CHEVRON CORP BDS 1.104% 12/05/17 TRADE DATE 01/10/13 PURCHASED THROUGH KEY BANK CAPITALMARKETS 100,000 PAR VALUE AT 100.346 %	166764AA8	(100,346.00)	100,346.00
01/15/13	Accrued Interest Paid	PAID ACCRUED INTEREST ON PURCHASE OF CHEVRON CORP BDS 1.104% 12/05/17	166764AA8	(122.67)	
01/15/13	Sales	SOLD 100,468.7 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/15/13	431114503S	100,468.67	(100,468.67)
01/16/13	Interest	CASH RECEIPT OF INTEREST EARNED ON TAOT 2012-B A3 0.460% 7/15/16 0/$1 PV ON 38.33 PAR VALUE DUE 1/15/2013 $0.00038/PV ON 100,000.00 PV DUE 1/15/13	89231NAC7	38.33	
01/17/13	Purchases	PURCHASED 38.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/17/13	431114503S	(38.33)	38.33
01/18/13	Interest	CASH RECEIPT OF INTEREST EARNED ON HAROT 2012-4 A3 0.520% 10/18/15 0/$1 PV ON 43.33 PAR VALUE DUE 1/18/2013 $0.00043/PV ON 100,000.00 PV DUE 1/18/13	43813CAC4	43.33	

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Account Number
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Account Statement

Statement Period
January 1, 2013 through January 31, 2013

Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
01/22/13	Purchases	PURCHASED 43.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/22/13	431114503S	(43.33)	43.33
01/28/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 2.375% 7/28/15 0.011875/$1 PV ON 275,000 PAR VALUE DUE 1/28/2013	31398AU34	3,265.63	
01/28/13	Purchases	PURCHASED 3,265.63 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/28/13	431114503S	(3,265.63)	3,265.63
01/30/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 1.250% 1/30/17 0.00625/$1 PV ON 175,000 PAR VALUE DUE 1/30/2013	3135G0GY3	1,093.75	
01/30/13	Purchases	PURCHASED 1,093.75 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/30/13	431114503S	(1,093.75)	1,093.75
01/31/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.500% 7/31/16 0.0075/$1 PV ON 370,000 PAR VALUE DUE 1/31/2013	912828QX1	2,775.00	
01/31/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.750% 7/31/15 0.00875/$1 PV ON 225,000 PAR VALUE DUE 1/31/2013	912828NP1	1,968.75	
01/31/13	Purchases	PURCHASED 4,743.75 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 01/31/13	431114503S	(4,743.75)	4,743.75
Net Activity				**$0.00**	**$0,429.82**
Ending Balance				**$0.00**	**$10,540,555.25**

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UnionBank

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ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

MB 02 001431 93628 H 8 A

SMALL CITIES ORGANIZED RISK EFFORT
ATTN: LINDA ROMAINE
P. O. BOX 40
FORT JONES, CA 96032-0040

Account Statement

Statement Period

February 1, 2013 through February 28, 2013

Account Number

6736301210

Account Name

SMALL CITIES ORGANIZED RISK EFFORT

Relationship Manager

JEANETTE SIMMONS
415-705-7210

Investment Manager

CHANDLER LIQUID ASSET MGMT

Online Access

unionbank.com/trustandcustody

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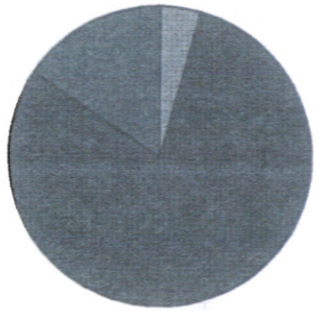
Overview of Total Account Value

Closing Value on 12/31/2012	$10,664,971.16
Opening Value on 02/01/2013	$10,645,172.68
Closing Value on 02/28/2013	$10,669,890.36
Net Change For Period	***$24,717.68***

Contents

Overview of Account by Investment Category

Your Current Portfolio Mix



% of Total Account	Market Value	Description
4.25%	453,097.36	Cash & Cash Equivalents
80.04%	8,540,591.90	Government Obligations
15.71%	1,676,201.10	Corporate Obligations
100.00%	**$10,669,890.36**	**Total Account Value**

UnionBank

Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period
February 1, 2013 through February 28, 2013

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	453,097.36	4.25%	0.23%
Government Obligations	8,540,591.90	80.04%	1.66%
Corporate Obligations	1,676,201.10	15.71%	2.57%
Total Principal Portfolio	**$10,669,890.36**	**100.00%**	**1.74%**

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	452,987.45	453,097.36	109.91
Government Obligations	8,451,280.12	8,540,591.90	89,311.78
Corporate Obligations	1,662,950.85	1,676,201.10	13,250.25
Total Gain/Loss	**$10,567,218.42**	**$10,669,890.36**	**$102,671.94**

Cash Transactions Summary

	Principal Cash
Receipts	
Dividend	0.14
Interest	18,687.91
Accrued Interest Received	1,812.50
Sales	519,511.34
Total Receipts	**$540,011.89**
Disbursements	
Accrued Interest Paid	(189.58)
Purchases	(538,731.93)
Payments to/for Beneficiaries	(1,070.00)
Total Disbursements	**($539,991.51)**
Total Net Transactions	**$20.38**

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Account Statement

Statement Period
February 1, 2013 through February 28, 2013

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Cash								
PRINCIPAL CASH			20.38	20.38		0.00%	0.00%	0.00
HighMark Money Market Funds								
HIGHMARK MONEY MARKET 100% U S TREASURY FD FIDUCIARY SH ***CASH MANAGEMENT SWEEP	431114503S	38,294.030	38,294.03	38,294.03	1.0000 02/28/2013	0.36%	0.00%	0.96
Disc Comm'l Paper/Bnker Accpt								
HSBC AMERICAS INC DISC COML PAPER DTD 12/20/2012 04/19/2013	40427RRK9	205,000.000	204,832.70	204,944.65	99.9730 02/28/2013	1.92%	0.26%	540.39
BANK OF TOKYO MITSUBISHI DISC COML PAPER DTD 02/12/2013 06/12/2013	06538BTC7	210,000.000	209,840.34	209,838.30	99.9230 02/28/2013	1.97%	0.23%	485.63
Total Cash & Cash Equivalents			**$452,987.45**	**$453,097.36**		**4.25%**	**0.23%**	**$1,026.98**

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 2.5000% 3/31/2013	912828HV5	125,000.000	128,154.72	125,238.75	100.1910 02/28/2013	1.17%	2.50%	3,125.00
UNITED STATES TREAS NTS 0.2500% 4/30/2014	912828SR2	525,000.000	525,057.42	525,330.75	100.0630 02/28/2013	4.93%	0.25%	1,312.50

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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 0.2500% 5/15/2015	912828SU5	250,000.000	248,985.21	249,902.50	99.9610 02/28/2013	2.34%	0.25%	625.00
UNITED STATES TREAS NTS 1.7500% 7/31/2015	912828NP1	225,000.000	223,067.16	232,875.00	103.5000 02/28/2013	2.18%	1.69%	3,937.50
UNITED STATES TREAS NTS 1.3750% 11/30/2015	912828PJ3	250,000.000	249,024.28	257,130.00	102.8520 02/28/2013	2.41%	1.34%	3,437.50
UNITED STATES TREAS NTS 1.5000% 7/31/2016	912828QX1	370,000.000	374,487.57	383,327.40	103.6020 02/28/2013	3.59%	1.45%	5,550.00
UNITED STATES TREAS NTS 1.0000% 8/31/2016	912828RF9	250,000.000	251,690.29	254,707.50	101.8830 02/28/2013	2.39%	0.98%	2,500.00
UNITED STATES TREAS NTS 1.0000% 9/30/2016	912828RJ1	150,000.000	149,619.64	152,824.50	101.8830 02/28/2013	1.43%	0.98%	1,500.00
UNITED STATES TREAS NTS 0.8750% 11/30/2016	912828RU6	350,000.000	350,766.80	354,840.50	101.3830 02/28/2013	3.33%	0.86%	3,062.50
UNITED STATES TREAS NTS 0.6250% 8/31/2017	912828TM2	400,000.000	398,827.51	399,468.00	99.8670 02/28/2013	3.74%	0.63%	2,500.00
UNITED STATES TREAS NTS 0.6250% 11/30/2017	912828UA6	300,000.000	298,864.29	298,806.00	99.6020 02/28/2013	2.80%	0.63%	1,875.00
Federal Govt Agency								
FEDERAL HOME LN BKS 3.8750% 6/14/2013	31339X2M5	200,000.000	200,403.10	202,130.00	101.0650 02/28/2013	1.89%	3.83%	7,750.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000.000	242,426.00	234,264.20	101.8540 02/28/2013	2.20%	4.66%	10,925.00

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL FARM CR BKS 0.9800% 9/23/2013	31331KET3	115,000.000	114,663.05	115,506.00	100.4400 02/28/2013	1.08%	0.98%	1,127.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000.000	258,142.75	255,360.00	102.1440 02/28/2013	2.39%	3.55%	9,062.50
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000.000	34,625.96	35,695.45	101.9870 02/28/2013	0.33%	2.45%	875.00
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000.000	155,568.75	153,955.50	102.6370 02/28/2013	1.44%	2.44%	3,750.00
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000.000	259,368.20	265,441.80	102.0930 02/28/2013	2.49%	1.86%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000.000	111,171.90	106,547.00	106.5470 02/28/2013	1.00%	4.93%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	85,000.000	86,005.55	88,675.40	104.3240 02/28/2013	0.83%	2.88%	2,550.00
FEDERAL FARM CR BKS 1.6250% 11/19/2014	31331KHW3	160,000.000	164,560.00	163,734.40	102.3340 02/28/2013	1.53%	1.59%	2,600.00
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000.000	256,160.83	262,417.50	104.9670 02/28/2013	2.46%	2.74%	7,187.50
FEDERAL FARM CR BKS 0.5000% 5/1/2015	3133EANJ3	150,000.000	149,853.00	150,484.50	100.3230 02/28/2013	1.41%	0.50%	750.00
FEDERAL NATL MTG ASSN 1.0000% 5/29/2015	3135G0LB7	135,000.000	135,659.34	135,237.60	100.1760 02/28/2013	1.27%	1.00%	1,350.00

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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LN BKS 2.8750% 6/12/2015	3133XWNB1	265,000.000	279,807.14	280,062.60	105.6840 02/28/2013	2.62%	2.72%	7,618.75
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000.000	283,288.50	288,101.00	104.7640 02/28/2013	2.70%	2.27%	6,531.25
FEDL NATL MTG ASSN NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	120,000.000	119,720.40	119,833.20	99.8610 02/28/2013	1.12%	0.38%	450.00
FEDERAL FARM CR BKS 2.3500% 12/22/2015	31331J6C2	120,000.000	120,434.40	126,406.80	105.3390 02/28/2013	1.18%	2.23%	2,820.00
FEDERAL NATL MTG ASSN 2.3750% 4/11/2016	3135G0BA0	275,000.000	282,544.63	291,442.25	105.9790 02/28/2013	2.73%	2.24%	6,531.25
FEDERAL HOME LN MTG CORP 2.5000% 5/27/2016	3137EACT4	310,000.000	321,083.36	329,762.50	106.3750 02/28/2013	3.11%	2.35%	7,750.00
FEDERAL HOME LOAN BANKS 2.1250% 6/10/2016	313373SZ6	200,000.000	209,390.00	210,488.00	105.2440 02/28/2013	1.97%	2.02%	4,250.00
FEDERAL HOME LOAN MTGE CORP NTS 2.000% 08/25/2016	3137EACW7	300,000.000	312,151.20	314,913.00	104.9710 02/28/2013	2.95%	1.91%	6,000.00
FEDERAL NATL MTGE ASSN NOTE 1.250% 09/28/2016	3135G0CM3	210,000.000	209,497.89	215,023.20	102.3920 02/28/2013	2.02%	1.22%	2,625.00
FEDERAL NATL MTG ASSN NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	65,000.000	65,514.15	66,954.55	103.0070 02/28/2013	0.63%	1.33%	893.75
FEDERAL NATL MTG ASSN NOTES DTD 01/09/2012 1.25% 01/30/2017	3135G0GY3	175,000.000	174,983.73	178,795.75	102.1690 02/28/2013	1.68%	1.22%	2,187.50

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LOAN MORTGAGE CORP 1.000% 03/08/2017	3137EADC0	200,000.000	196,430.40	202,412.00	101.2060 02/28/2013	1.90%	0.99%	2,000.00
FEDERAL HOME LOAN BANK BONDS 1.000% 06/09/2017	313379FW4	200,000.000	199,758.00	202,114.00	101.0570 02/28/2013	1.89%	0.99%	2,000.00
FEDERAL FARM CR BKS 0.8300% 9/21/2017	3133EAY28	160,000.000	160,000.00	160,220.80	100.1380 02/28/2013	1.50%	0.83%	1,328.00
FEDERAL NATL MTGE ASSN NOTES 0.000% 12/20/2017	3135G0RT2	150,000.000	149,523.00	150,162.00	100.1080 02/28/2013	1.41%	0.87%	1,312.50
Total Government Obligations			**$8,451,280.12**	**$8,540,591.90**		**80.04%**	**1.66%**	**$141,840.00**

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
XTO ENERGY INC 4.9000% 2/1/2014	98385XAD8	100,000.000	109,638.00	104,074.00	104.0740 02/28/2013	0.98%	4.71%	4,900.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000.000	194,130.60	191,644.20	106.4690 02/28/2013	1.80%	5.54%	10,620.00
WAL MART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	931142CQ4	190,000.000	197,746.80	196,499.90	103.4210 02/28/2013	1.84%	3.09%	6,080.00
MICROSOFT CORP NT DTD 05/18/2009 2.950% 06/01/2014	594918AB0	240,000.000	246,233.20	247,893.60	103.2890 02/28/2013	2.32%	2.86%	7,080.00

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Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
BERKSHIRE HATHAWAY INC 3.200% 02/11/2015	084670AV0	100,000.000	103,550.10	105,272.00	105.2720 02/28/2013	0.99%	3.04%	3,200.00
PROCTER & GAMBLE CO DTD 11/18/2010 1.80% 11/15/2015	742718DS5	265,000.000	258,615.14	273,477.35	103.1990 02/28/2013	2.56%	1.74%	4,770.00
GOOGLE INC 2.1250% 5/19/2016	38259PAC6	105,000.000	107,568.30	109,740.75	104.5150 02/28/2013	1.03%	2.03%	2,231.25
BERKSHIRE HATHAWAYFIN CORP SR NT 1.600% 05/15/2017	084664BS9	105,000.000	105,141.90	107,223.90	102.1180 02/28/2013	1.00%	1.57%	1,680.00
CHEVRON CORP DTD 12/05/2012 1.104% 12/05/2017	166764AA8	140,000.000	140,346.00	140,330.40	100.2360 02/28/2013	1.32%	1.10%	1,545.60
Collateralized Passthroughs								
HONDA AUTO RECV 2012-4 A-3 0.5200% 8/18/2016 ORIGINAL FACE VALUE $100,000.00	43813CAC4	100,000.000	99,990.32	100,071.00	100.0710 02/28/2013	0.93%	0.52%	520.00
TOYOTA AUTO RECEIVABLES 2012 A-3 0.4600% 7/15/2016 ORIGINAL FACE VALUE $100,000.00	89231NAC7	100,000.000	99,990.49	99,974.00	99.9740 02/28/2013	0.94%	0.46%	460.00
Total Corporate Obligations			**$1,662,950.85**	**$1,676,201.10**		**15.71%**	**2.57%**	**$43,086.85**
Total Principal Portfolio			**$10,567,218.42**	**$10,669,890.36**		**100.00%**	**1.74%**	**$185,953.83**
Total Account Values			**$10,567,218.42**	**$10,669,890.36**		**100.00%**	**1.74%**	**$185,953.83**

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Account Statement

Statement Period
February 1, 2013 through February 28, 2013

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2013		1,335,000.000	1,358,462.66	1,347,281.90	12.67%
2014		2,025,000.000	2,084,106.38	2,079,492.00	19.56%
2015	100,000.00	2,505,000.000	2,528,155.82	2,581,271.05	24.28%
2016	100,000.00	2,685,000.000	2,734,304.32	2,783,998.15	26.19%
2017		1,830,000.000	1,823,874.83	1,839,532.85	17.30%
2018					
2019					
2020					
2021					
2022					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	**$200,000.00**	**10,380,000.000**	**$10,528,904.01**	**$10,631,575.95**	**100.00%**

Transaction Detail

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance				**$0.00**	**$10,540,555.25**
02/01/13	Dividend	CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MMKT #486 DIVIDEND FROM 1/1/13 TO 1/31/13	431114503S	0.14	
02/01/13	Purchases	PURCHASED 0.14 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/01/13	431114503S	(0.14)	0.14
02/01/13	Interest	CASH RECEIPT OF INTEREST EARNED ON TVA SER C 4.750% 8/01/13 0.02375/$1 PV ON 230,000 PAR VALUE DUE 2/1/2013	880591DW9	5,462.50	

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
02/01/13	Interest	CASH RECEIPT OF INTEREST EARNED ON XTO ENERGY INC NTS 4.900% 2/01/14 0.0245/$1 PV ON 100,000 PAR VALUE DUE 2/1/2013	98385XAD8	2,450.00	
02/01/13	Purchases	PURCHASED 7,912.5 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/01/13	431114503S	(7,912.50)	7,912.50
02/05/13	Payments to/for Beneficiaries	CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC PAYMENT PER REQUEST MGMT FEE FOR PERIOD ENDING JANUARY 31, 2013 INVOICE #12315		(1,070.00)	
02/05/13	Sales	SOLD 1,070 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/05/13	431114503S	1,070.00	(1,070.00)
02/11/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLMC NTS 2.875% 2/09/15 0.014375/$1 PV ON 250,000 PAR VALUE DUE 2/9/2013	3137EACH0	3,593.75	
02/11/13	Interest	CASH RECEIPT OF INTEREST EARNED ON BERKSHIRE HATH 3.200% 2/11/15 0.016/$1 PV ON 100,000 PAR VALUE DUE 2/11/2013	084670AV0	1,600.00	
02/11/13	Purchases	PURCHASED 5,193.75 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/11/13	431114503S	(5,193.75)	5,193.75
02/12/13	Purchases	PURCHASED 150,000 PAR VALUE OF FNMA NTS F/R 0.001% 12/20/17 TRADE DATE 02/11/13 PURCHASED THROUGH NOMURA SECS 150,000 PAR VALUE AT 99.682 %	3135G0RT2	(149,523.00)	149,523.00
02/12/13	Accrued Interest Paid	PAID ACCRUED INTEREST ON PURCHASE OF FNMA NTS F/R 0.001% 12/20/17	3135G0RT2	(189.58)	

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
02/12/13	Sales	SOLD 300,000 PAR VALUE OF FNMA NTS 2.500% 5/15/14 LT CAPITAL GAIN OF $7,422.20 TRADE DATE 02/11/13 SOLD THROUGH NOMURA SECS 300,000 PAR VALUE AT 102.867 %	31398AXJ6	308,601.00	(301,178.80)
02/12/13	Accrued Interest Received	RECEIVED ACCRUED INTEREST ON SALE OF FNMA NTS 2.500% 5/15/14	31398AXJ6	1,812.50	
02/12/13	Purchases	PURCHASED 160,700.9 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/12/13	431114503S	(160,700.92)	160,700.92
02/13/13	Purchases	PURCHASED 210,000 PAR VALUE OF BK OF TOKYO DC/P 6/12/13 TRADE DATE 02/12/13 PURCHASED THROUGH CHASE SECURITIES, INC. 210,000 PAR VALUE AT 99.923972 %	06538BTC7	(209,840.34)	209,840.34
02/14/13	Sales	SOLD 209,840.3 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/14/13	431114503S	209,840.34	(209,840.34)
02/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON TAOT 2012-B A3 0.460% 7/15/16 0/$1 PV ON 38.33 PAR VALUE DUE 2/15/2013 $0.00038/PV ON 100,000.00 PV DUE 2/15/13	89231NAC7	38.33	
02/19/13	Purchases	PURCHASED 38.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/19/13	431114503S	(38.33)	38.33
02/20/13	Interest	CASH RECEIPT OF INTEREST EARNED ON HAROT 2012-4 A3 0.520% 10/18/15 0/$1 PV ON 43.33 PAR VALUE DUE 2/18/2013 $0.00043/PV ON 100,000.00 PV DUE 2/18/13	43813CAC4	43.33	

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February 1, 2013 through February 28, 2013

Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
02/21/13	Purchases	PURCHASED 43.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/21/13	431114503S	(43.33)	43.33
02/25/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLMC NTS 2.000% 8/25/16 0.01/$1 PV ON 300,000 PAR VALUE DUE 2/25/2013	3137EACW7	3,000.00	
02/25/13	Purchases	PURCHASED 3,000 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/25/13	431114503S	(3,000.00)	3,000.00
02/28/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 0.625% 8/31/17 0.003125/$1 PV ON 400,000 PAR VALUE DUE 2/28/2013	912828TM2	1,250.00	
02/28/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.000% 8/31/16 0.005/$1 PV ON 250,000 PAR VALUE DUE 2/28/2013	912828RF9	1,250.00	
02/28/13	Purchases	PURCHASED 2,479.62 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 02/28/13	431114503S	(2,479.62)	2,479.62
Net Activity				**$20.38**	**$26,642.79**
Ending Balance				**$20.38**	**$10,567,198.04**

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Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Shares	Cost	Proceeds	Gain / Loss Amount Short	Gain / Loss Amount Long
02/12/13	FNMA NTS 2.500% 5/15/14	31398AXJ6	300,000.000	301,178.80	308,601.00	0.00	7,422.20
	TOTAL			**$301,178.80**	**$308,601.00**	**$0.00**	**$7,422.20**

SUMMARY	DISTRIBUTIONS	REALIZED	TOTAL
Short Term Capital Gain / Loss	$0.00	$0.00	$0.00
Long Term Capital Gain / Loss	$0.00	$7,422.20	$7,422.20

Disclaimer

The amount your account netted on a sale minus the total amount the account paid at initial purchase is your account's realized gain (if positive) or loss (if negative). Cost basis as reported on your UB statement is either a) the lot-specific purchase price minus purchase commissions and fees or b) information provided by the client or their representative to Union Bank at or after the time we were appointed Custodian or Trustee of the assets. The monthly or quarterly statements of your account may not have correct calculations of gain/loss for a particular tax lot due to incomplete information. The cost basis information in those statements is preliminary and subject to change if you provide additional data during the year or for other reasons. Therefore, please refer to the Tax Statements that we provide after year-end to determine accurate gain/loss calculations and what we report to the IRS. Please consult your tax advisor for more information. Mutual Fund Capital Gain distributions are not included in this summary.

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UnionBank

Small Cities Organized Risk Effort
General Checking Account Detail
January 1, 2013 - February 28, 2013

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
0100 - CASH IN BANK								101,889.67
0100-010 Scott Valley Bank								101,889.67
Payment	1/7/2013	99889	Yreka		0120 ACCOUNTS RECEIVABLE	58,437.00		160,326.67
Payment	1/7/2013	34177	Portola		0120 ACCOUNTS RECEIVABLE	7,506.00		167,832.67
Transfer	1/8/2013			Funds Transfer	0106-020 Trust - WC - SVB		28,441.88	139,390.79
Transfer	1/8/2013			Funds Transfer	0106-010 Trust - Liab _SVB		6,493.19	132,897.60
Check	1/16/2013	2357	Yreka	2013 Lexipol Policy Manual Update	0676 - Safety Training		2,000.00	130,897.60
Check	1/16/2013	2358	Dorris	Reimburse for Board Meeting	0605 - B of D Activities		793.65	130,103.95
Check	1/16/2013	2364	Mark Sorensen	Reimburse for Board Meeting	0605 - B of D Activities		812.52	129,291.43
Check	1/16/2013	2360	York Insurance Services Group, Inc-CA	Inv # 500008548 Liab Claims 1/13	0830 -Claims Service - Vouchers		8,125.00	121,166.43
Check	1/16/2013	2361	York Insurance Services Group, Inc-CA	Inv # 500008547 W/C Claims 1/13	0710 - Claims Management		7,895.00	113,271.43
Check	1/16/2013	2362	SBK Risk Services, Inc.	December 2012	0670 - Risk Management Services		1,577.98	111,693.45
Check	1/16/2013	2363	Gilbert Associates, Inc.	29330 ENG Oct - Dec 2012	0505 - Accounting		12,000.00	99,693.45
Transfer	1/17/2013			Funds Transfer	0106-010 Trust - Liab _SVB		1,500.00	98,193.45
Transfer	1/17/2013			Funds Transfer	0106-020 Trust - WC - SVB		15,233.47	82,959.98
Payment	1/22/2013	0139...	Isleton		0120 ACCOUNTS RECEIVABLE	3,100.00		86,059.98
Deposit	1/22/2013			Deposit - Recovery WC	-SPLIT-	84,211.16		170,271.14
Payment	1/31/2013	48928	Rio Dell		0120 ACCOUNTS RECEIVABLE	12,896.00		183,167.14
Payment	1/31/2013	26864	Biggs		0120 ACCOUNTS RECEIVABLE	5,835.00		189,002.14
Payment	1/31/2013	11833	Loomis		0120 ACCOUNTS RECEIVABLE	9,877.00		198,879.14
Payment	1/31/2013	43811	Dunsmuir		0120 ACCOUNTS RECEIVABLE	13,510.00		212,389.14
Deposit	1/31/2013			Deposit	Workers' Compensation Claims	511.48		212,900.62
Payment	1/31/2013	48928	Colfax		0120 ACCOUNTS RECEIVABLE	4,957.00		217,857.62
Payment	1/31/2013	14411	Etna		0120 ACCOUNTS RECEIVABLE	7,304.00		225,161.62
Deposit	1/31/2013			Interest	SVB	12.78		225,174.40
Transfer	2/4/2013			Funds Transfer	0106-010 Trust - Liab _SVB		6,222.19	218,952.21
Transfer	2/4/2013			Funds Transfer	0106-020 Trust - WC - SVB		20,556.80	198,395.41
Payment	2/4/2013		Isleton		0120 ACCOUNTS RECEIVABLE	3,100.00		201,495.41
Payment	2/4/2013	86755	Susanville		0120 ACCOUNTS RECEIVABLE	42,998.00		244,493.41
Payment	2/4/2013		Live Oak		0120 ACCOUNTS RECEIVABLE	21,916.00		266,409.41
Payment	2/6/2013	48711	Shasta Lake		0120 ACCOUNTS RECEIVABLE	41,460.00		307,869.41
Payment	2/13/2013	46834	Weed		0120 ACCOUNTS RECEIVABLE	31,441.00		339,310.41
Payment	2/13/2013	18569	Dorris		0120 ACCOUNTS RECEIVABLE	1,872.00		341,182.41
Transfer	2/20/2013			Funds Transfer	0106-010 Trust - Liab _SVB		20,330.18	320,852.23
Transfer	2/20/2013			Funds Transfer	0106-020 Trust - WC - SVB		48,724.23	272,128.00
Payment	2/22/2013		Mt. Shasta		0120 ACCOUNTS RECEIVABLE	40,163.00		312,291.00
Payment	2/22/2013		Montague		0120 ACCOUNTS RECEIVABLE	3,617.00		315,908.00
Deposit	2/22/2013			Deposit	Workers' Compensation	921.65		316,829.65
Deposit	2/28/2013			Interest	SVB	23.59		316,853.24
Total 0100-010 Scott Valley Bank						395,669.66	180,706.09	316,853.24
Total 0100 - CASH IN BANK						395,669.66	180,706.09	316,853.24
TOTAL						**395,669.66**	**180,706.09**	**316,853.24**

CHANDLER ASSET MANAGEMENT

Monthly Account Statement

Small Cities Organized Risk Effort

January 1, 2013 through January 31, 2013

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Union Bank N.A.
Jeannette Simmons

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.

Small Cities Organized Risk Effort
Account #590

Portfolio Summary

As of 1/31/2013

PORTFOLIO CHARACTERISTICS

Average Duration	2.47
Average Coupon	1.84 %
Average Purchase YTM	1.47 %
Average Market YTM	0.47 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.58 yrs
Average Life	2.52 yrs

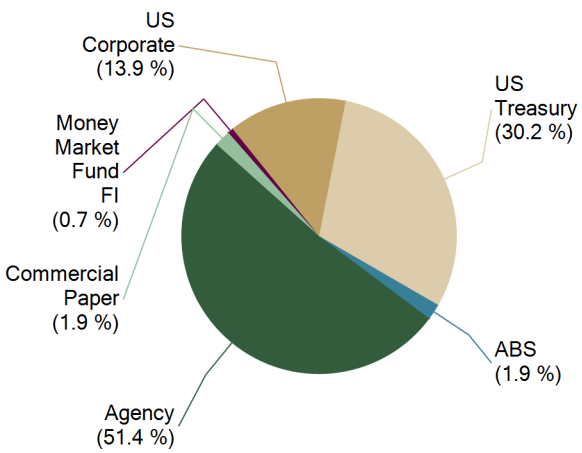
ACCOUNT SUMMARY

	Beg. Values as of 12/31/12	End Values as of 1/31/13
Market Value	10,665,061	10,645,240
Accrued Interest	39,570	46,049
Total Market Value	**10,704,631**	**10,691,288**
Income Earned	13,256	12,827
Cont/WD		-1,071
Par	10,381,752	10,389,836
Book Value	10,449,710	10,454,988
Cost Value	10,531,322	10,539,752

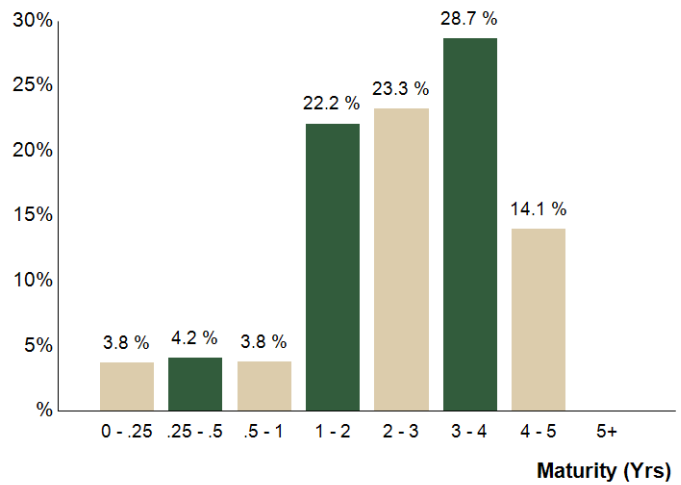
TOP ISSUERS

Issuer	% Portfolio
Government of United States	30.2 %
Federal National Mortgage Assoc	15.1 %
Federal Home Loan Mortgage Corp	12.2 %
Federal Home Loan Bank	11.8 %
Federal Farm Credit Bank	10.0 %
Procter & Gamble Company	2.6 %
Microsoft	2.3 %
Tennessee Valley Authority	2.3 %
	86.6 %

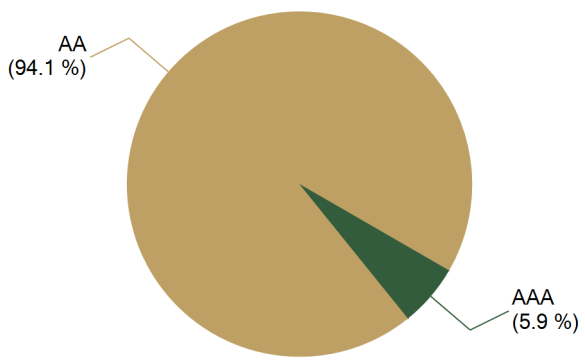
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2013	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized 3 Yrs	Annualized 5 Yrs	Annualized 10 Yrs	Annualized 3/31/2006	Since 3/31/2006
Small Cities Organized Risk Effort	-0.11 %	0.07 %	-0.11 %	0.97 %	2.43 %	3.37 %	N/A	4.45 %	34.67 %
1-5 yr Govt	-0.12 %	0.05 %	-0.12 %	0.54 %	2.17 %	2.91 %	N/A	4.14 %	31.92 %
1-5 Year Govt/A Rated or better Corporate	-0.08 %	0.10 %	-0.08 %	1.32 %	2.58 %	3.13 %	N/A	4.26 %	32.99 %

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Negotiable CDs	A-1/P-1 or F-1, or AA rated; 30% max.; 3 years maximum maturity; $1MM per issuer	Complies
Banker's Acceptances	A1/P1 or F-1 rated; 30% maximum; $1MM per issuer; <180 days	Complies
Commercial Paper	A-1/P1 or F-1 rated; 25% maximum;$1MM per issuer; <270 days	Complies
Medium Term Notes	"AA-" or better rated; 30% maximum; $1MM per issuer	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum; $1MM per issuer	Complies
Money Market Funds	AAA/Aaa rated; 15% maximum	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies

CHANDLER ASSET MANAGEMENT

Monthly Account Statement

Small Cities Organized Risk Effort

February 1, 2013 through February 28, 2013

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Union Bank N.A.
Jeannette Simmons

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.

Small Cities Organized Risk Effort
Account #590

Portfolio Summary

As of 2/28/2013

PORTFOLIO CHARACTERISTICS

Average Duration	2.44
Average Coupon	1.78 %
Average Purchase YTM	1.42 %
Average Market YTM	0.45 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.54 yrs
Average Life	2.48 yrs

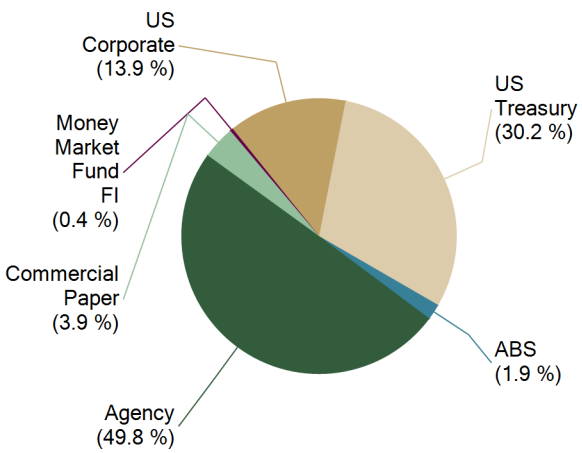
ACCOUNT SUMMARY

	Beg. Values as of 1/31/13	End Values as of 2/28/13
Market Value	10,645,240	10,669,783
Accrued Interest	46,049	41,218
Total Market Value	**10,691,288**	**10,711,001**
Income Earned	12,827	12,648
Cont/WD		-1,070
Par	10,389,836	10,418,314
Book Value	10,454,988	10,479,673
Cost Value	10,539,752	10,566,415

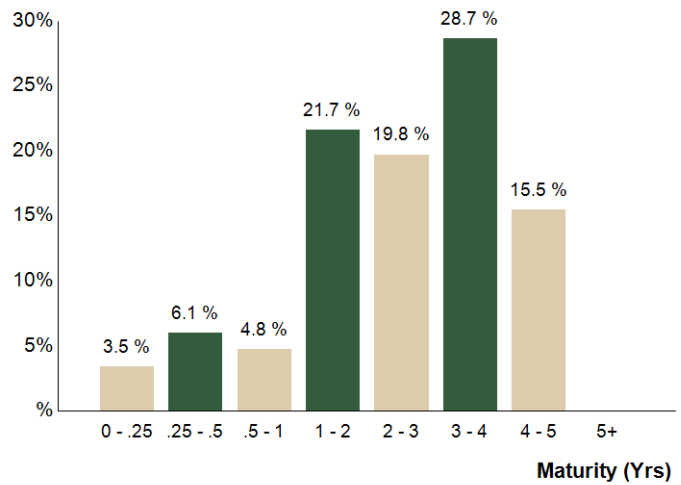
TOP ISSUERS

Issuer	% Portfolio
Government of United States	30.2 %
Federal National Mortgage Assoc	13.5 %
Federal Home Loan Mortgage Corp	12.2 %
Federal Home Loan Bank	11.8 %
Federal Farm Credit Bank	10.0 %
Procter & Gamble Company	2.6 %
Microsoft	2.3 %
Tennessee Valley Authority	2.2 %
	84.9 %

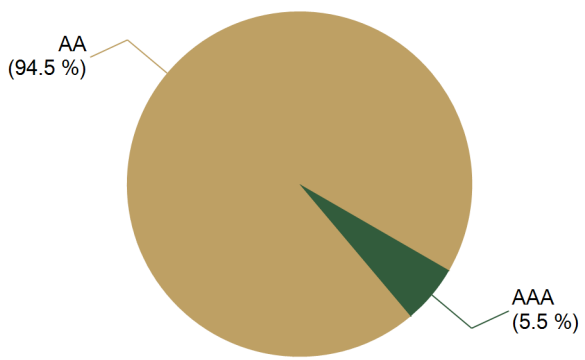
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2013	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized 3 Yrs	Annualized 5 Yrs	Annualized 10 Yrs	Annualized 3/31/2006	Since 3/31/2006
Small Cities Organized Risk Effort	0.19 %	0.05 %	0.08 %	1.24 %	2.36 %	3.22 %	N/A	4.43 %	34.93 %
1-5 yr Govt	0.23 %	0.07 %	0.11 %	1.02 %	2.14 %	2.74 %	N/A	4.12 %	32.23 %
1-5 Year Govt/A Rated or better Corporate	0.26 %	0.16 %	0.18 %	1.66 %	2.55 %	2.97 %	N/A	4.25 %	33.34 %

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Negotiable CDs	A-1/P-1 or F-1, or AA rated; 30% max.; 3 years maximum maturity; $1MM per issuer	Complies
Banker's Acceptances	A1/P1 or F-1 rated; 30% maximum; $1MM per issuer; <180 days	Complies
Commercial Paper	A-1/P1 or F-1 rated; 25% maximum;$1MM per issuer; <270 days	Complies
Medium Term Notes	"AA-" or better rated; 30% maximum; $1MM per issuer	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum; $1MM per issuer	Complies
Money Market Funds	AAA/Aaa rated; 15% maximum	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies

10/1/2012 - 12/31/2012

Employee Assistance Program Utilization Report

Utilization Summary and Analysis

SCORE

October 1, 2012 - December 31, 2012

Projected Annual Rate:

5.4%

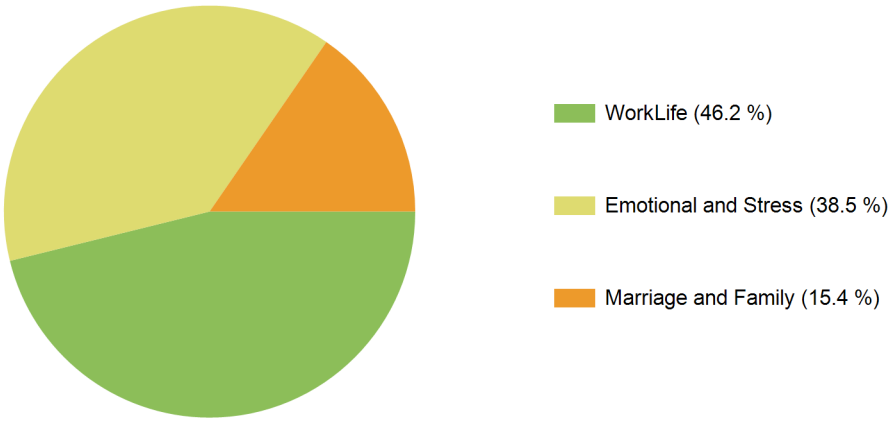
Previous Utilization Rate: 5%

Overall Utilization

There were 13 new contacts. 1 was referred by another Employee, 1 was referred by Human Resources, 8 were referred by Poster / Brochure, 3 had Used Before.

The presenting problems were: Emotional, Family / Child, Marital / Relationship and WorkLife.

13 new contacts were self-initiated.



Work/Life Utilization

In this time period there were 6 case(s) that were opened: 33.3 % of the cases were Child Care, 33.3 % of the cases were Financial Hardship, 33.3 % of the cases were Legal.

Child Care, Financial Hardship and Legal tied for the most utilized with 2 cases.

ACI is pleased to offer support through those inevitable life challenges that prevent employees from arriving and performing at work to the best of their abilities. Legal and financial consultation continues to be one of ACI's most popular and highly utilized work/life benefits. On average, employees experiencing legal life events spend 17 hours at work and 9.5 days absent dealing with the issues, equating to lost wages and productivity. ACI is pleased to provide a service that not only gives employees much-needed personalized assistance, but also strengthens on-the-job productivity, performance and attendance.

Training

Training Comment:

As a value-added partner, ACI's Training Department offers consultation, support services, and flexible training options to fit the various needs of any organization. ACI encourages clients, employees and family members to visit ACI's YouTube channel for 24/7 access to popular trainings and videos. Please contact ACI's Training Department at 800-932-0034 and ask to speak with a member of the training team or email us at training@acieap.com to learn more about training offerings and options available.

Newsletters

ACI provided the following HealthYMails this quarter: 6 Simple Ways to Overcome Anger Issues; 8 Stress-Busting Tips for Holiday Season; Dr. Clark's Holiday Message.

Formal Referrals

The Supervisory Referral process is a powerful yet easy-to-use tool for managers to address employee behavior concerns. Examples of workplace issues that can be resolved through this process include: difficulty working with others, anger management, substance abuse, loss of productivity, absenteeism, and more.

The Supervisory Referral process reduces the amount of time managers spend dealing with workplace issues and maximizes the potential for issues to be resolved.

To begin a Supervisory Referral, or for more information or consultation, contact the ACI Clinical Department at 800-932-0034.

Number of Formal Referrals: 0
Number of Informal Referrals: 0

10/1/2012 - 12/31/2012

Employee Assistance Program Utilization Report

Utilization Hours

Onsite Services:	0
Employee Assessment:	17
Consultation: Work/Life & Concierge	7
Consultation: Employee Consultation	1
Consultation: Supervisor, Management and Outside Consultants	43
Total Program Hours this Period:	68

Utilization Comments

In the wake of the Sandy Hook Elementary School and Superstorm Sandy devastation, ACI was grateful to be in a position to provide outreach, resources, and ongoing support to those affected by these national tragedies and natural disasters. Though these trying events are never easy, ACI has stood with client families through difficult times for 30 years and looks forward to many more with anticipation of partnership and innovation. With 24/7 access via phone, text, email, web resources, and social media, ACI continues to deliver immediate service anytime, anywhere. Clients across the country and abroad can continue to expect ACI Specialty Benefits to deliver the stand-out customer service and personalized support that have made ACI a Top-Ten EAP for 30 years.

SCORE Utilization Rate for the Period 10/1/2012 to 12/31/2012 was 5.4 %

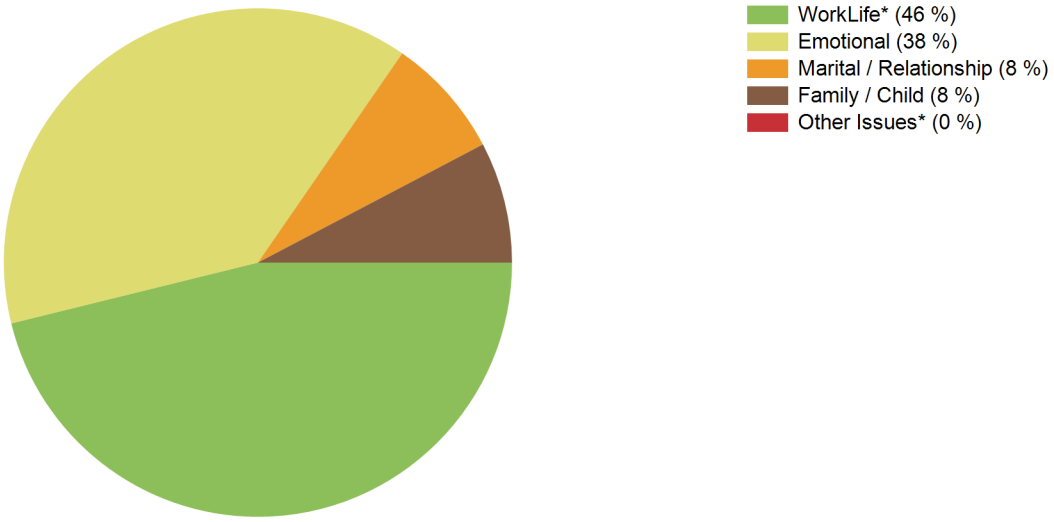
This was an increase over the previous Utilization period which was 5.0 %

Primary issue for assessment

Primary Issue	New	Previous Quarter	Year To Date
Alcohol	0	2	6
Emotional	5	3	12
Family / Child	1	1	6
Marital / Relationship	1	1	2
Program Consultation	0	0	2
Work Stress	0	0	1
WorkLife*	6	5	17

According to a recent study, family issues accounted for 21% of all unscheduled absences and personal needs accounted for 11% (Human Resources Management). ACI's comprehensive work/life services provide employees and their family members with the financial consultation, legal consultation, child care and elder care referrals, resources and support necessary to better manage life's everyday responsibilities while staying focused and productive at work.

New Issues this Quarter



*Any WorkLife and Personal Services cases are detailed later in the report, and 'Other Issues' includes issues <1%.

10/1/2012 - 12/31/2012

Employee Assistance Program Utilization Report

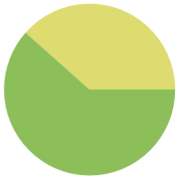
Primary Issue Breakout for WorkLife

Referral Made	New	Previous Quarter	Year To Date
Child Care	2	0	2
Financial Hardship	2	0	2
Legal	2	4	8

New Issues this Quarter

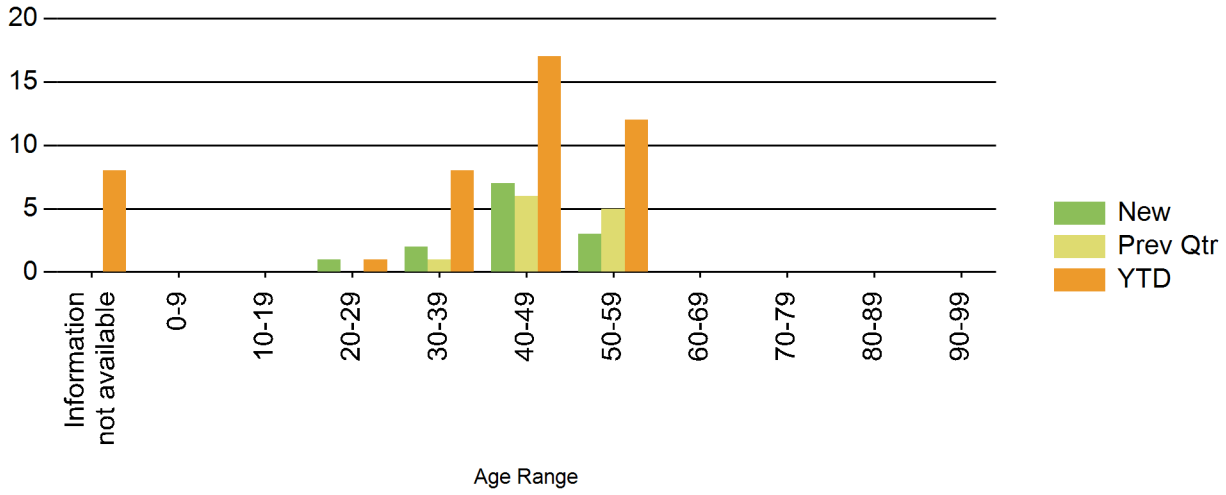
Demographic data

Gender	New	Previous Quarter	Year To Date
Female	8	7	25
Male	5	5	21

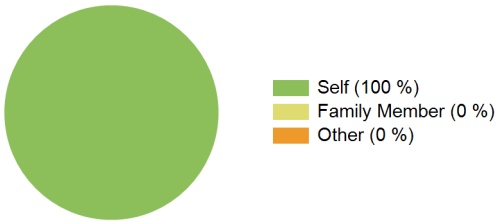


Female (62 %)
Male (38 %)

Age Range	New	Previous Quarter	Year To Date
Information not available	0	0	8
0-9	0	0	0
10-19	0	0	0
20-29	1	0	1
30-39	2	1	8
40-49	7	6	17
50-59	3	5	12
60-69	0	0	0
70-79	0	0	0
80-89	0	0	0
90-99	0	0	0

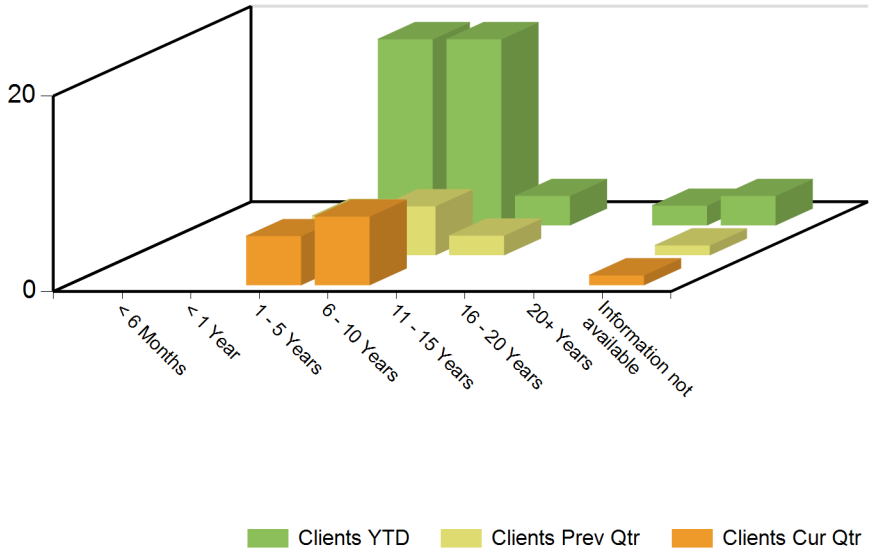


Who is Initiating Contact with ACI	New	Previous Quarter	Year To Date
Self	13	12	45
Family Member	0	0	1
Other	0	0	0



Employment data

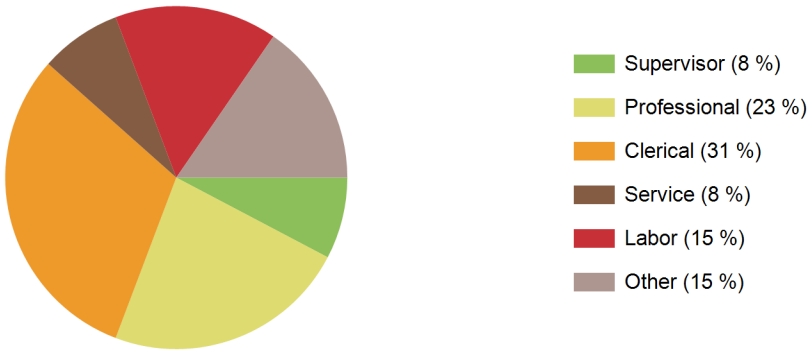
Years Employed	New	Previous Quarter	Year To Date
< 6 Months	0	0	0
< 1 Year	0	0	0
1 - 5 Years	5	4	19
6 - 10 Years	7	5	19
11 - 15 Years	0	2	3
16 - 20 Years	0	0	0
20+ Years	0	0	2
Information not available	1	1	3



Job Category	New	Previous Quarter	Year To Date
Management	0	0	0
Supervisor	1	0	3
Professional	3	6	18
Technical	0	0	0
Clerical	4	3	11
Production	0	0	1
Service	1	3	9
Sales	0	0	0
Labor	2	0	2
Other	2	0	2

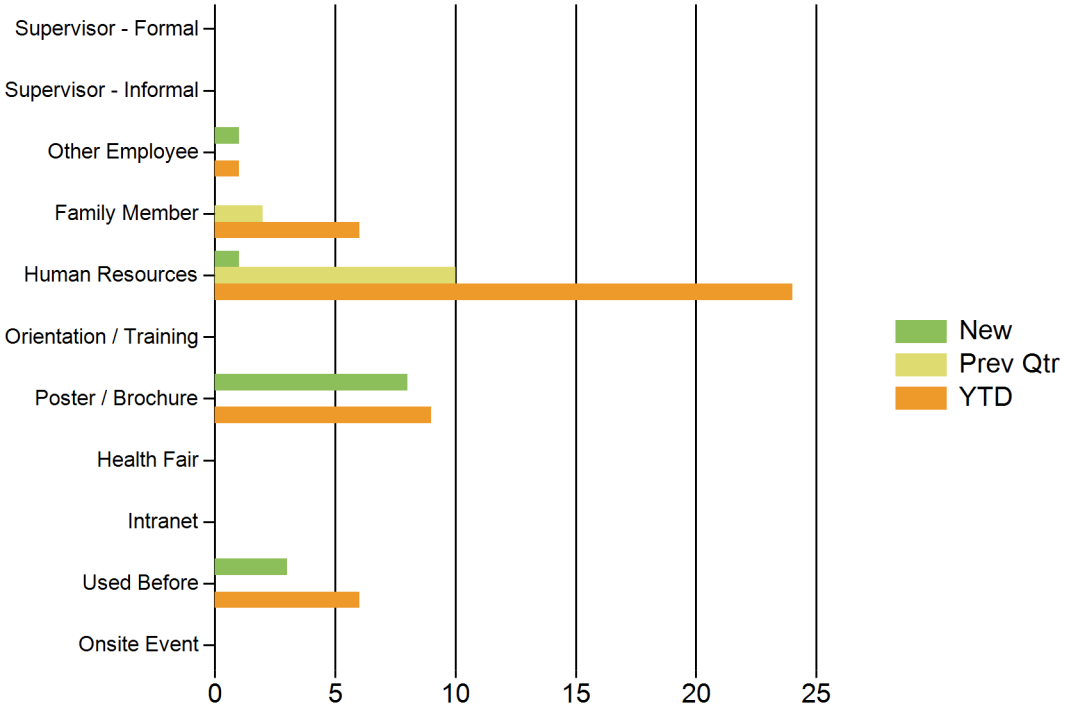
10/1/2012 - 12/31/2012

Employee Assistance Program Utilization Report



Referral Source

Referral Source	New	Previous Quarter	Year To Date
Supervisor - Formal	0	0	0
Supervisor - Informal	0	0	0
Other Employee	1	0	1
Family Member	0	2	6
Human Resources	1	10	24
Orientation / Training	0	0	0
Poster / Brochure	8	0	9
Health Fair	0	0	0
Intranet	0	0	0
Used Before	3	0	6
Onsite Event	0	0	0



York Risk Services Group, Inc.
Feb-13

Client: SCORE - Small Cities Organized Risk Effort
Flat Rate: $7,895.00

Member	# of Open Claims	Invoice Amount
City of Biggs	0	$0.00
City of Colfax	2	$179.43
City of Crescent City	10	$897.16
City of Dorris	0	$0.00
City of Dunsmuir	1	$89.72
City of Etna	1	$89.72
City of Ione	1	$89.72
City of Live Oak	0	$0.00
City of Montague	3	$269.15
City of Mt. Shasta	13	$1,166.31
City of Portola	4	$358.86
City of Rio Dell	2	$179.43
City of Shasta Lake	2	$179.43
City of Susanville	18	$1,614.89
City of Weed	6	$538.30
City of Williams	5	$448.58
City of Yreka	20	$1,794.30
Town of Fort Jones	0	$0.00
Town of Loomis	0	$0.00
Total	88	$7,895.00

Flat Rate	$7,895.00
Total Invoice	$7,895.00

SBK RISK SERVICES, INC.
4521 Oxbow Ridge Place
Fair Oaks, CA 95628
916 967-2880 Fax: 916 967-2881
jack.kastorff@comcast.net
916 747-JACK (5225) cell

January 3, 2013

Ms. Susan Adams
Alliant Insurance Services
1792 Tribute Rd # 450
Sacramento, CA 95815

Invoice: # SCORE 13-2

Dear Susan:

Per our agreement, enclosed are our time and expense records for December 2012.

The total is $11,017.10

Thank you in advance,

Jack Kastorff, CSP, PE, ARM, ALCM, CPSI
SBK Risk Services

CC: Roger Carroll
Rudy Schroeder
Tracey Smith-Reed, Gilbert Associates

					SCORE Time and Expense Record					
			Travel					Auto		
Location	Date	Time	Time	Miles	Parking/Tolls	Meals	Lodging	Rental	Misc	Description
Colfax	1/6	2.50								scheduling, prep
Colfax	1/7	3.50	3.00	90						onsite, council orientation
Tule Lake	1/8	0.50								email re epl
Alliant	1/8	0.25								t/c re planning
Dorris	1/9	0.75								scheduling and more
Tule Lake	1/10	1.50								h/r program research
Tule Lake	1/15	0.50								email re epl
Colfax	1/16	2.50	1.50	35		$19.00				meet with new council
	1/23	2.00								meeting prep
	1/24	4.00	2.50	165		$20.00				travel, meeting
	1/25	6.00	2.50	165		$24.00	$98.09			travel, meeting
	1/27	0.00	5.00	310		$4.17	$85.70			travel
Tule Lake	1/28	3.00	1.00	26						meeting
Dorris	1/28	4.50	2.50	93		$25.00	$85.70			meeting, travel
Etna	1/29	4.50	1.00	70		$17.00				meeting, travel
Fort Jones	1/29	1.00	0.50	12		$21.00				meeting, igloo inspection
Yreka	1/30	1.50	0.25	4		$13.00				safety discussions, scheduling
Montague	1/30	1.00	1.00	19						safety discussions, scheduling
Mt. Shasta	1/30	1.00	0.50	35						safety discussions, scheduling
Dunsmuir	1/30	1.00	0.25	9						safety discussions, scheduling
	1/30		1.00	53		$23.00	$100.79			travel
Rio Dell	1/31	3.25	4.00	150		$40.00				pd discussions, rm discussions
Rio Dell	1/31		6.00	274						travel
	1/31	4.00								Newsletter prep
Totals		48.8	32.50	1510	$0.00	$206.17	$370.28	$0.00	####	
Factors		118	118.00	0.565	118	1	1	1	1	
$ Totals		5753	3835.00	853.2	$0.00	$206.17	$370.28	$0.00	####	
Grand Total										$11,017.10

SBK RISK SERVICES, INC.
4521 Oxbow Ridge Place
Fair Oaks, CA 95628
916 967-2880 Fax: 916 967-2881
jack.kastorff@comcast.net
916 747-JACK (5225) cell

March 7, 2013

Ms. Susan Adams
Alliant Insurance Services
1792 Tribute Rd # 450
Sacramento, CA 95815

Invoice: # SCORE 13-3

Dear Susan:

Per our agreement, enclosed are our time and expense records for February 2013.

The total is $4.876.07.

Thank you in advance,

Jack Kastorff, CSP, PE, ARM, ALCM, CPSI
SBK Risk Services

CC: Roger Carroll
Rudy Schroeder
Tracey Smith-Reed, Gilbert Associates

Feb-13					SCORE Time and Expense Record					
			Travel					Auto		
Location	Date	Time	Time	Miles	Parking/Tolls	Meals	Lodging	Rental	Misc	Description
	2/5		5.0	305						travel
Montague	2/5	1.50				$28.68	$89.09			meet with council
Montague	2/6	1.00								met with ee's
	2/6		2.0	98		$2.68	$88.48			travel
Tule Lake	2/6	1.00				7.39				t/c's re scheduling
	2/7		2.8	176						travel
	2/8	0.50								create,mail certs
	2/11	0.50								meeting prep
	2/14		5.5	300		$20.00	$98.09			travel
Tule Lake	2/15	3.75	6.5	330		$4.07				council discussions
Tule Lake	2/16	0.50								prepare, mail certs
Loyalton	2/16	0.50								t/c re vehicles
Isleton	2/26	0.75								questions re payment
Totals		10.0	21.8	1209	$0.00	$62.82	$275.66	$0.00	$0.00	
Factors		118	118	0.565	118	1	1	1	1	
$ Totals		1180	2566.5	683.1	$0.00	$62.82	$275.66	$0.00	$0.00	
Grand Total										$4,768.07

FCS
FARLEY
CONSULTING SERVICES, LLC

January 30, 2013

Ms. Susan Adams
1792 Tribute Road, #450
Sacramento, CA 95815

by email: sadams@alliantinsurance.com

LAWCX-Workers' Compensation Claims Audit – 2013
Small Cities Organized Risk Effort (SCORE)

Dear Ms. Adams:

Enclosed is the report of the recent audit of workers' compensation claims for the Small Cities Organized Risk Effort (SCORE). This report presents SCORE's specific findings.

Thank you for the opportunity to submit this report.

Sincerely,

Timothy P. Farley, CPCU
President

Encl.

P.O. Box 5928 Oceanside, CA 92052 Ph: 760.435.9272 Fax: 760.722.1760 farleyconsulting@cox.net
An Independent Claims Management Consulting Firm

FCS

FARLEY
CONSULTING SERVICES, LLC

Workers' Compensation Claims Audit – 2013

for

Small Cities Organized Risk Effort (SCORE) LAWCX

SCOREJPA.org
Small Cities Organized Risk Effort - A Joint Powers Authority

January 30, 2013

FARLEY CONSULTING SERVICES
P.O. Box 5928 ~ Oceanside, CA 92052
Phone: 760.435.9272 ~ Fax: 760.722.1760
farleyconsulting@cox.net
An Independent Claims Management Consulting Firm

FCS
FARLEY
CONSULTING SERVICES, LLC

January 30, 2013

Ms. Susan Adams
1792 Tribute Road, #450
Sacramento, CA 95815

LAWCX-Workers' Compensation Claims Audit – 2013

This report summarizes the results of an audit of workers' compensation claims for the Small Cities Organized Risk Effort (SCORE). FCS reviewed 20 active indemnity claims that have generated incurred costs of $75,000 or more, occurring since SCORE joined the LAWCX program on 7/1/93. The review was conducted on 1/13/13 and 1/14/13 via remote access to the claims information system utilized by York Insurance Services (York), SCORE's claims administration firm in Roseville, California.

The project includes:

1. Discussions with Mr. Marcus Beverly of York throughout the audit process.
2. Presentation of audit findings to Ms. Barbara Esquivel and Ms. Tricia Ingles via teleconference at the conclusion of the review.
3. Comparison of SCORE claims handling performance with similar California public pooling entities.
4. Evaluation of York's compliance with specific claims handling standards for LAWCX claims.

FCS appreciates the opportunity to complete this important project for SCORE.

Respectfully submitted,

FARLEY CONSULTING SERVICES

by Timothy P. Farley
Timothy P. Farley, CPCU
President

P.O. Box 5928 Oceanside, CA 92052 Ph: 760.435.9272 Fax: 760.722.1760 farleyconsulting@cox.net
An Independent Claims Management Consulting Firm

Contents

Exhibits

I. Executive Summary

The audit of 20 open claims with incurred costs of $75,000 or more finds general compliance with LAWCX claims administration standards unique to the handling of LAWCX member claims and with accepted industry standards utilized by FCS when assessing administrator competence. The audit concludes that York is providing competent claims administration services to SCORE.

FCS provides the following observations and recommendations based on this audit:

1. York is adequately staffed to handle the SCORE account. The primary examiner, Jodi Fink, maintains an active caseload (including assignments of other York clients) of 133, which is below the allowable maximum of 150.

2. All of the claims reviewed are accurately reserved, but two of the claims reviewed lack detailed discussion of reserve rationale in claims management review (CMR) documentation. Those two claims are discussed on page 4.

3. Benefit level calculations are accurate for all 20 claims. The calculations are clearly documented in York's information system.

4. Investigation is thorough on all of the claims reviewed. A majority of these claims are open for future medical care only. Most investigation has been completed for some time.

5. Eleven of the claims reviewed involve some degree of litigation. Litigation management is effective on all 11 claims.

6. The claims reviewed comply with accepted claims handling standards for diary review. No diary deficiencies are identified.

7. York is maintaining organized claims handling material. Claim documentation was observed via access to the York Claims Connect information system. Two claims generated some indication of deficiency. Those claims are discussed on page 6.

8. The audit concludes that supervision is effective. Daily activity notes for SCORE claims exhibit consistent supervisory instruction and evaluation.

9. Eleven of the claims reviewed qualified as reportable to excess providers. All 11 claims were reported timely to BRS, the LAWCX excess administrator. BRS has appropriately instructed York to discontinue reporting on a few of these claims due to the likelihood of no excess exposure. Three of the claims are generating excess recovery proceeds.

These and other elements of this study are discussed in more detail in the remainder of this report.

Exhibit 1 – Workers' Compensation Audit Scoring Summary

Audit Category	2013 Audit Scores
Critical Claim Audit Areas	
Contact with injured worker*	100%
Contact with member	100%
Diary systems: how often are files reviewed?*	100%
Documentation/explanation of file activities*	90%
Planning, direction, and follow-up	90%
Medical direction and control*	100%
Handling permanent disability issues	100%
Settlement of claims and closure efforts*	100%
Organization, appearance, and claim data maintenance	90%
Direction of Special Issues and Control of Vendors	
Litigation direction and management*	100%
Rehabilitation/SJDB direction and management	100%
Investigation and subrosa activity*	100%
Subrogation identification and management	n/a
Excess insurance identification and management	100%
Excess insurance identification and reporting	100%
Financial Accountability	
Reserve adequacy and accuracy*	100%
Medical payment processing	100%
Indemnity payments processed accurately*	100%
File information equals computer data*	100%
Reconciling or "balancing" the claim file	100%

Aggregate Scoring – Weighted

The overall score achieved by York is 98.7%. This score applies additional significance to categories marked with an asterisk (*) (weighted averaging). Those marked categories compose 75% of the scoring impact.

II. Audit Results

A. Background

The Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority directed Farley Consulting Services, LLC (FCS) to audit the claims administration of its excess workers' compensation program to determine the efficiency, effectiveness, and consistency of claims administration services and the accuracy of loss experience reports.

Pursuant to LAWCX's Joint Exercise of Powers Agreement, each LAWCX member must have its claims audited at least every two years. The last audit of SCORE claims was conducted in November 2010.

FCS was directed to review claims with incurred costs of $75,000 or more that occurred since SCORE joined LAWCX on 7/1/93.

This audit seeks to assure SCORE and LAWCX that York is providing effective claims administration service in compliance with California workers' compensation statutory guidelines and service requirements unique to the LAWCX program.

B. Claims Handling Analysis

This section of the report discusses specific elements of workers' compensation claims handling. Recommendations for improvement are incorporated into the discussion of each element.

1. Staffing/Caseloads

The recommended maximum open indemnity caseload is 150. This maximum considers that each indemnity examiner will assume, as part of the 150-file caseload, approximately 20 to 30 future medical only claims. Future medical only claims require limited adjusting activity. A three-month diary is common.

Jodi Fink is the York examiner assigned to SCORE claims. Her total caseload (including assignments from other York clients) is 133. This is below the allowable maximum of 150.

2. Accuracy of Case Reserves

SCORE claim reserves should anticipate:

- Information contained in Form 5020 (Employer's Report of Occupational Injury or Illness)
- Information contained in Form 5021 (Physician's First Report of Injury or Illness)
- Anticipated temporary disability (TD) benefits

- Anticipated medical costs
- Employee's wage information
- Anticipated vocational rehabilitation (VR) benefits
- Anticipated permanent disability (PD) benefits
- Consideration of *Labor Code* 4850 benefits
- Life expectancy and average annual medical costs for future medical claims
- Anticipated legal expense
- Injury history information obtained through The Index System, a nationwide database subscribed to by York
- Other related injuries (apportionment)
- Incorporation of ACOEM guidelines

All claims reviewed are accurately reserved, but rationale for established case reserves of two reviewed claims is not clearly documented on recent CMRs. Those claims are:

- SCWA-285249
- SCWA-138605

Reserve recommendations are based on the review of files for similar public entities in California.

3. Payments/Settlements

This category evaluates:

- The accuracy of calculation and distribution of temporary disability benefits.
- The accuracy of calculation and distribution of permanent disability benefits.
- The reasonableness and accuracy of stipulated settlement or compromise and release resolutions.

The audit identified no benefit calculation errors. No deficiencies are identified.

4. Quality of Investigation

Proper investigation for SCORE workers' compensation claims includes:

- Making prompt contact with the injured employee and witnesses (48 hours from York's receipt of loss notice).
- Verifying that the injury is work related.
- Securing injury history through use of The Index System.

- Canvassing for possible witnesses to the industrial accident.
- Obtaining recorded or written statements regarding the incident from injured employees or witnesses when possible.
- Follow-up contact with medical providers to gain a clear understanding of the severity of the injury and the anticipated duration of disability.
- Obtaining police accident reports when the industrial injury is the result of a traffic accident.
- Obtaining updated wage information to accurately calculate benefits.
- Identifying claims with rehabilitation potential and effectively monitoring rehabilitation progress.
- Timely assignment of field investigation to independent contractors when necessary.
- Identification and pursuit of other parties responsible for the injury (subrogation).

York is consistently complying with these investigation criteria. No investigation deficiencies are identified.

5. Litigation Management

Eleven of the claims reviewed involved some element of litigation. Litigation activity undertaken by defense counsel is appropriate. Requests for authority to proceed with particular activity made by counsel were responded to quickly. All files exhibit timely status updates from defense counsel.

6. Diary/Case Closure

Industry standards require that active indemnity claims generate and document some adjustor activity every 30 days. Cases similar to those reviewed for this project that have been settled by stipulated award in which the only remaining issue is future medical care can maintain an extended diary (90 to 180 days is appropriate). The following minimum activity should take place and be documented in the case file for all open active indemnity claims:

- A reassessment of the accuracy of case reserves
- Response to any inquiries from the applicant's attorney
- Response to any inquiry or comment made by defense counsel
- Response to any mail received since the previous diary review
- Identification and response to any evidence of discharge medical information or permanent and stationary status

York is consistently maintaining appropriate diaries on the claims reviewed. No diary maintenance deficiencies are identified.

7. File Organization and Documentation

Logical file organization is extremely important on workers' compensation claims. These claims can generate a great deal of medical and employment-related documentation. The adjustor's ability to properly handle a claim is directly related to his or her ability to assimilate this data and competently assess compensability, duration of benefit disbursement, and value of final PD settlement.

All material reviewed for this audit was observed via access to York's Claims Connect information system. A previous section of this report pertaining to case reserve accuracy identified 2 reserve documentation deficiencies. Other observed documentation deficiencies are:

- SCWA-285249 – Medical documentation does not clearly confirm if the employee has had surgery mentioned in a 2006 medical report.
- SCWA-75498 – York's claims system lists the date received as 7/28/99. The date of loss is 7/29/99. This is clearly an error.

8. Supervision

FCS concludes that supervisory activity complies with industry standards. Supervisory file notes are seen consistently in the information system.

9. Excess Reporting

Eleven of the claims reviewed qualified for excess reporting. All 11 claims were reported timely to BRS.

Appendix

Audit File List

Open Claims Files

Claimant	Claim No.
1. Balcom, John	SCWA-158552
2. Banner, Jay	SCWA-54132
3. Banos, Evangelos	SCWA-72136
4. Coats, Gary	SCWA-285249
5. Daly, Dan	SCWA-271297
6. Dyck, Eric	SCWA-61038
7. Franco, Bertha	SCWA-159149
8. Franco, Bertha	SCWA-454885
9. Hoover, Beverly	SCWA-552919
10. Lamanna, Eric	SCWA-553785
11. Lewis, Ronald	SCWA-343776
12. MacDonald, Michael	SCWA-313754
13. Perkins, Eugene	SCWA-65667
14. Shively, Michael	SCWA-138605
15. Simas, Harold	SCWA-138934
16. Smith, Clarence	SCWA-63332
17. Stone, Robert	SCWA-552628
18. Suter, Peter	SCWA-552274
19. Vierra, Frank	SCWA-231393
20. Vierra, Frank	SCWA-75498

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item F.

COMMITTEE REPORTS

INFORMATION ITEM

ISSUE: Committee Reports are provided to the Board of Directors for their information.

RECOMMENDATION: None. This item is presented as information only.

FISCAL IMPACT: None

BACKGROUND: Committee Reports are provided to the Board of Directors for their information on other committees and excess providers meetings.

ATTACHMENTS:

1. ERMA Board of Directors Minutes – February 15, 2013
2. LAWCX Executive Committee Meeting – February 26, 2013

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
MINUTES OF THE BOARD OF DIRECTORS
MEETING OF FEBRUARY 15, 2013

A regular meeting of the Board of Directors of ERMA was held on February 15, 2013, at the Silverado Resort and Spa in Napa, CA.

BOARD MEMBERS PRESENT:	Jake O'Malley, President, MPA Craig Downs, Treasurer, VCJPA Scott Ellerbrock, Vice President, PERMA Debbie Stutsman, BCJPIA Dave Elias, CSJVRMA Judy Hayes, Housing Authority of Contra Costa County Florice Lewis, Oakland Housing Authority John Gillison, PARSAC Roger Carroll, SCORE
BOARD MEMBERS ABSENT:	René Mendez, MBASIA
ALTERNATE MEMBERS PRESENT:	Joe Kriskovich, MPA Dan Weakley, BCJPIA Daniel Dawson, MBASIA Artesia Dupree, Oakland Housing Authority Joanne Rennie, PARSAC Min-Lee Cheng, VCJPA
ALTERNATE MEMBERS ABSENT:	Greg Greeson, CSJVRMA Joseph Villarreal, Housing Authority of Contra Costa County Kerry Trost, PERMA Stephanie Beauchaine, SCORE
OTHERS PRESENT:	Brian Kelley, Executive Director Jaesa Ng, Board Secretary Ruth Graf-Urasaki, Litigation Manager Rebecca Lane, Assistant Litigation Manager Nancy Broadhurst, Accounting Manager Greg O'Dea, Legal Counsel Rob Kramer, BCJPIA/Bickmore Adrienne Beatty, BCJPIA Jeanette Workman, CSJVRMA Chrissy Mack, CSJVRMA Susan Adams, SCORE Seth Cole, Alliant Insurance Services Michael Christian, Jackson Lewis Mike Simmons, Alliant Insurance Services Conor Boughey, Alliant Insurance Services/MBASIA Administrator

1. CALL TO ORDER

The February 15, 2013, Board of Directors' meeting was called to order at 9:02 a.m. by President Jake O'Malley.

2. INTRODUCTIONS

A majority of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

John Gillison moved to approve the agenda as posted. Seconded by Dave Elias. Motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Craig Downs moved to approve/accept the following items: A) Minutes of the November 19, 2012, Board of Directors' Meeting and Summary of Action Items and Minutes of the January 17, 2013, Special Board of Directors' Meeting; B) General Warrants from November 1, 2012, through January 15, 2013; C) Claims Payments from November 1, 2012, through January 15, 2013; D) Petty Cash Statement from November 1, 2012, through January 15, 2013; E) Treasurer's Report as of December 31, 2012; F) Internal Financial Statements for the Quarter Ended December 31, 2012; G) Bickmore Bulletin: SB 863; H) Amended ERMA MOC for the 2012/13 Program Year Final; and I) Letter of Engagement from Greg O'Dea (Board Counsel). Seconded by Dave Elias. Motion passed unanimously.

6. GOALS AND OBJECTIVES

A. Review and Approval of ERMA Goals and Objectives Established at 2013 Annual Workshop

During the Annual Workshop discussion the previous day, the Board discussed objectives and directives for staff. Mr. Brian Kelley, Executive Director, outlined the following items for the Board and asked the Board for any input or additions:

- Directed staff to continue member outreach;

- Directed staff to provide trending lines on claims over years by claim type and trend average expense and indemnity by claim type;
- Directed staff to include a $250,000 augmentation for future funding of a Mid-Layer Pool (MLP) and over the course of the next few meetings, staff will present alternatives for structural components of the MLP for future consideration;
- Directed staff to bring back options for a Rate Stabilization Fund (RSF);
- Regarding the "pool of pools" and individual member governance discussion, the Board directed staff to provide pros and cons regarding potential new individual members and review the underwriting guidelines and the governance and present recommendations at a future meeting. Board members were encouraged to provide pros and cons to staff as well;
- Directed staff to continue communications to all members and include emphasis on training requirements;
- Directed staff to continue research on opportunities to market ERMA to Community College Districts; and
- Directed staff to continue the current training program for 2013/14

Judy Hayes moved to adopt the goals and objectives. Seconded by Roger Carroll. Motion Passed unanimously.

7. EXCESS COVERAGE MATTERS

A. Excess Coverage and Marketing Strategy for 2013/14

Prior to the meeting, the Board received a marketing report from Alliant Insurance Services (Alliant), ERMA's broker. Mr. Seth Cole and Mr. Mike Simmons were present at the meeting and reviewed ERMA's current excess coverage and the marketing strategy for 2013/14.

Mr. Cole stated that in 2012, carriers almost universally increased rates, and either increased retentions or discontinued writing business for difficult classes and accounts with claims. Mr. Cole discussed how the courts have been employee-friendly, and employer-adverse.

Mr. Cole advised that the expectations for 2013 are that the market will begin to stabilize. He noted that given ERMA's favorable loss experience and RSUI's commitment to a long term relationship, and provided there are no significant changes prior to the renewal, they are not expecting any significant changes to happen to ERMA's program.

Mr. Cole advised that their recommendation is to continue early discussions and try to negotiate a renewal with RSUI. He noted that budgeting for a 5% increase would be conservative, and the expectation is that rates will remain flat.

Mr. Cole reviewed the chart that was provided to the Board prior to the meeting, illustrating the budget estimate for the 2013/14 coverage year, using the expiring payroll and a nominal rate increase for securing a second million of coverage, and the inclusion of BCJPIA to the

optional excess program at a $2,000,000 limit. Mr. Cole advised that they would present additional information to the Board in April.

8. FINANCIAL MATTERS

A. Investment Performance Review Presented by Public Financial Management, Inc. (PFM)

Mr. Carlos Oblites, PFM, was present at the meeting and handed out ERMA's fourth quarter Investment Performance Review. Mr. Oblites discussed the state of the current investment market and reviewed ERMA's investment portfolio with the Board. Mr. Oblites noted that the portfolio is well-diversified by sector, issuer, and maturity. Mr. Oblites informed the Board that over the past year, ERMA's portfolio generated a total return of 1.18%; 0.75% higher than the benchmark despite a year of record-low interest rates.

B. Annual Review and Approval of Investment Policy

Ms. Nancy Broadhurst, Finance Manager, stated that annually the Board reviews the Investment Policy to determine whether any changes are warranted. Prior to the meeting in the Board agenda, the Board received a draft Investment Policy with changes shown in redline/strikeout text and a letter from Mr. Oblites regarding his suggestions for the Investment Policy. Ms. Broadhurst noted that she reviewed the recommended changes with Mr. Craig Downs, ERMA Treasurer, who was in agreement with the recommended changes. Mr. Oblites noted that many of the changes were to make the policy appear more like the California Government Code (CGC) and align the policy with the model policies of the Government Finance Officers Association and the Association of Public Treasurers of the United States and Canada (APTUSC).

Mr. Oblites reviewed his suggested changes:

- Include language in the Policy that purchases will be made on a competitive basis;
- Remove redundant language that percentage holding limits apply at the time of purchase;
- Add a requirement that the maximum allocation to any non-government issuer other than pools should be 5%;
- Remove the 15% maximum on municipal debt allocation;
- Remove redundant language in the repurchase agreement section stating the maximum allocation was 25%;
- Update language in the section on negotiable certificates of deposit to include federally-licensed branches of a foreign bank;
- Remove the two year maximum maturity, allowing for the investment in negotiable CDs up to five years and increase the maximum allocation to 30%;
- Add a statement in Section I on time certificates of deposits that only 30% of funds could be invested in this security type in combination with negotiable CD's as

specified by CGC Section 53601.8; and

- Remove the 25% maximum allocation to the Local Government Investment Pools (LGIP).

Mr. Downs added that there are now many investment options available to ERMA for investments and Mr. Oblites has presented this to the Board efficiently. He noted that he, Ms. Broadhurst, and Mr. Oblites reviewed scenarios regarding liquidity which he had questions about, but after discussing with Mr. Oblites he has no concerns and supports the recommended changes.

Dave Elias moved to approve the Investment Policy as amended. Seconded by Judy Hayes. Motion passed unanimously.

C. Review of Target Equity Ratios

Prior to the meeting, the Board received the Target Equity Benchmarking Ratio calculation as of June 30, 2012. Ms. Broadhurst had reviewed the calculation with the Board the previous day at the Annual Workshop.

John Gillison moved to approve the Target Equity Ratios as presented. Seconded by Dave Elias. Motion passed unanimously.

9. ADMINISTRATIVE MATTERS

A. ERMA Staffing Plan

Mr. Rob Kramer, Bickmore, was present to review the ERMA staffing plan with the Board, which was effectuated due to Ms. Karen Thesing leaving Bickmore in December 2012. Mr. Kramer noted that as the President of Bickmore, it is his responsibility to fill the position of Executive Director with an individual ideally suited as a good fit for the group, and also has the right level of experience. Mr. Kramer advised that he is proposing Mr. Brian Kelley to fill the position of ERMA Executive Director; however, he is open to any process the Board would like to go through to review their selection as the Executive Director to ERMA.

President O'Malley inquired if the Board would like to approve Mr. Kelley as Executive Director or begin a review process and discuss it further at the April Board Meeting. It was the consensus of the Board to approve Mr. Kelley as the Executive Director.

Judy Hayes moved to approve Mr. Brian Kelley as ERMA Executive Director, effective February 15, 2013. Seconded by Dave Elias. Motion passed unanimously.

President O'Malley expressed his appreciation towards Mr. Kelley for all of his work on the Annual Workshop and congratulated him on his new role.

B. Appointment of Ms. Jaesa Ng as ERMA Board Secretary

Mr. Kelley advised that with the staffing changes previously mentioned, Ms. Jaesa Ng has been assigned as the Analyst on ERMA, and staff is recommending the Board appoint Ms. Ng as the ERMA Board Secretary effective February 15, 2013.

Dave Elias moved to appoint Ms. Jaesa Ng as ERMA Board Secretary, effective February 15, 2013. Seconded by Judy Hayes. Motion passed unanimously.

C. Discussion and/or Possible Action Regarding Late Reporting Penalties

Prior to the meeting, the Board received a suggested revised penalty structure for their review. The late reporting penalties were discussed the previous day at the Annual Workshop. Staff is proposing the following penalty structure:

Suggested Change in Penalty Structure		
SIR	Penalty	Percentage of Penalty to SIR
$25,000	$6,250	25.0%
50,000	12,500	25.0%
75,000	18,750	25.0%
100,000	25,000	25.0%
250,000	37,500	15.0%
500,000	50,000	10.0%

John Gillison moved to approve the proposed revised penalty structure as presented and to retroactively apply the revised penalty structure to July 1, 2012. Seconded by Craig Downs. Motion passed unanimously.

Staff noted the appropriate changes will be made to the Memorandum of Coverage (MOC) reflecting this revised penalty structure.

D. Service Provider Contracts Expiring June 30, 2013

1. Financial Auditing – Sampson, Sampson & Patterson, LLP

Mr. Kelley advised that he received a letter of engagement from Sampson, Sampson & Patterson, LLP for the audit of the years ended June 30, 2013, 2014, and 2015. He noted that the proposed fees are as follows: 2013 - $8,450; 2014 - $8,700; and 2014 - $8,950.

Mr. Scott Ellerbrock, ERMA Vice President, expressed that he felt the fees were fair.

Scott Ellerbrock moved to approve the proposal as presented. Seconded by Judy Hayes. Motion passed unanimously.

2. Program Administration – Bickmore

Prior to the meeting, the Board received a proposal letter from Bickmore for Program Administration. President O'Malley informed the Board that he met with Mr. Kelley and Mr. Kramer prior to the meeting to discuss the letter. President O'Malley advised that he would like to appoint an Ad Hoc Committee to discuss the contract and bring a draft contract renewal to the Board at the April Board meeting. He noted that the letter requested a 3.45% increase in fees. President O'Malley inquired if Mr. Kramer would like to articulate what was in the letter and other conversations they had prior to the meeting.

Mr. Kramer addressed the Board and discussed reasons why Bickmore was requesting an increase in fees, including why Bickmore must make a profit on their contracts. These reasons included overhead costs, staying current with technology, and hiring and keeping quality employees.

Mr. Kramer reviewed the history of ERMA's renewal contracts with Bickmore and explained that in this contract renewal, Bickmore is requesting a 3.45% increase, in order to keep the ERMA contract in line with the other contracts that Bickmore administers. Mr. Kramer advised that he is open to working with an Ad Hoc Committee and discussing the proposed fees.

Mr. Gillison expressed that he agreed with the 3.45% increase in the first year, but would like to see something less than the 2-3% increase for the following years. He noted that he believes there were ways to be more cost efficient by eliminating some of the work that is requested by the Board in order to save staff time. He expressed that he would like to see a process that would meet both Bickmore's needs but also provide budget stability for ERMA.

Mr. Joe Kriskovich noted that due to Bickmore staff, ERMA currently has money to return to the members and believes the increase in fees is worth the value of the services ERMA is receiving.

It was questioned if Bickmore was open to discussing a seven-year contract rather than a five-year contract, in order to spread out the increase in fees, but also provide Bickmore with a guarantee that ERMA would like to retain Bickmore as the Program Administrator. President O'Malley advised that it could be a possibility, and could be discussed once an Ad Hoc Committee was formed.

Discussion ensued regarding the value of the services Bickmore provides. It was expressed that members of the Board believe Bickmore's value is worth an increase in contract fees.

President O'Malley asked for volunteers to serve on the Ad Hoc Committee to meet with Mr. Kramer and Mr. Kelley. President O'Malley, Mr. John Gillison, Mr. Craig Downs, Mr. Scott Ellerbrock, and Ms. Florice Lewis volunteered to serve on the Ad Hoc

Committee.

3. Actuarial Services – Bickmore

Prior to the meeting, the Board received a three-year letter of engagement from Bickmore. Mr. Kelley noted that Bickmore is proposing a fee of $9,840 for each of the next three years' actuarial studies (developing rates for 2013/14, 2014/15, and 2015/16, respectively). Mr. Kelley advised that based on the discussion at the November Board meeting, staff has estimated that the cost of a peer review would be $2,500.

It was questioned what the expiring fee is and Ms. Broadhurst advised that it is the same as the proposed fees, $9,840. The Board inquired if ERMA had ever sent out a Request For Proposal (RFP) for actuarial services and Mr. Kramer advised that Bickmore has done the actuarial study for ERMA since inception.

President O'Malley inquired if the Board would like to get a peer review or if they would like to send out an RFP for actuarial services. Mr. John Gillison indicated that he would like to have a peer review done. It was questioned if actuaries have their own peer reviews done and Mr. Kramer advised that Bickmore has other internal actuaries that peer review the work, but it is not sent out to another firm to be reviewed.

It was inquired if the proposed rates are average for the service provided and Mr. Mike Simmons advised that the proposed fees are in the ballpark of all actuarial reviews. Discussion ensued regarding the different levels of peer reviews and Mr. Kramer advised that Bickmore has other internal actuaries that could do a peer review, at no cost, that have not previously provided services for the ERMA actuarial study.

President O'Malley proposed assigning the peer review to Mr. Mujtaba Datoo or Mr. Jack Joyce, as they are familiar with working with Bickmore, and authorizing $2,500 for the peer review.

Dave Elias moved to approve the proposed three-year proposal as presented. Seconded by Roger Carroll. Motion passed unanimously.

Dave Elias moved to approve a one-time peer review, not to exceed $2,500, assigned to an outside firm. Seconded by John Gillison. Motion passed unanimously.

10. LITIGATION MANAGEMENT

A. Discussion Regarding Increasing Panel Attorney's Fees

Ms. Ruth Graf-Urasaki, Litigation Manager, addressed the Board and advised how crucial she believes the panel attorneys are to keeping defense and litigation costs down for ERMA members. Ms. Graf-Urasaki noted that ERMA has not increased the panel attorney fees in five years and the average expenses have been stagnant since the early 2000's. She further

noted that the rate ERMA is receiving from the larger attorney firms is below the public sector rate. Ms. Graf-Urasaki expressed it is her belief the panel attorneys have contributed to ERMA's positive financial status.

It was questioned if Partners, Associates, or Paralegals mainly worked on ERMA cases. Mr. Michael Christian, Jackson Lewis, advised that it depends on what the case is, and what will be most efficient. Ms. Graf-Urasaki advised that it also varies amongst firms. She also noted that the ERMA guidelines require that the attorney assigned to an ERMA case must have at least five years of Employment Practices Liability (EPL) experience, which many times the Associates do not have.

Mr. Christian voluntarily left the meeting after ensuring there were no more questions.

President O'Malley addressed the Board and expressed that ERMA has had a partnership with the panel attorneys since inception and that ERMA can depend on the panel attorneys to work efficiently to not add hours to the bill, and that ERMA will pay them above market rate.

Ms. Broadhurst directed the Board's attention to a spreadsheet that the Board received before the meeting illustrating the financial impact of hypothetical increases in billing rates of 10%, 15%, and 18% on total claims payments for the 2011/12 fiscal year. Ms. Broadhurst reviewed the spreadsheet and noted a 10% increase would result in a 2.5% increase in total claims payments, a 15% increase would result in an increase of 3.7%, and an increase of 18% would result in an increase of 4.5%.

President O'Malley suggested an option that the Board could increase the panel attorney fees by 10% now, and then address the issue again in three years. Mr. Gillison expressed that he believes a 10% increase was too high and that the current ERMA rates are within the market rates. He expressed that he would prefer to review increasing the rates for the 2014/15 budget rather than the 2013/14 budget.

It was questioned if any of the attorney firms have expressed that they would cease working with ERMA if the rates are not increased and Ms. Graf-Urasaki advised that she has not received any indication of that from the attorney firms.

John Gillison moved to increase the attorney panel fees to $265 for Partners, $210 for Associates, and $90 for Paralegals. Seconded by Roger Carroll.

11. CLAIMS MATTERS

A. Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 10:53 a.m. to discuss the following claims for the payment of employment practices liability incurred by the joint powers authority:

- Vombauer v. Murietta
- Welch v. Murietta
- Lake v. Hercules
- Daniels v. Desert Hot Springs
- Neustadter v. Pleasant Hill

B. Report from Closed Session

The Board reconvened to open session at 11:08 a.m.

Mr. Greg O'Dea, Legal Counsel, reported that the Board met and discussed the claims listed, and with respect to Welch v. Murietta, the Board voted unanimously to provide the Litigation Manager settlement authority.

It was also reported that no other action was taken on the other matters.

12. CLOSING COMMENTS

A. Board

None.

B. Staff

None.

13. ADJOURNMENT

The February 15, 2013, ERMA Board of Directors' meeting adjourned at 11:10 a.m. by general consent.

Jaesa Ng, Board Secretary

LOCAL AGENCY WORKERS' COMPENSATION EXCESS
JOINT POWERS AUTHORITY
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

MINUTES OF THE EXECUTIVE COMMITTEE MEETING
OF FEBRUARY 26, 2013

A meeting of the Local Agency Workers' Compensation Excess JPA (LAWCX) Executive Committee was held at Bickmore in Sacramento, California.

COMMITTEE MEMBERS PRESENT:	Scott Ellerbrock, Vice President, PERMA Rosa Kindred-Winzer, Vice President, City of Merced Kin Ong, Treasurer, City of Placentia/PARSAC Joanne Rennie, Past President, PARSAC Celeste Garrett, City of Vacaville Janet Hamilton, City of Lodi Steve Negro, MCLAIA
COMMITTEE MEMBERS ABSENT:	None
OTHERS PRESENT:	Beth Lyons, Interim Executive Director Tammy Vitali, Claims Manager Jose Mederos, Recording Secretary Kirstin Donovan, Assistant Manager Richard Shanahan, Legal Counsel, Bartkiewicz, Kronick & Shanahan Rob Kramer, BCJPIA, Bickmore Brian Kelley, FASIS & VCJPA Adrienne Beatty, BCJPIA & CHWCA Chrissy Mack, CSJVRMA Seth Cole, Alliant Insurance Services, Inc. Susan Adams, SCORE

1. CALL TO ORDER

The meeting was called to order at 10:00 a.m. by President Scott Ellerbrock.

2. INTRODUCTIONS

Introductions took place, and it was determined a quorum was present.

3. PUBLIC COMMENTS

None.

4. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Rosa Kindred-Winzer moved to approve the agenda as posted. Seconded by Steve Negro. The motion passed unanimously.

5. CONSENT CALENDAR

Joanne Rennie moved to approve/accept the following items: A) Summary of Action Items and Minutes from the September 25, 2012, Executive Committee Meeting; B) Internal Financial Statements as of September 30, 2012, and December 31, 2012; C) Treasurer's Report Dated December 31, 2012; D) eBrief, December 2012; E) New Member Schell-Vista Fire Protection District (FASIS Member); F) Membership Withdrawal Notification Received from the City of Livermore; and G) PFM Memo Regarding Custodian Changes. Seconded by Celeste Garrett. The motion passed unanimously.

6. ADMINISTRATIVE MATTERS

A. Executive Director Transition Plan

Rob Kramer, Bickmore Director of Administration, introduced Beth Lyons. Ms. Lyons has been proposed to serve as Interim Executive Director for LAWCX. Mr. Kramer shared with the Committee Ms. Lyons' background, which includes the following:

- 16 years of risk management experience
- 12 years of pooling experience as Assistant Executive Officer with the California Joint Powers Insurance Authority (CJPIA)
- Conference Chair for the California Association of Joint Powers Authority (CAJPA)
- Active member of CAJPA's Professional Development Committee
- Member of the leadership team for the Independent Cities Risk Management Authority (ICRMA), a self-insurance pool with members in Los Angeles, Orange, and San Bernardino counties
- Professional designation of ARM-P, Associate in Risk Management for Public Entities

The Committee expressed appreciation towards Beth in her short time as Interim Executive Director and agreed to move this topic for discussion during the April 2013 Executive Committee meeting.

B. Review SCORE Request to Increase SIR to $250,000

Tammy Vitali, Claims Manager, provided information regarding the Small Cities Organized Risk Effort (SCORE) to change their Self-Insured Retention (SIR) from $150,000 to $250,000 effective July 1, 2013. Ms. Vitali noted that SCORE is currently the only LAWCX member in the $150,000 pool.

In accordance with the LAWCX Bylaws, the Underwriting Committee has the authority to "review and make a recommendation to the Board of Directors regarding a Party's request to increase or decrease its retained limit utilizing the same underwriting criteria that apply when reviewing a new Party application." Ms. Vitali reviewed the underwriting process for a new Party, explained that staff has completed an underwriting review subject to the factors she mentioned, and is recommending approval of SCORE's request. The Underwriting Committee will review SCORE's request in March and make a recommendation for Board consideration at its meeting in June.

A question arose regarding the future of the $150,000 pool and whether it would be needed since no members would be participating in this pool if SCORE's request is approved by the Board. Scott Ellerbrock noted that action at this time might be premature, and suggested that a discussion regarding options for the $150,000 pool be placed on a future agenda.

After discussion the Committee, by general consensus, received and filed the request from SCORE to increase their SIR to $250,000.

C. California Housing Workers' Compensation Authority's Membership Application

The California Housing Workers' Compensation Authority (CHWCA) has submitted an application to join LAWCX effective July 1, 2013. Ms. Lyons noted that CHWCA was a LAWCX member from July 1, 2004, through June 30, 2008, when it left the pool to purchase commercial insurance coverage. Ms. Lyons reviewed CHWCA's primary reasons for withdrawing from LAWCX and noted that the major concerns that encouraged CHWCA to leave the pool are no longer relevant. CHWCA recognizes the membership commitment involved in rejoining LAWCX and its Board has expressed a desire to make LAWCX its long-term partner for excess workers' compensation coverage.

Adrienne Beatty, CHWCA Administrator, explained that while saving money is important, CHWCA's main reasons for applying to LAWCX are the benefits that come while being part of a pool, such as stable rates and a voice on the Board.

There being no objection, Chairman Ellerbrock received and filed the California Housing Workers' Compensation Authority's Membership Application

D. Claims Audit Services Contract Renewal with Farley Consulting Services

The current contract in place with Farley Consulting Services (FCS) for claims audits expires on June 30, 2013. During the current contract period, FCS partnered with a subcontractor to provide the scope of services necessary for LAWCX's claims audits. During this time some members expressed dissatisfaction with the claims audits performed by the subcontractor, thus Mr. Farley has conducted all audits since July 1, 2012. Ms. Vitali reviewed the proposed contract from FCS for the period of July 1, 2013, through June 30, 2015, and noted that the fee for the next two year-period, should the scope of services remain the same, would remain at $83,000 annually. Richard Shanahan, Legal Counsel, recommended language be added to the contract to prohibit the use of subcontractors without LAWCX's prior consent.

Rosa Kindred-Winzer moved to recommend Board approval of a $166,000 claim audit contract with Farley Consulting Services for the period of July 1, 2013, through June 30, 2015. Janet Hamilton seconded the motion. Motion passed unanimously.

E. 2012 Board Self-Evaluation Survey Results

Jose Mederos, Recording Secretary, reviewed the results of the 2012 Board Self-Evaluation survey with the Committee. Mr. Mederos explained that responses were received from 19 members and noted that the responses improved significantly from the previous survey conducted in 2010.

There being no discussion, the Committee received and filed the results of the 2012 Board Self-Evaluation survey.

F. Financial Auditing Services Contract Renewal Sampson, Sampson, & Patterson, LLP

LAWCX's Bylaws require a Financial Audit be performed annually. Staff recommended the Board continue services with their current financial auditor, Sampson, Sampson, & Patterson, LLP (Sampson) for an additional contract period. LAWCX's current contract with Sampson expires upon completion of the June 30, 2013, report. Ms. Lyons reviewed an engagement letter provided by Sampson outlining the scope of services and also reviewed the following fees:

Program Year	**Fee**
2013/14	$8,550
2014/15	$8,775
2015/16	$9,000

Ms. Lyons noted that the proposed fees represent a 2.7% increase for the first fiscal year and a 2.6% increase for the second and third year, respectively.

Celeste Garrett moved to recommend Board approval of a $26,325 financial audit contract with Sampson, Sampson, & Patterson, LLP for the period of July 1, 2013, through June 30, 2016. Kin Ong seconded the motion. Motion passed unanimously.

7. FINANCIAL MATTERS

A. Annual Discussion and Action Regarding Dividend/Assessments

Utilizing the December 31 financials, the Committee annually reviews LAWCX's financial position to determine whether dividends or assessments are warranted. The December 31, 2012, financial statements indicate that LAWCX has positive net assets of $25,976,436 with liabilities recorded at the expected confidence level. LAWCX's net asset balance exceeds the California Association of Joint Powers Authorities' target net asset to self-insured retention ratio of 5 to 1. Based upon the Bylaws, neither assessments nor dividends are indicated at this time.

Ms. Lyons indicated, however, that several of the older individual program years are in a deficit position. While an assessment is not indicated, in the past the Board of Directors has adopted a plan to improve the funding level of deficit years.

Joanne Rennie moved to recommend Board approval of the following: 1) assess members $1.8 million over three years; 2) apply the assessment to the oldest coverage periods in a deficit position; 3) bring funding levels in the oldest years to the expected confidence level; and 4) to review the assessment amount annually. Rosa Kindred-Winzer seconded the motion. Motion passed unanimously.

B. Decrease the Discount Factor from 4.5% to 3.5%

The Board annually reviews the investment portfolio return in comparison to the discount factor to ensure the rate used is appropriate. At the Executive Committee meeting in February 2012, staff presented the results of a model developed by the Bickmore Actuarial Department that analyzed optimum discount rates for LAWCX. Based on June 30, 2011, data, the results produced a 3.93% yield. The Board of Directors ultimately adopted a 4.5% discount rate for its 2012/13 program year budget with the intent of gradually decreasing the discount rate over time to lessen the financial impact to members. LAWCX's actuary has performed the same analysis as in the prior year to determine an optimum discount rate for funding the 2013/14 program year budget. The results produced a 3.13% yield.

The Committee was comfortable recommending a decrease in the discount factor, but was also interested in keeping the member premium flat. During the April 2013 Executive Committee meeting, when the loss data has been integrated into the budget, the Committee

will consider decreasing the discount factor to 3.5%. The Committee suggested that a preliminary budget be provided to the membership with both the 4.0% discount factor and the 3.5% discount factor.

Janet Hamilton moved to recommend Board approval of the following: 1) decrease the discount factor from 4.5% to 4.0%; 2) revisit the issue during the April 30, 2013, Executive Committee meeting to discuss the possibility of lowering the discount factor to 3.5% if it is also possible to keep the member premiums flat; and 3) direct staff to prepare and distribute to the members a preliminary budget showing both the 4.0% discount factor and the 3.5% discount factor. Celeste Garrett seconded the motion. Motion passed unanimously.

C. Review of Experience Modification Methodology

Beginning with the 2004/05 program year, the Board approved the addition of an experience modifier to the premium allocation process. At the January 26, 2010, meeting, the Executive Committee reviewed and approved the experience modification methodology with no changes for an additional three years, and thus the experience modification methodology is due for review this year.

Ms. Lyons indicated that staff plans to conduct a comprehensive analysis of the experience modification methodology to ensure the methodology being utilized is accomplishing its original intent. Analysis and recommendations will be presented to the Executive Committee for consideration prior to implementation of the 2014/15 fiscal year budget. The Committee suggested using loss data as of June 30, 2013, and asked that staff's analysis be presented at the September 2013 Committee meeting.

By general consensus the Committee received and filed the experience modification methodology.

D. Preliminary Proposed Budget for Fiscal Year 2013/14

The proposed budget for fiscal year 2013/14 was reviewed by the Committee. The preliminary budget reflected pooled rates at the 80% confidence level and deposit premium calculated at both the 4% and 3.5% discount rates. The discount factor to be included in the final budget will be determined by the Board at its June 2013 meeting.

Ms. Lyons explained that the member premium is adjusted by an experience modifier which adjusts each member's premium up or down based on each member's actual loss experience. The 2012/13 experience modifier is shown in the preliminary 2013/14 budget. Each member's 2013/14 experience modifier will be re-calculated upon receipt of the December 31, 2012, claims loss data, and the final budget will be adjusted accordingly.

The 2012/13 budget was prepared using 2010/11 actual payroll. Typically, this payroll would have been inflated 5% per annum. LAWCX recognizes the continued economic challenges, however, and the continued downward trend in payroll. Thus, the 2013/14 budget was prepared using the most recent actual payroll (2011/12). Each member's premium will be adjusted in the spring of 2014 to reflect actual 2012/13 payroll. Because receiving an unbudgeted invoice for a payroll adjustment can be difficult, staff recommended the Committee reaffirm its past practice of allowing individual members to direct staff to inflate budgeted payroll no later than May 15, 2013

Beginning with the 2006/07 program year, LAWCX began self-insuring (through member deposit premium contributions) losses on all claim liabilities between $2 million and $5 million dollars. The Board's proactive approach to funding this layer has resulted in a cash balance of $5.5 million as of December 31, 2012. It is anticipated this layer will not require additional funding until unfavorable claim development makes it necessary to replenish the fund. Accordingly, the preliminary budget does not include contributions for this layer of coverage.

Ms. Lyons advised that CSAC-EIA does not know the actual excess insurance premium, but a conservative estimate was included in the preliminary budget based on information received from CSAC-EIA.

Ms. Lyons noted that administrative costs have increased $7,120 reflecting a 1% increase over the prior year.

Kin Ong moved individual members should be allowed to direct staff to inflate budgeted payroll if the member's 2011/12 actual payroll is lower than the estimated 2012/13 actual payroll. Steve Negro seconded the motion. Motion passed unanimously.

8. CLOSING COMMENTS

A. Executive Committee

None.

B. Staff

Ms. Lyons expressed appreciation to the Committee for the opportunity to work with them and the LAWCX Board.

13. ADJOURNMENT

The February 26, 2013, Executive Committee meeting adjourned at 11:20 a.m. by general consent.

Jose Mederos

Jose Mederos, Board Secretary

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item G. 5.a

RISK MANAGEMENT - 20 PRACTICAL STEPS TO CLAIMS AVOIDANCE WHITE PAPER

INFORMATION ITEM

ISSUE: Jack Kastorff will provide and review with the Board with a white paper he developed at the Boards request on the topic of "20 Practical Steps to Claims Avoidance".

RECOMMENDATION: None

FISCAL IMPACT: Unknown

BACKGROUND: At the October 2012 Long Range Planning Session, the Board requested that a document be created to address the most common risk management tools that can be used to assist Members in limiting loss exposures and avoiding claims. Mr. Jack Kastorff, SBK Risk Services was given direction to develop a document addressing this request. At the January 2013 Board of Directors Meeting, Mr. Jack Kastorff agreed that this would be completed and presented to the Board by the March 22, 2013 meeting.

ATTACHMENTS: 20 Practical Steps to Claims Avoidance

20 Practical Steps to Claims Avoidance

Appoint a single person, and a backup, to speak on behalf of the City, and ensure that all employees understand that only the spokesperson is authorized to speak on behalf of the City.

Do what you say you're going to do.

Under promise and over deliver.

If for some reason you can't do what you said you were going to do, tell the person or persons before the due date.

Never use "you have to" in conversation with anyone. Nobody "has to do" anything. Instead, use alternate phrases: "the process starts with blank, then blank #2, #3 and #4;" "the blank requires that this process be used"; "Yes, it certainly seems unfair. If I were in your shoes, this is what I would do:"

Your IIPP is a tremendously powerful document. Are you using it every day?

Provide all field people with both an audio recorder and a digital camera. Encourage their use.

Take digital photos of the work site before, during, and completion of all projects.

Field supervisors should keep a daily log of events, including as many details as possible. Video and audio recorders make log keeping easier.

A digital camera should be in each City vehicle. Check batteries on a regular basis.

Flush your sewers on a regular basis. Document this flushing.

Inspect your sidewalks, noting hazards. Arrange in order of severity. Develop a plan to deal with the hazards.

Inspect your playgrounds on a regular basis, and just before heavy use periods.

Call your claims examiner immediately upon receiving an accident report.

Digital cameras make photographic evidence almost free. If you haven't taken well over a hundred shots, you're not helping your defense.

If one of your vehicles is involved in an accident, don't cause a second accident. Get if off the road!

At every opportunity, explain to the public that the City doesn't have an insurance company, so that a claim filed against the City is actually a claim filed against you and your neighbors.
Nobody likes waste water operations, but they need attention just like any other department. If you only have one qualified operator, do you have a contingency plan?

Before you hire, check references!

You have an HR manual. Use it!

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item G. 5.b

DISCUSSION OF RISK MANAGEMENT SCOREcards FOR USE IN CITY RISK ASSESMENTS

INFORMATION ITEM

ISSUE: Jack Kastorff, SBK Risk Services will review with the Board, the *SCOREcards* he has developed as a tool to measure each members risk exposures for their cities' operations as detailed in the Risk Assessments completed for each member. The cards have the purpose of identifying and evaluating safety and risk management practices of Member Cities in SCORE.

RECOMMENDATION: Staff recommends the use of these *SCOREcards* to evaluate member's needs for future training and risk control services.

FISCAL IMPACT: None

BACKGROUND: At the Long Range planning meeting held in October, 2012, Jack Kastorff discussed the idea of creating a Risk Management *SCOREcard* that would be used to grade the findings of departments and exposures to risks identified during the city assessments he performs. The *SCOREcards* will provide the members with a summary of areas that need improvement and offer an opportunity to develop training for all members. At the January 2013 Board Meeting, Mr. Kastorff indicated that the *SCOREcard* documents will be finalized for Members by the March 2013 Board meeting.

ATTACHMENT: None – Will be provided under separate cover at the meeting.

SANITARY SEWER AND WASTEWATER MANAGEMENT TRAINING UPDATE

INFORMATION ITEM

ISSUE: SCORE in collaboration with NCCSIF, recently hosted Sanitary Sewer and Wastewater Training seminars, one in Redding and one in Yuba City. The trainings addressed topics dealing with Sanitary Sewer and Wastewater Treatment facility operations by member cities as well as changes in the new California regulations dealing with these types of plants.

As an outcome of this training, many of the supervisors and managers that attended expressed the desire for SCORE to provide more training on these topics to better address the sewer and wastewater exposures arising from the operation of Sewer and Wastewater Treatment Plants for their employees to attend. (This initial training was designed for senior level personnel).

RECOMMENDATION: The Program Administrators recommend additional training classes be provided to the Public Works departments to assist in reduction of losses resulting from wastewater and sewer type claims. We also recommend that Jack Kastorff and Cameron Dewey review the training topics to determine which would be most instrumental to avoid or mitigate losses.

FISCAL IMPACT: To be determined.

BACKGROUND: At the October 2012 Long Range Planning Session, the SCORE Board requested that the Program Administrator make training available on the topic of sewer and waste water treatment plant operations. The Program Administrators contacted David Patzer and scheduled two training sessions that were held in February 2013. The topic was Sanitary Sewer Overflows and Backups with an update on the new State Water Resources Control Board Requirements and the Latest Risk Management Strategies. Approximately 45 senior level Public Works and Plant Operations staff attended the trainings and found them to be extremely valuable, requesting that more training is made available for various other related topics that could be made available to lower level personnel.

ATTACHMENT: SSMP Topics - Training Interest Form

DKF Solutions Group

SSMP Topics: Training Interest Form

Agency Name: _____

Agency Contact: _____

Name Telephone Email

Training Topics:

- **Rodder Operation and Safety – Qualified Operator (7hrs)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $250 /employee? ☐Yes ☐No

- **Fall Protection – Competent Person (8hrs)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $350 /employee? ☐Yes ☐No

- **Flagger and Traffic Control (4hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $175 /employee? ☐Yes ☐No

- **Confined Space – Awareness, Non Entry Rescue or Entry Rescue (3-8hours depending on the class)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $150-$500 /employee? ☐Yes ☐No

- **Sewer Cleaning Techniques (7hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $300 /employee? ☐Yes ☐No

- **Excavation – Competent Person (8hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $315 /employee? ☐Yes ☐No

- **Backhoe – Qualified Operator (8hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $350 /employee? ☐Yes ☐No

- **SSO/Backup Response (3hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $175 /employee? ☐Yes ☐No

- **SSO Volume Estimation (4hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $195 /employee? ☐Yes ☐No

- **Hydro Operation and Safety – Qualified Operator (7hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $250 /employee? ☐Yes ☐No

- **CCTV – Qualified Operator (7hours)**
  Do you have employees who need this training? ☐Yes ☐No If so, how many: _____
  Are you interested in sending them to a regional training at $250 /employee? ☐Yes ☐No

☐ Check here to be added to our email list for notices about FREE webinars and other training opportunities.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item H. 1

CHANDLER ASSET MANAGEMENT – REPORT FROM THE INVESTMENT MANAGER

INFORMATION ITEM

ISSUE: Mr. Ted Piorkowski, Senior Vice President of Chandler Asset Management will be in attendance to provide the Board with a presentation of SCORE's investment portfolio with Chandler Asset Management as well as to provide a glimpse of how the current economic climate will impact future investment returns.

RECOMMENDATION: None – Information item

FISCAL IMPACT: Unknown

BACKGROUND: Chandler Asset Management is SCORE's investment manager and has been developing and implementing investment programs for SCORE since 2006.

ATTACHMENTS: Chandler Asset Management SCORE Investment Report.pdf

CHANDLER ASSET MANAGEMENT

Investment Report

Small Cities Organized Risk Effort

Period Ending
February 28, 2013

6225 Lusk Boulevard | San Diego, CA 92121 | Phone 800.317.4747 | Fax 858.546.3741 | www.chandlerasset.com

TABLE OF CONTENTS

SECTION 1

ECONOMIC UPDATE

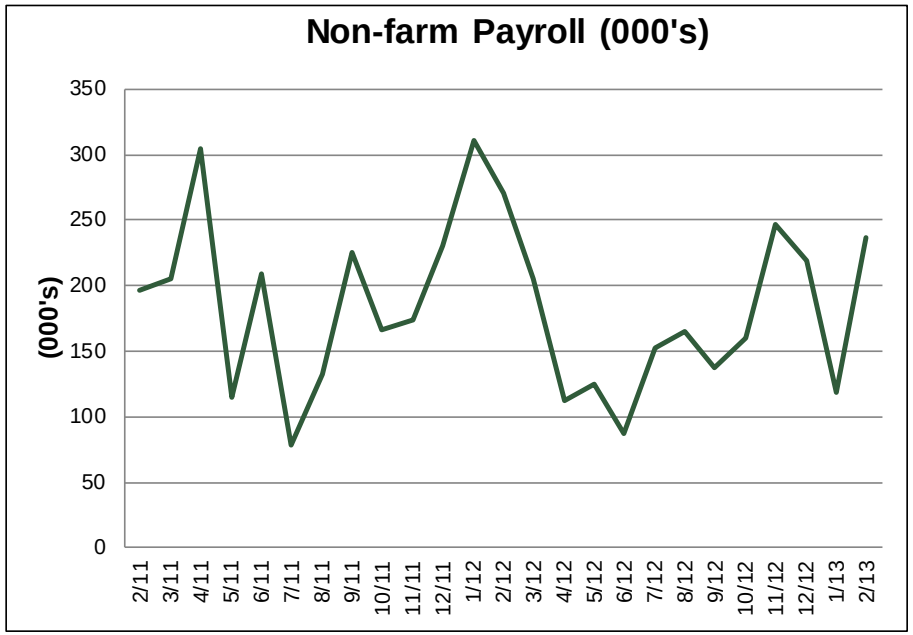
ECONOMIC UPDATE

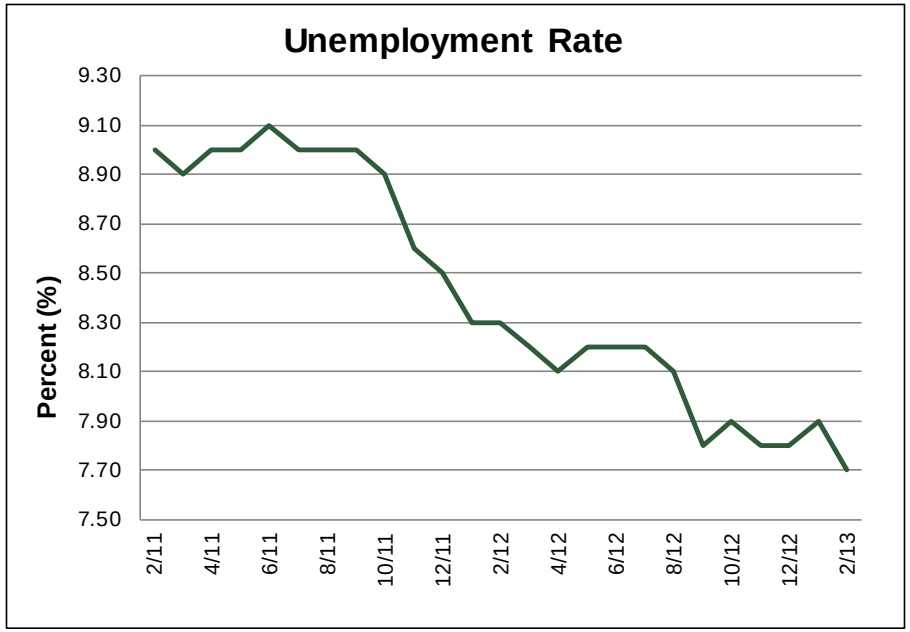
- Recent data suggests that first quarter economic growth has been modest. Job growth was better than expected in February. Nonfarm payrolls rose 236,000 in the month, exceeding the consensus forecast of 171,000, while the unemployment rate fell to 7.7% from 7.9% in January. The average nonfarm payroll growth over the past 3 months has been 191,000 per month. Recent manufacturing trends have picked up slightly and housing trends remain favorable. Meanwhile, higher payroll taxes, rising gas prices, a delay in tax refunds, as well as ongoing uncertainty about the government's fiscal policy have all been headwinds to consumer spending. Sequestration went into effect on March 1, but some market participants believe it will soon be replaced with a less severe package of spending cuts.

- The Federal Open Market Committee left policy rates unchanged at its January meeting. The Committee will continue with quantitative easing (QE), buying longer-term Treasuries at a pace of $45 billion per month and agency mortgage-backed securities at a pace of $40 billion per month. The Fed expects to maintain an exceptionally low fed funds rate as long as unemployment remains above 6.5% or until inflation looks set to exceed 2.5%. The minutes from the meeting indicated that the debate among Fed officials on QE is growing. However, in early March Chairman Bernanke defended continuing the central bank's bond buying programs and signaled that the Fed remains committed (for the time being) to providing stimulus to the economy. He cautioned that raising interest rates too soon would be harmful to the economy.

- Over the last three months, yields remained within a relatively tight range at low levels, as domestic economic growth remained sub-par and the outlook for the global economy remained tenuous. Rates continued to be influenced by the Federal Reserve's accommodative monetary policy, continued purchase of securities onto their balance sheet, and their desire to keep interest rates contained.

EMPLOYMENT

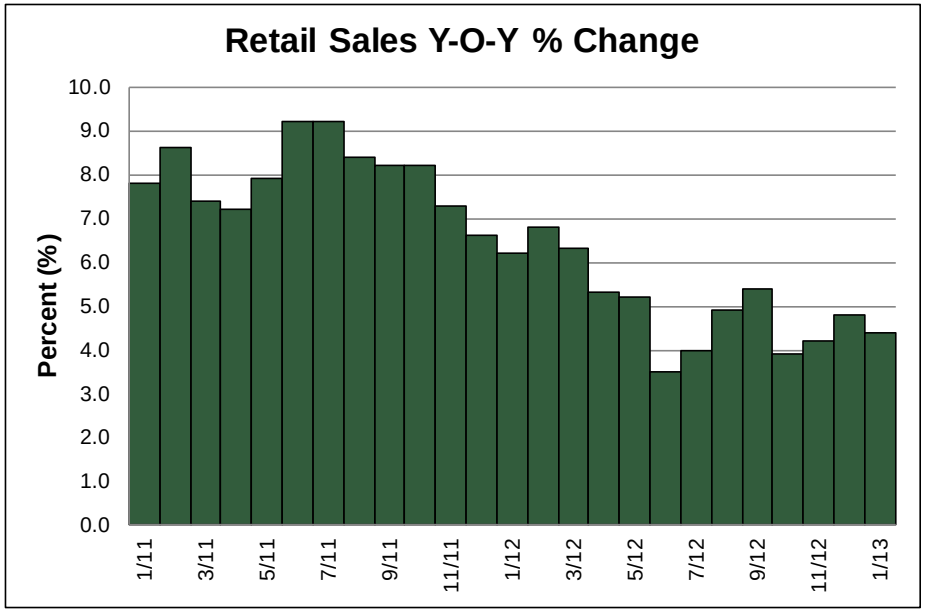




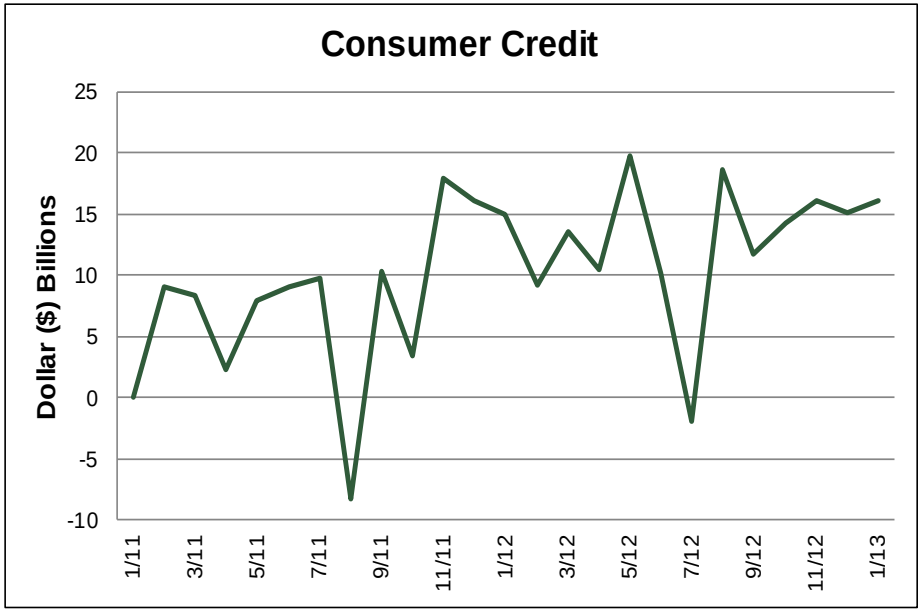
Source: U.S. Department of Labor

The February employment report showed that payrolls increased by 236,000 (exceeding the consensus estimate of 171,000). The unemployment rate fell to 7.7% from 7.9% in January. Private payrolls were up 246,000 (vs. expectations of 195,000), while government jobs fell 10,000 in February. The net revisions in nonfarm payrolls for December and January were down 15,000. Overall, improvement in the labor market continues to be modest.

CONSUMER



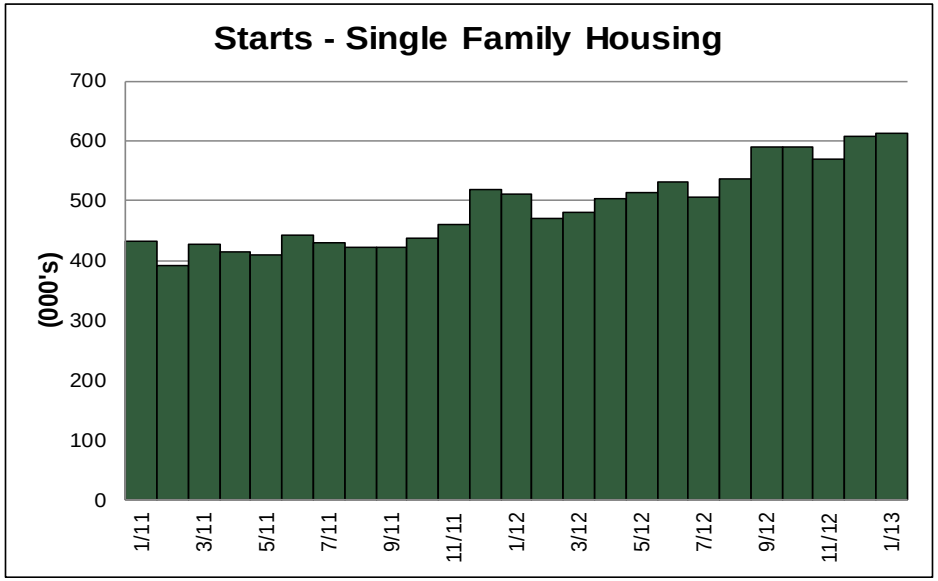
Source: U.S. Department of Commerce



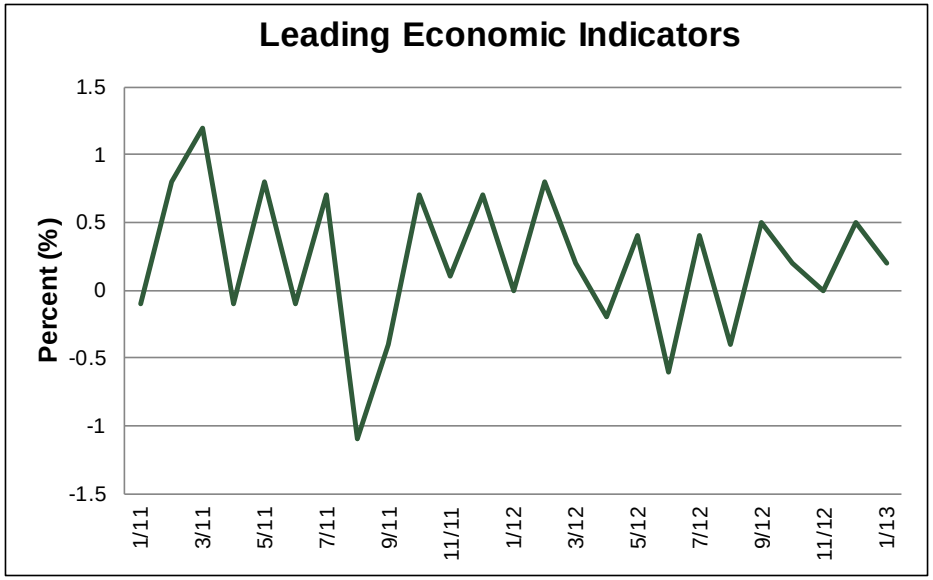
Source: Federal Reserve

In January, Retail Sales rose 4.4% on a year-over-year basis. On a month-over-month basis, Retail Sales rose 0.1% in January, in line with expectations. Overall, recent consumer spending trends have been modest. Consumer credit rose by $16.2 billion in January, indicating consumers' willingness to take on additional debt. However, the gains have mostly been driven by non-revolving credit such as vehicle and student loans, rather than revolving credit such as credit cards.

BROAD MEASURES



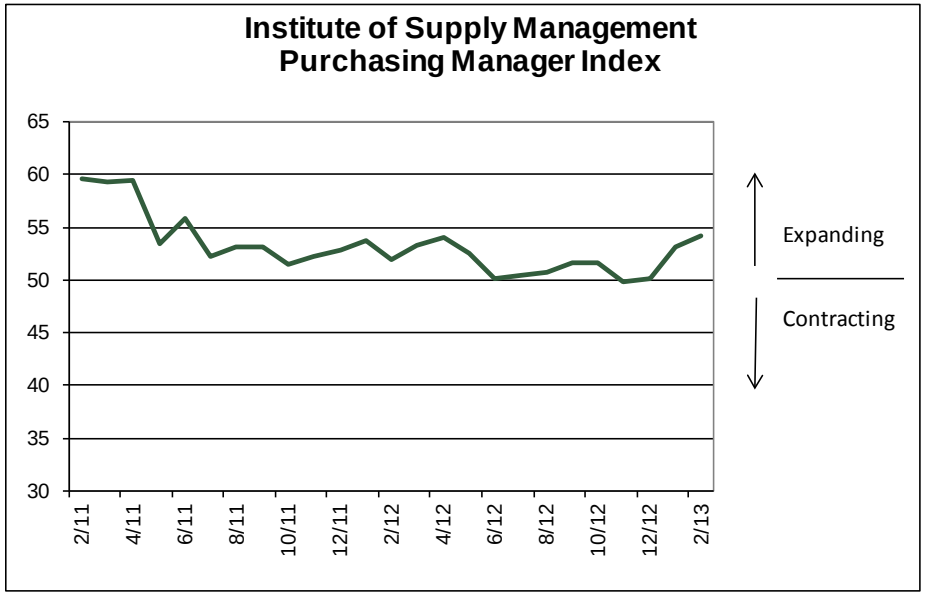
Source: US Department of Commerce



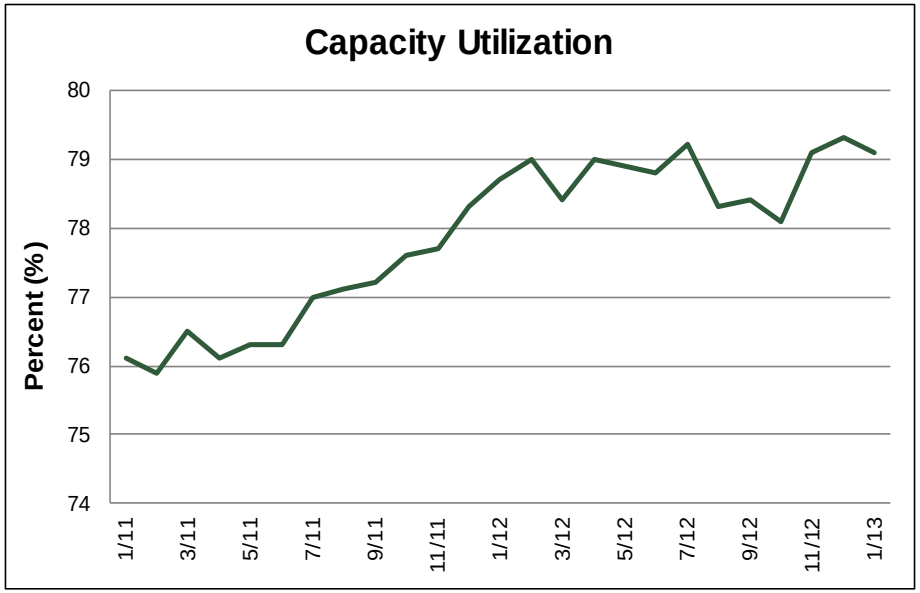
Source: The Conference Board

Single-family housing starts rose 0.8% in January to 613,000 from 608,000 in December. Multifamily starts fell 24.1% in January after spiking in December. Though housing starts were weaker than expected in January, there was an ongoing increase in housing permits. Housing permits rose 1.8% in the month which was slightly more than expected. In our view, recent data suggests that the housing market continues to improve. The index of Leading Economic Indicators (LEI) rose 0.2% in January following an increase of 0.5% in December. Recent LEI readings continue to suggest sluggish economic expansion, in our view.

MANUFACTURING



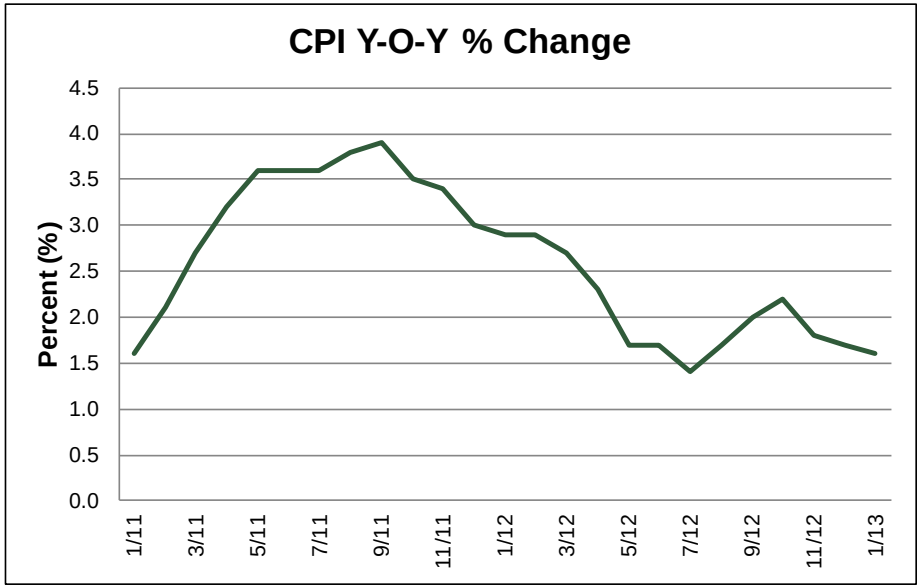
Source: Institute for Supply Management

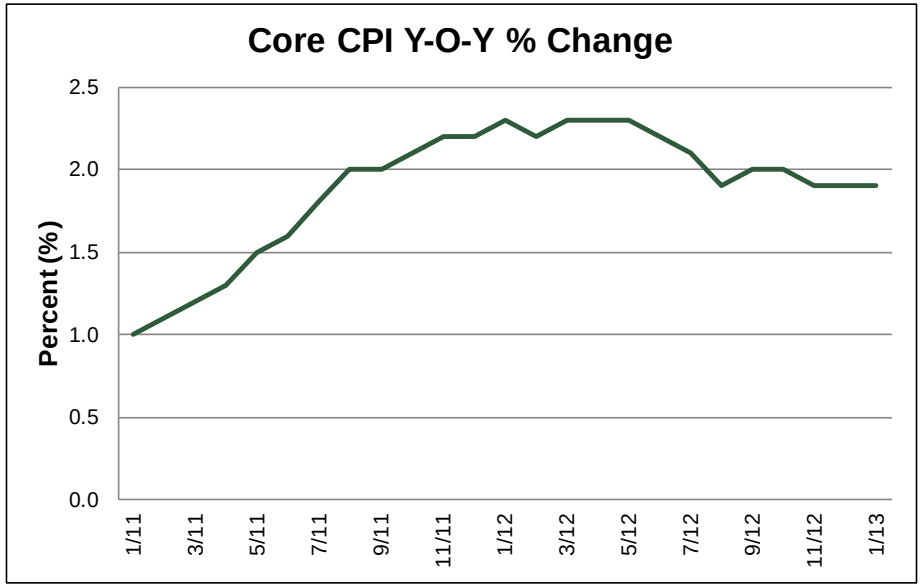


Source: Federal Reserve

During February, the ISM Manufacturing Index rose to 54.2, from 53.1 in January. A reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction in the manufacturing sector. Capacity Utilization, which is production divided by capacity, was little changed in January at 79.1% vs. 79.3% in December. The Capacity Utilization reading remains below the long-run average of 80.2% (1972-2012) and is one factor cited by economists who believe inflation will not significantly increase in the near future.

INFLATION

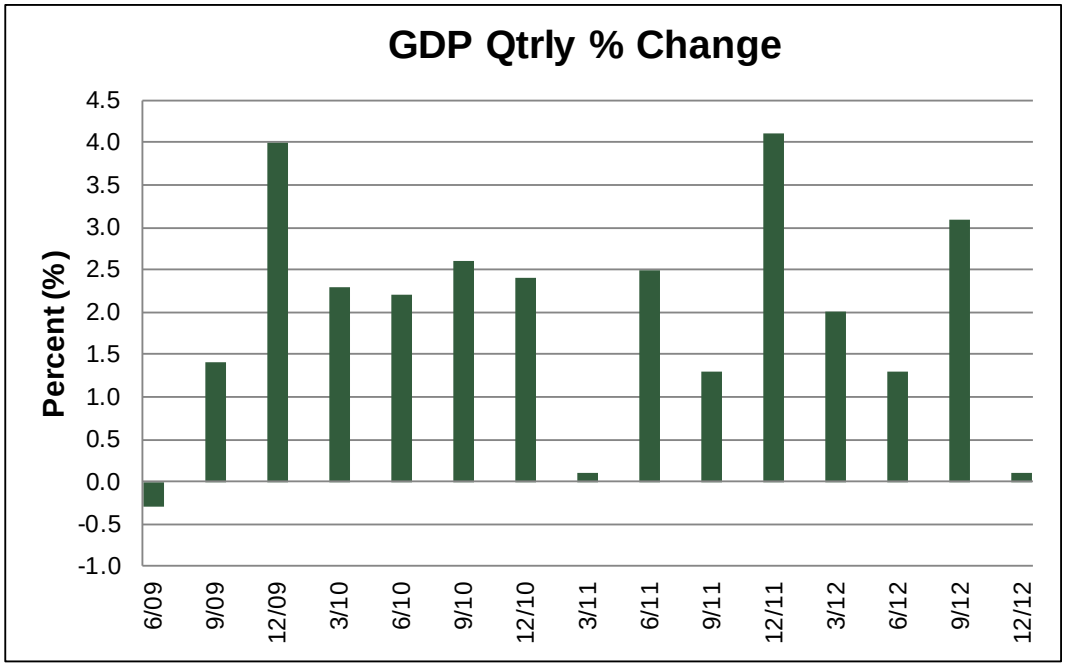




Source: US Department of Labor

In January, overall CPI inflation fell to 1.6% on a year-over-year basis from 1.7% in December. The year-over-year Core CPI (CPI less food and energy) was unchanged at 1.9%. The core inflation rate remains below the Fed's long-term goal of 2.0% and well below the trigger rate for policy action of 2.5%.

GDP



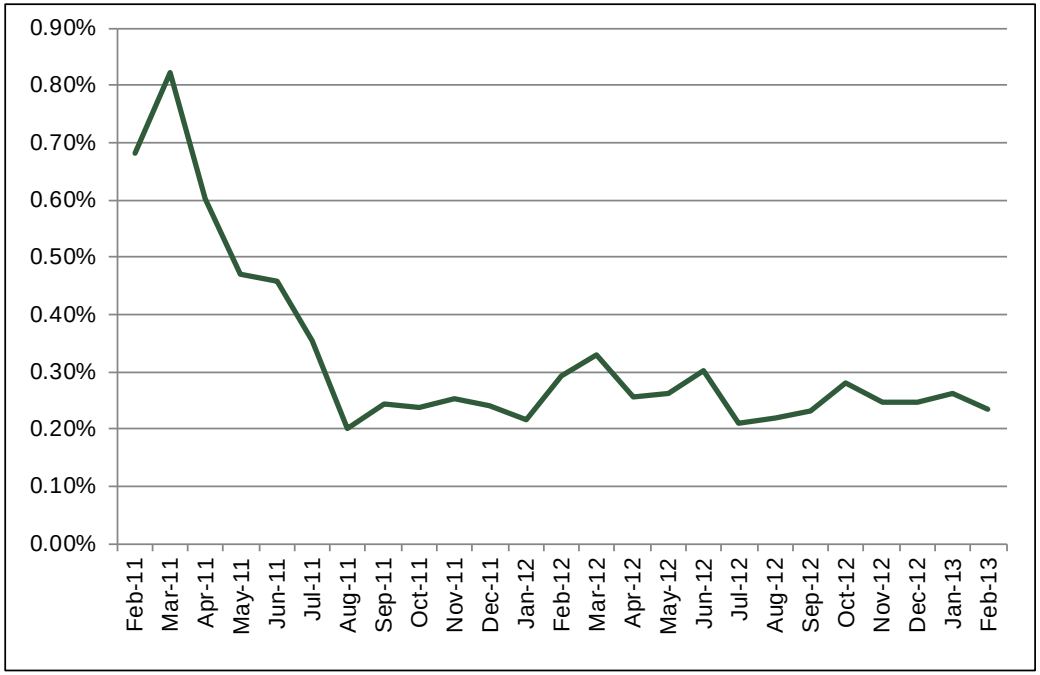
Source: U.S. Department of Commerce

Real annualized GDP for the fourth quarter of 2012 was revised up to 0.1% from the intial estimate of a 0.1% decline, following growth of 3.1% in the third quarter of last year. The 4Q GDP figure remained weaker than the positive 0.5% growth that market participants were expecting. Net exports were less negative than the initial estimate, and inventory growth was revised down. Government purchases were also revised down. Overall, economic growth heading into 2013 was weak.

INTEREST RATES

Yield on the Two-Year Note

February 2011 through February 2013

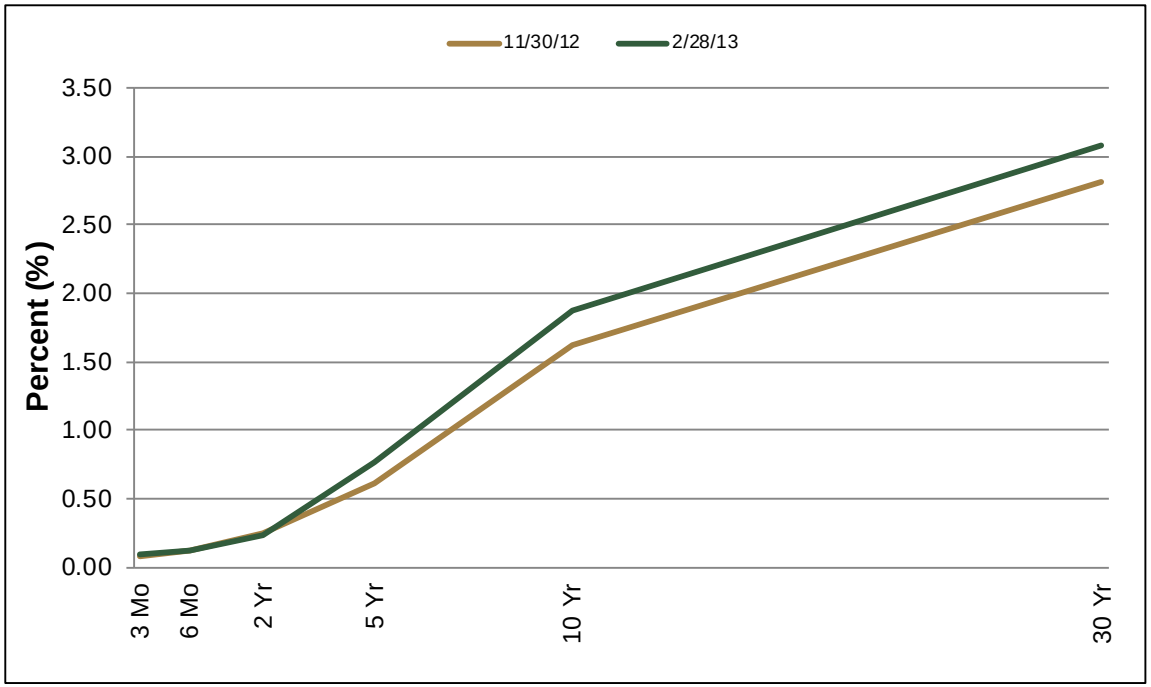


Source: Bloomberg

The yield on the two-year Treasury note fell slightly in February.

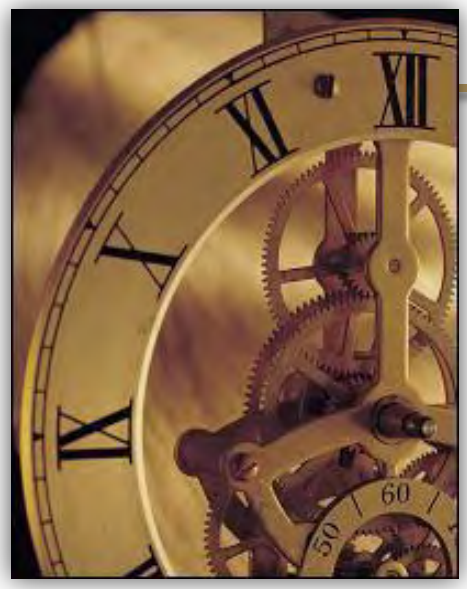
YIELD CURVES

November 30, 2012 and February 28, 2013



Source: Bloomberg

During the past three months, yields remained within a relatively tight range at low levels, as domestic economic growth remained sub-par and the outlook for the global economy remained tenuous. Rates continued to be influenced by the Federal Reserve's accommodative monetary policy, continued purchase of securities onto their balance sheet, and their desire to keep interest rates contained.



SECTION 2

ACCOUNT PROFILE

OBJECTIVES

Investment Objectives

The investment objectives of the Small Cities Organized Risk Effort are first, to provide safety of principal to ensure the preservation of capital; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Chandler Asset Management Performance Objectives

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the Bank of America Merrill Lynch Index of 1-5 Year Government securities.

Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities with a maximum maturity of five years.

Small Cities Organized Risk Effort

Joint Powers Authority

February 28, 2013

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Negotiable CDs	A-1/P-1 or F-1, or AA rated; 30% max.; 3 years maximum maturity; $1MM per issuer	Complies
Banker's Acceptances	A1/P1 or F-1 rated; 30% maximum; $1MM per issuer; <180 days	Complies
Commercial Paper	A-1/P1 or F-1 rated; 25% maximum;$1MM per issuer; <270 days	Complies
Medium Term Notes	"AA-" or better rated; 30% maximum; $1MM per issuer	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum; $1MM per issuer	Complies
Money Market Funds	AAA/Aaa rated; 15% maximum	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies

PORTFOLIO CHARACTERISTICS

Small Cities Organized Risk Effort

	02/28/2013		11/30/2012
	Benchmark*	**Portfolio**	**Portfolio**
Average Maturity (yrs)	2.66	2.54	2.42
Modified Duration	2.57	2.44	2.29
Average Purchase Yield	n/a	1.42 %	1.53 %
Average Market Yield	0.37 %	0.45 %	0.40 %
Average Quality**	AAA	AA+/Aaa	AA+/Aaa
Total Market Value		10,711,001	10,710,586

* 1-5 yr Govt

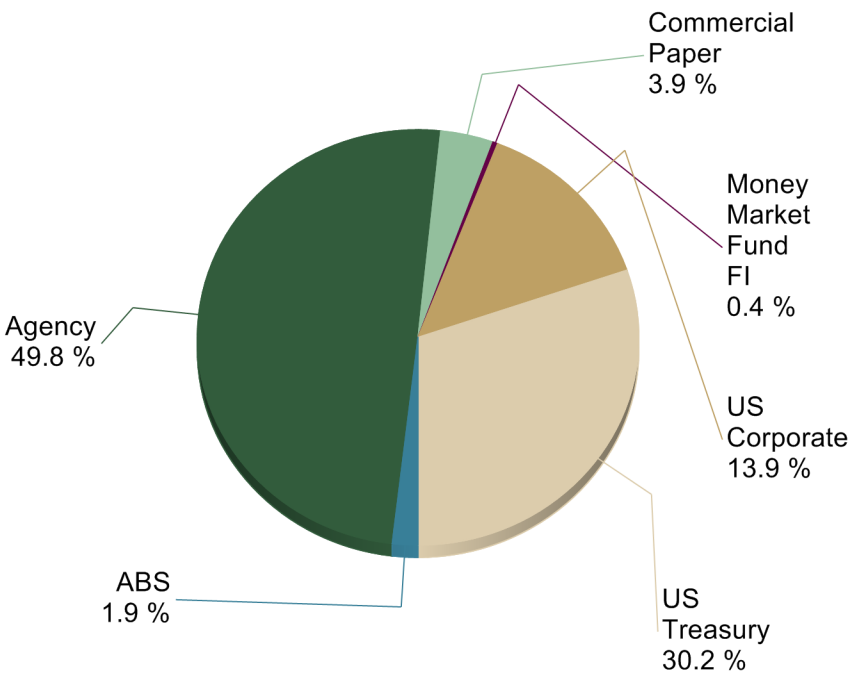
** Benchmark is a blended rating of S&P, Moody, and Fitch. Portfolio is S&P and Moody's respectively.

During the last three months, our portfolio re-balancing and reinvestment activity maintained our modest barbell strategy for the portfolio structure. Recent purchases included Treasuries, Agencies, Commercial Paper and Corporate securities with maturities ranging from April 2013 through December 2017.

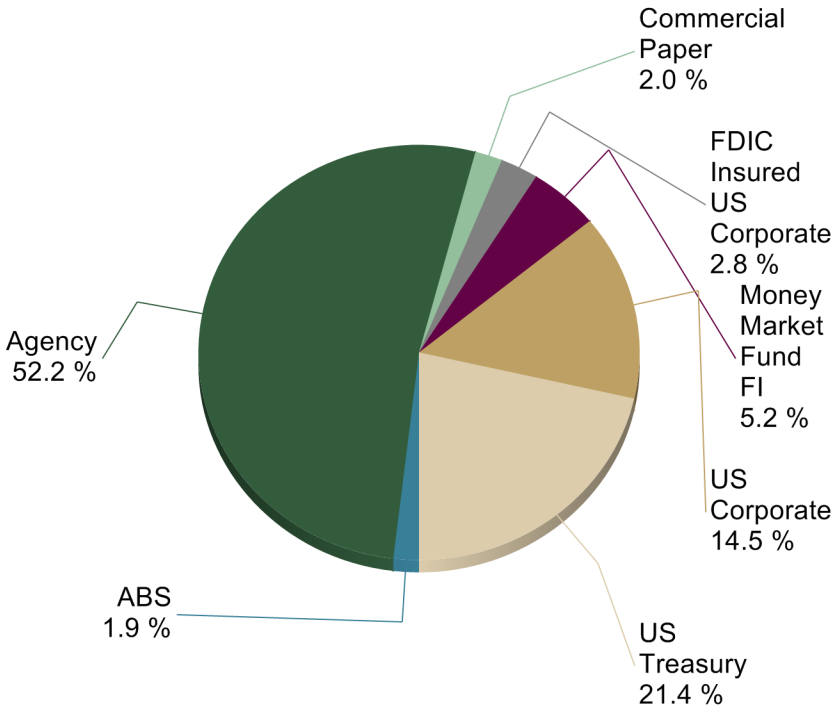
SECTOR DISTRIBUTION

Small Cities Organized Risk Effort

February 28, 2013



November 30, 2012

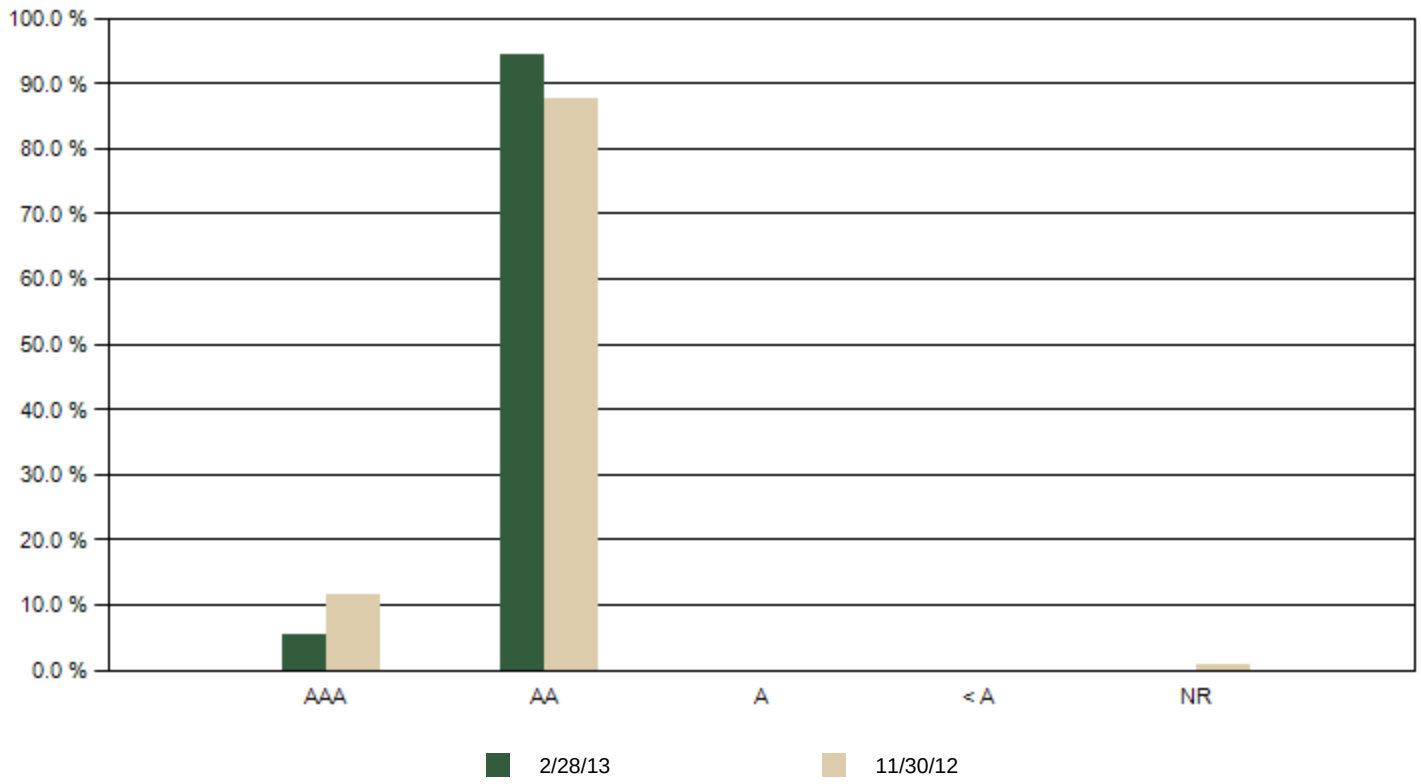


The portfolio sector allocation changed as we increased our holdings in Treasuries and Commercial Paper by 8.8% and 1.9%, respectively. The holdings in the Money Fund and FDIC Insured Corporates also decreased (note that the FDIC Insured Corporate program has expired and most of the balances have been reinvested in Treasuries).

QUALITY DISTRIBUTION

Small Cities Organized Risk Effort

February 28, 2013 vs. November 30, 2012



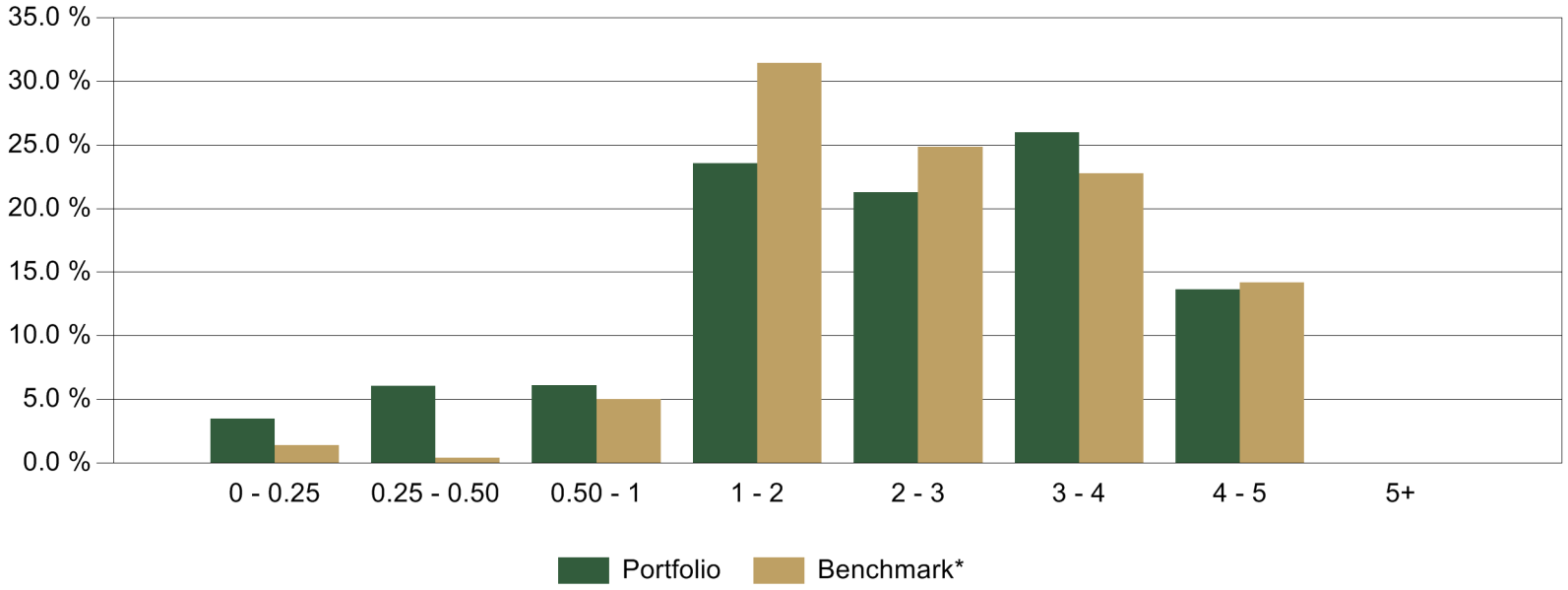
	AAA	AA	A	<A	NR
2/28/13	5.5 %	94.5 %	0.0 %	0.0 %	0.0 %
11/30/12	11.5 %	87.6 %	0.0 %	0.0 %	0.9 %

Source: S&P Ratings

DURATION DISTRIBUTION

Small Cities Organized Risk Effort

Portfolio Compared to the Benchmark as of February 28, 2013



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	3.5 %	6.1 %	6.1 %	23.5 %	21.3 %	26.0 %	13.6 %	0.0 %
Benchmark*	1.4 %	0.4 %	5.0 %	31.4 %	24.9 %	22.8 %	14.2 %	0.0 %

* 1-5 yr Govt

The average duration of the portfolio during the period remained slightly shorter than that of the benchmark's duration. Given that the Federal Reserve's guidance for policy rates is now linked to economic markers; the Fed has said that an exceptionally low fed funds rate will be appropriate as long as unemployment remains above 6.5% or until inflation looks set to exceed 2.5%. We anticipate that the portfolio duration will remain close to the 1-5 Year Government benchmark in the coming quarters.

INVESTMENT PERFORMANCE

Small Cities Organized Risk Effort

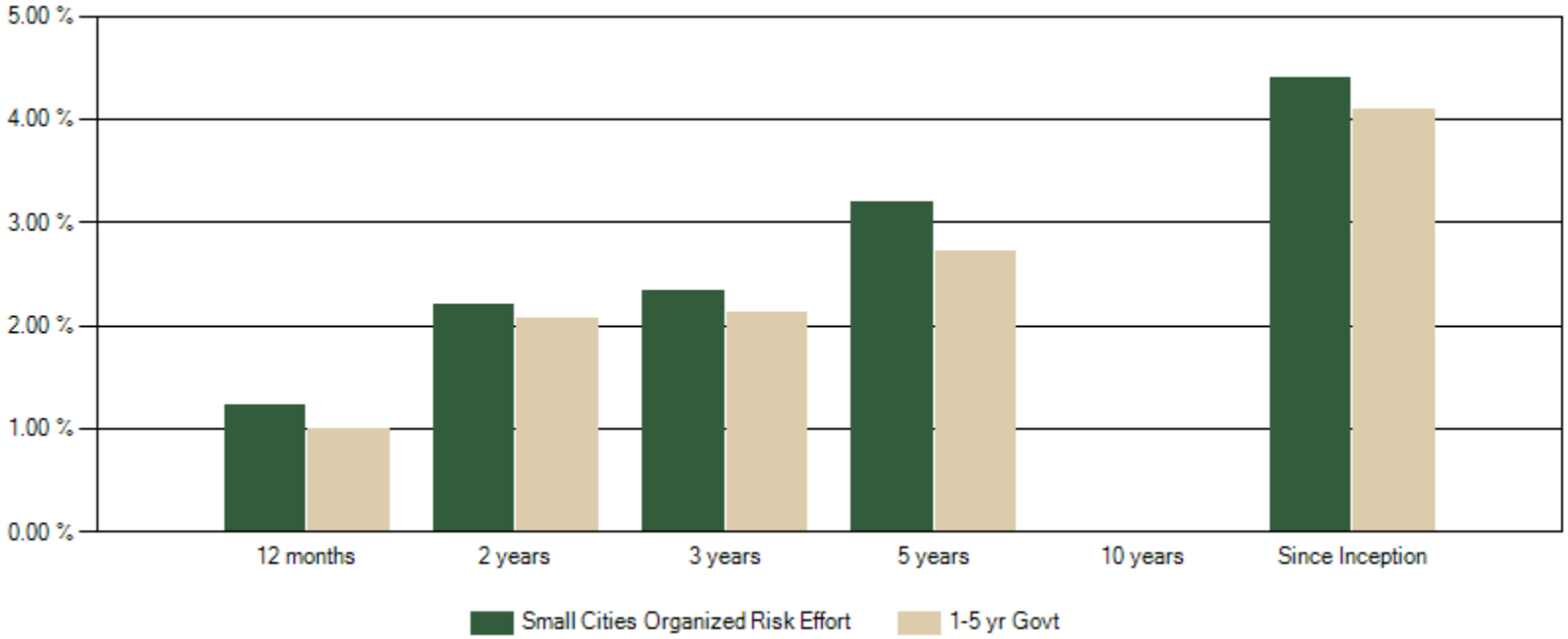
Period Ending

February 28, 2013

Total Rate of Return

Annualized Since Inception

March 31, 2006



			Annualized				
	3 months	**12 months**	**2 years**	**3 years**	**5 years**	**10 years**	**Since Inception**
Small Cities Organized Risk Effort	0.05 %	1.24 %	2.22 %	2.36 %	3.22 %	N/A	4.43 %
1-5 yr Govt	0.07 %	1.02 %	2.09 %	2.14 %	2.74 %	N/A	4.12 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

SECTION 3

PORTFOLIO HOLDINGS

ISSUERS

Small Cities Organized Risk Effort
Account #590

Issuer Report
As of 2/28/2013

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	30.25 %
Federal National Mortgage Association	Agency	13.55 %
Federal Home Loan Mortgage Corp	Agency	12.18 %
Federal Home Loan Bank	Agency	11.82 %
Federal Farm Credit Bank	Agency	10.04 %
Procter & Gamble Company	US Corporate	2.57 %
Microsoft	US Corporate	2.33 %
Tennessee Valley Authority	Agency	2.20 %
Berkshire Hathaway	US Corporate	1.99 %
Bank of Tokyo-Mit UFJ	Commercial Paper	1.96 %
HSBC USA Corp	Commercial Paper	1.91 %
Wal-Mart Stores	US Corporate	1.85 %
General Electric Co	US Corporate	1.82 %
ChevronTexaco Corp	US Corporate	1.31 %
Google Inc	US Corporate	1.03 %
Exxon Mobil Corp	US Corporate	0.98 %
Honda Motor Corporation	ABS	0.93 %
Toyota Auto Receivables	ABS	0.93 %
Highmark US Treasury Money Market Fund	Money Market Fund FI	0.36 %
Total		**100.00 %**

Holdings Report

As of 2/28/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
ABS									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	100,000.00	09/18/2012 0.46 %	99,990.49 99,991.86	99.97 0.49 %	99,974.00 20.44	0.93 % (17.86)	Aaa AAA	3.38 1.71
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	100,000.00	10/11/2012 0.52 %	99,990.32 99,991.50	100.07 0.48 %	100,071.00 18.78	0.93 % 79.50	Aaa AAA	3.47 1.85
Total ABS		**200,000.00**	**0.49 %**	**199,980.81 199,983.36**	**0.48 %**	**200,045.00 39.22**	**1.87 % 61.64**	**Aaa AAA**	**3.42 1.78**
AGENCY									
31339X2M5	FHLB Note 3.875% Due 6/14/2013	200,000.00	Various 3.83 %	200,403.10 200,025.90	101.07 0.25 %	202,130.00 1,657.64	1.90 % 2,104.10	Aaa AA+	0.29 0.29
880591DW9	Tennessee Valley Authority Note 4.75% Due 8/1/2013	230,000.00	Various 3.25 %	242,426.00 231,360.89	101.85 0.38 %	234,263.74 910.42	2.20 % 2,902.85	Aaa AA+	0.42 0.42
31331KET3	FFCB Note 0.98% Due 9/23/2013	115,000.00	03/28/2011 1.10 %	114,663.05 114,923.56	100.44 0.21 %	115,506.58 494.63	1.08 % 583.02	Aaa AA+	0.57 0.57
3133XSAE8	FHLB Note 3.625% Due 10/18/2013	250,000.00	02/25/2009 2.87 %	258,142.75 251,109.72	102.14 0.26 %	255,360.50 3,348.09	2.42 % 4,250.78	Aaa AA+	0.64 0.63
3137EABX6	FHLMC Note 2.5% Due 1/7/2014	35,000.00	02/04/2009 2.73 %	34,625.96 34,935.06	101.99 0.18 %	35,695.35 131.25	0.33 % 760.29	Aaa AA+	0.86 0.85
3137EACB3	FHLMC Note 2.5% Due 4/23/2014	150,000.00	07/16/2010 1.48 %	155,568.75 151,694.13	102.64 0.21 %	153,956.10 1,333.33	1.45 % 2,261.97	Aaa AA+	1.15 1.13
31331JQA4	FFCB Note 1.9% Due 6/2/2014	260,000.00	06/08/2010 1.96 %	259,368.20 259,800.30	102.09 0.24 %	265,442.58 1,221.28	2.49 % 5,642.28	Aaa AA+	1.26 1.25
3133X7FK5	FHLB Note 5.25% Due 6/18/2014	100,000.00	01/08/2010 2.57 %	111,171.90 103,270.83	106.55 0.22 %	106,547.00 1,064.58	1.00 % 3,276.17	Aaa AA+	1.30 1.27
31331GL80	FFCB Note 3% Due 9/22/2014	85,000.00	Various 2.48 %	86,971.87 85,643.80	104.32 0.23 %	88,675.49 1,126.24	0.84 % 3,031.69	Aaa AA+	1.56 1.52
31331KHW3	FFCB Note 1.625% Due 11/19/2014	160,000.00	06/25/2012 0.43 %	164,560.00 163,269.04	102.33 0.27 %	163,735.20 736.67	1.54 % 466.16	Aaa AA+	1.72 1.70
3137EACH0	FHLMC Note 2.875% Due 2/9/2015	250,000.00	Various 2.29 %	256,160.83 252,699.62	104.97 0.31 %	262,418.00 439.24	2.45 % 9,718.38	Aaa AA+	1.95 1.90
3133EANJ3	FFCB Note 0.5% Due 5/1/2015	150,000.00	05/03/2012 0.53 %	149,853.00 149,893.52	100.32 0.35 %	150,484.20 250.00	1.41 % 590.68	Aaa AA+	2.17 2.16
3135G0LB7	FNMA Callable Note Qtrly 5/29/13 1% Due 5/29/2015	135,000.00	06/05/2012 0.60 %	135,659.34 135,265.79	100.18 0.66 %	135,238.28 345.00	1.27 % (27.51)	Aaa AA+	2.25 0.98
3133XWNB1	FHLB Note 2.875% Due 6/12/2015	265,000.00	06/06/2011 1.44 %	279,807.14 273,413.61	105.68 0.38 %	280,062.60 1,671.89	2.63 % 6,648.99	Aaa AA+	2.28 2.22
31398AU34	FNMA Note 2.375% Due 7/28/2015	275,000.00	08/27/2010 1.73 %	283,288.50 279,063.35	104.76 0.39 %	288,102.38 598.70	2.70 % 9,039.03	Aaa AA+	2.41 2.36
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	120,000.00	11/26/2012 0.45 %	119,720.40 119,743.43	99.86 0.42 %	119,833.68 87.50	1.12 % 90.25	Aaa AA+	2.81 2.79

Holdings Report

As of 2/28/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
31331J6C2	FFCB Note 2.35% Due 12/22/2015	120,000.00	03/28/2011 2.27 %	120,434.40 120,257.78	105.34 0.44 %	126,407.16 540.50	1.19 % 6,149.38	Aaa AA+	2.81 2.73
3135G0BA0	FNMA Note 2.375% Due 4/11/2016	275,000.00	06/07/2011 1.78 %	282,544.63 279,849.21	105.98 0.44 %	291,443.35 2,539.93	2.74 % 11,594.14	Aaa AA+	3.12 3.00
3137EACT4	FHLMC Note 2.5% Due 5/27/2016	310,000.00	Various 1.73 %	321,083.36 317,348.28	106.37 0.52 %	329,761.26 2,023.61	3.10 % 12,412.98	Aaa AA+	3.24 3.12
313373SZ6	FHLB Note 2.125% Due 6/10/2016	200,000.00	09/14/2011 1.10 %	209,390.00 206,497.01	105.24 0.51 %	210,487.20 956.25	1.97 % 3,990.19	Aaa AA+	3.28 3.17
3137EACW7	FHLMC Note 2% Due 8/25/2016	300,000.00	01/19/2012 1.09 %	312,151.20 309,212.91	104.97 0.56 %	314,914.50 100.00	2.94 % 5,701.59	Aaa AA+	3.49 3.38
3135G0CM3	FNMA Note 1.25% Due 9/28/2016	210,000.00	09/29/2011 1.30 %	209,497.89 209,640.41	102.39 0.57 %	215,023.62 1,115.63	2.02 % 5,383.21	Aaa AA+	3.58 3.49
3135G0ES8	FNMA Note 1.375% Due 11/15/2016	65,000.00	12/21/2011 1.21 %	65,514.15 65,389.20	103.01 0.56 %	66,954.49 263.16	0.63 % 1,565.29	Aaa AA+	3.72 3.61
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	175,000.00	03/26/2012 1.25 %	174,983.73 174,986.85	102.17 0.69 %	178,796.10 188.37	1.67 % 3,809.25	Aaa AA+	3.92 3.82
3137EADC0	FHLMC Note 1% Due 3/8/2017	200,000.00	03/19/2012 1.37 %	196,430.40 197,111.26	101.21 0.70 %	202,411.60 961.11	1.90 % 5,300.34	Aaa AA+	4.02 3.93
313379FW4	FHLB Note 1% Due 6/9/2017	200,000.00	06/20/2012 1.02 %	199,758.00 199,791.75	101.06 0.75 %	202,114.20 455.56	1.89 % 2,322.45	Aaa AA+	4.28 4.18
3133EAY28	FFCB Note 0.83% Due 9/21/2017	160,000.00	09/18/2012 0.83 %	160,000.00 160,000.00	100.14 0.80 %	160,220.64 590.22	1.50 % 220.64	Aaa AA+	4.56 4.45
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	150,000.00	02/11/2013 0.94 %	149,523.00 149,527.58	100.11 0.85 %	150,162.30 258.85	1.40 % 634.72	Aaa AA+	4.81 4.69
Total Agency		**5,145,000.00**	**1.66 %**	**5,253,701.55 5,195,724.79**	**0.45 %**	**5,306,148.10 25,409.65**	**49.78 % 110,423.31**	**Aaa AA+**	**2.50 2.40**
COMMERCIAL PAPER									
40427RRK9	HSBC USA Inc Discount CP 0.26% Due 4/19/2013	205,000.00	12/27/2012 0.26 %	204,832.70 204,832.70	99.92 0.26 %	204,832.70 94.75	1.91 % 0.00	P-1 A-1	0.14 0.14
06538BTC7	Bank of Tokyo Mitsubishi NY Discount CP 0.23% Due 6/12/2013	210,000.00	02/12/2013 0.23 %	209,840.34 209,840.34	99.92 0.23 %	209,840.34 21.47	1.96 % 0.00	P-1 A-1	0.28 0.28
Total Commercial Paper		**415,000.00**	**0.25 %**	**414,673.04 414,673.04**	**0.25 %**	**414,673.04 116.22**	**3.87 % 0.00**	**P1 A-1**	**0.21 0.21**
MONEY MARKET FUND FI									
431114503	Highmark Treasury Money Market Fund	38,314.41	Various 0.00 %	38,314.41 38,314.41	1.00 0.00 %	38,314.41 0.00	0.36 % 0.00	Aaa AAA	0.00 0.00

Holdings Report

As of 2/28/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
				38,314.41		**38,314.41**	**0.36 %**	**Aaa**	**0.00**
Total Money Market Fund FI		**38,314.41**	**0.00 %**	**38,314.41**	**0.00 %**	**0.00**	**0.00**	**AAA**	**0.00**
US CORPORATE									
98385XAD8	XTO Energy Inc Note 4.9% Due 2/1/2014	100,000.00	Various 1.42 %	109,638.00 103,132.84	104.07 0.48 %	104,074.40 408.33	0.98 % 941.56	Aaa AAA	0.93 0.91
36962G4C5	General Electric Capital Corp Note 5.9% Due 5/13/2014	180,000.00	Various 3.86 %	194,130.60 184,042.66	106.47 0.52 %	191,644.20 3,186.00	1.82 % 7,601.54	A1 AA+	1.20 1.16
931142CQ4	Wal-Mart Stores Note 3.2% Due 5/15/2014	190,000.00	Various 2.08 %	197,746.80 192,445.39	103.42 0.37 %	196,499.14 1,790.22	1.85 % 4,053.75	Aa2 AA	1.21 1.19
594918AB0	Microsoft Note 2.95% Due 6/1/2014	240,000.00	Various 2.25 %	246,233.20 241,997.35	103.29 0.33 %	247,894.56 1,770.00	2.33 % 5,897.21	Aaa AAA	1.25 1.23
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	100,000.00	Various 2.77 %	101,780.12 100,792.41	105.27 0.48 %	105,271.60 177.77	0.98 % 4,479.19	Aa2 AA+	1.95 1.90
742718DS5	Procter & Gamble Co Note 1.8% Due 11/15/2015	265,000.00	04/13/2011 2.36 %	258,615.14 261,223.31	103.20 0.61 %	273,478.68 1,404.50	2.57 % 12,255.37	Aa3 AA-	2.71 2.64
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	105,000.00	10/13/2011 1.57 %	107,568.30 106,801.64	104.52 0.71 %	109,741.07 632.19	1.03 % 2,939.43	Aa2 AA	3.22 3.11
084664BS9	Berkshire Hathaway Note 1.6% Due 5/15/2017	105,000.00	Various 1.57 %	105,141.90 105,119.37	102.12 1.08 %	107,223.90 494.66	1.01 % 2,104.53	Aa2 AA+	4.21 4.05
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	140,000.00	Various 1.05 %	140,346.00 140,337.28	100.24 1.05 %	140,330.40 369.22	1.31 % (6.88)	Aa1 AA	4.77 4.62
				1,461,200.06		**1,476,157.95**	**13.88 %**	**Aa2**	**2.23**
Total US Corporate		**1,425,000.00**	**2.21 %**	**1,435,892.25**	**0.58 %**	**10,232.89**	**40,265.70**	**AA+**	**2.17**
US TREASURY									
912828HV5	US Treasury Note 2.5% Due 3/31/2013	125,000.00	01/06/2010 1.69 %	128,154.72 125,080.27	100.19 0.25 %	125,239.25 1,304.95	1.18 % 158.98	Aaa AA+	0.08 0.09
912828SR2	US Treasury Note 0.25% Due 4/30/2014	525,000.00	Various 0.24 %	525,057.42 525,081.34	100.06 0.20 %	525,328.13 438.70	4.91 % 246.79	Aaa AA+	1.17 1.17
912828SU5	US Treasury Note 0.25% Due 5/15/2015	250,000.00	06/25/2012 0.39 %	248,985.21 249,224.21	99.96 0.27 %	249,902.25 183.01	2.33 % 678.04	Aaa AA+	2.21 2.20
912828NP1	US Treasury Note 1.75% Due 7/31/2015	225,000.00	04/05/2011 1.96 %	223,067.16 223,918.98	103.50 0.30 %	232,875.00 315.44	2.18 % 8,956.02	Aaa AA+	2.42 2.38
912828PJ3	US Treasury Note 1.375% Due 11/30/2015	250,000.00	05/31/2011 1.46 %	249,024.28 249,403.76	102.85 0.33 %	257,129.00 859.38	2.41 % 7,725.24	Aaa AA+	2.75 2.70
912828QX1	US Treasury Note 1.5% Due 7/31/2016	370,000.00	Various 1.25 %	374,487.57 373,070.98	103.60 0.44 %	383,325.92 444.61	3.58 % 10,254.94	Aaa AA+	3.42 3.34
912828RF9	US Treasury Note 1% Due 8/31/2016	250,000.00	09/14/2011 0.86 %	251,690.29 251,193.09	101.88 0.46 %	254,707.00 6.79	2.38 % 3,513.91	Aaa AA+	3.51 3.44

Small Cities Organized Risk Effort
Account #590

Holdings Report

As of 2/28/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828RJ1	US Treasury Note 1% Due 9/30/2016	150,000.00	10/13/2011 1.05 %	149,619.64 149,725.38	101.88 0.47 %	152,824.20 626.37	1.43 % 3,098.82	Aaa AA+	3.59 3.51
912828RU6	US Treasury Note 0.875% Due 11/30/2016	350,000.00	01/19/2012 0.83 %	350,766.80 350,591.51	101.38 0.50 %	354,839.80 765.63	3.32 % 4,248.29	Aaa AA+	3.76 3.68
912828TM2	US Treasury Note 0.625% Due 8/31/2017	400,000.00	Various 0.69 %	398,827.51 398,891.14	99.87 0.65 %	399,468.80 6.80	3.73 % 577.66	Aaa AA+	4.51 4.43
912828UA6	US Treasury Note 0.625% Due 11/30/2017	300,000.00	12/27/2012 0.70 %	298,864.29 298,904.08	99.60 0.71 %	298,804.80 468.75	2.79 % (99.28)	Aaa AA+	4.76 4.67
Total US Treasury		**3,195,000.00**	**0.89 %**	**3,198,544.89** **3,195,084.74**	**0.42 %**	**3,234,444.15** **5,420.43**	**30.25 %** **39,359.41**	**Aaa** **AA+**	**3.01** **2.96**
TOTAL PORTFOLIO		**10,418,314.41**	**1.42 %**	**10,566,414.76** **10,479,672.59**	**0.45 %**	**10,669,782.65** **41,218.41**	**100.00 %** **190,110.06**	**Aaa** **AA+**	**2.54** **2.44**
TOTAL MARKET VALUE PLUS ACCRUED						**10,711,001.06**			

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item H. 2

APPROVAL OF INVESTMENT POLICY AMENDMENTS

ACTION ITEM

ISSUE: The Board of Directors should review, discuss and approve the Investment Policy Amendments recommended by the investment manager. Several recommendations have been made, including 1) investment type additions and 2) a possible change to the minimum credit quality requirement for corporate bond holdings. The idea behind these suggestions is to give the Authority a greater investment universe that is still safe and liquid given the smaller "AA-rated universe" available today.

RECOMMENDATION: The Program Administrators have reviewed the recommended changes with President Roger Carroll and Kevin Wong from Gilbert and Associates and they recommend they be adopted. (Mr. Ted Piorkowski from Chandler Asset Management will be in attendance to answer any questions regarding these recommended amendments to the policy).

FISCAL IMPACT: Unknown

BACKGROUND: Every year, staff requests an investment policy review from the Investment Manager as well as the JPA Financial Accounting Services provider in order to determine if any changes should be made to the Investment Policy. This year, Mr. Piorkowski suggested that the investment policy is amended to allow for greater investment

ATTACHMENT(S): 2013-14 Annotated Investment Policy with proposed changes.

SMALL CITIES ORGANIZED RISK
EFFORT JOINT POWERS AUTHORITY
(SCORE)

INVESTMENT POLICY

Adopted 3-23-12

I. POLICY STATEMENT

The Policy of the Small Cities Organized Risk Effort Joint Powers Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

II. SCOPE OF POLICY

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

III. AUTHORITY

The Board of Directors hereby delegates its authority to invest funds of the Authority for a one-year period to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the Board of Directors may renew the delegation of authority each year. The authorized officer may delegate the day-to-day placement of investments to an investment advisor, via written agreement with the Authority. The investment advisor shall make all investment decisions and transactions in strict accordance with state law and this investment policy. The authorized officer shall establish a system of written internal controls to regulate the Authority's investment activities, including the activities of any subordinate officials acting on behalf of the Authority.

The delegated investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVES

A. Safety: The primary objective of this policy is to protect, preserve, and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.

B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.

C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.

D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market- average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return of a market-based index which has the same type of sector and maturity requirements as the Authority's portfolio. This benchmark shall be determined by the Board.

E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.

F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)

G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

The reports shall include the following information for each individual investment:

- Type of investment instrument (i.e., Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Yield to maturity at cost
- Purchase date (trade and settlement date)
- Maturity date
- Purchase price
- Par value
- Coupon rate
- Credit rating of each security
- Amortized cost
- Current market value for securities with maturity greater than 12 months
- Overall portfolio yield based on cost
- List of investment transactions

VI. INVESTMENT INSTRUMENTS AND MATURITIES

A. **Included Investments summary:**

Comment [TP1]: Summary reflects suggested changes later in IP

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding*
1. U.S. Treasury	AAA	5 years	100%	100%
2. Government Agency	AAA	5 years	100%	100%
3. California Municipals ***	AAA	5 years	20%	5%2
4. Negotiable Certificates of Deposit	A-1 or P-1 or F-1 or AA	53 years	30%	5%$1,000,000
5. Bankers Acceptances	A-1,or P-1 or F-1	180 days	30%	5%$1,000,00
6. Commercial Paper	A-1,or P-1 or F-1	270 days	25%	5%$1,000,00
7. Local Agency Investment Fund (LAIF)	N/A	N/A	100%	100%
8. Repurchase Agreements	A-1,orP-1 or F-1	1 year	250	5%$1,000,00
9. Medium Term Notes	AA-	5 year	30%	5%$1,000,00
10. Money Market Accounts	AAA	N/A	20% 15%	10%$1,000,000
11. Mortgage and Asset Backed Securities	AAA	5 years	20%	5%$1,000,000

* Excluding U.S. Government, agency securities, and LAIF no more than 5% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.
**Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code 53601)
***No investments are allowed in financial instruments of SCORE cities.

B. **Excluded Investments:** The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options

Any security type or structure not specifically approved by this policy is hereby specifically prohibited.

C. The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in

U.S. Agency obligations.

3. Obligations issued by the State of California or any local agency within the state,, or authority of any of the other 49 states, which are rated "AA~~A~~" by Moody's Investors Service, Inc. (Moody's~~,~~ or Standard & Poor's Corporation (Standard & Poor's) or Fitch Financial Services (Fitch). Purchases of California Municipals may not exceed 5 years in maturity or 20% of the Authority's portfolio.

4. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of five~~three~~ years or less, issued by a nationally or state-charted bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's or Fitch. Maximum maturity is restricted to three years from date of purchase.

Purchases or negotiable certificates of deposit may not exceed three years in maturity or 30 percent of the Authority's investment portfolio. No more than 5 percent may be invested in any one issuer.

5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's (P-1)or~~,~~ Standard & Poor's (A-1) or Fitch Financial Services (F-1).

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30 percent of the Authority's investment portfolio. No more than 5 percent of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

6. Commercial Paper rated in the highest short-term rating category, as provided by Moody's Investors Services, Inc. (P-1) or~~,~~ Standard & Poor's (A-1), or Fitch Financial Services (F-1). The issuing corporation must be organized and operating within the United States, having total assets in excess of $500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by Moody's, Standard & Poor's, or Fitch.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25 percent of the Authority's investment portfolio. No more than 5 percent may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

7. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri- party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

Comment [TP2]: Consideration to gain further diversification by using national municipals, and reducing AAA rating to AA; this is especially relevant for California issues

Comment [TP3]: Clarifies with "or" that only one rating is required, similar to state code

Comment [TP4]: Expand maturity and credit "A" rating to be equivalent to what is allowed under state code; also provides for a greater universe of eligible investments for greater diversification and yield (like our MTN suggestion later.)

Comment [TP5]: Clarifies rating interpretation that one rating is required

The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases of~~r~~ repurchase agreements may not exceed 25% of the Authority's investment portfolio, one year in maturity, and no more than 5 percent may be invested in any one issuer.

8. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "~~A~~A-" or its equivalent or better by a nationally recognized rating service.

Purchases or medium term corporate notes may not exceed five years in maturity or 30 percent of the Authority's investment portfolio. No more than 5 percent may be invested in any one issuer.

9. Local Agency Investment Fund *(L.A.I.F.)* - There are no limits on the dollar amount or percentage that the Authority may invest in LAIF, subject to $50 million deposit limit imposed by LAIF.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

10. Money market Mutual funds, provided that:

a) Such funds are registered with the Securities and Exchange Commission and receive the highest ranking by a~~not less than two~~ nationally recognized statistical rating organizations (Moody's~~,~~ or Standard and Poors, Fitch);

b) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government code Section 53601 (a through j) and with assets under management in excess of $500 million; and,

c) No more than ~~15~~20% percent of the investment portfolio may be held in Money Market Mutual Funds, ~~.~~ and no more than 10% be in any one fund.

11. Mortgage Pass-Through ~~S~~securities, collateralized mortgage obligations and Asset-Backed Securities, provided that:

a)Such securities shall have a maximum stated final maturity of five years;

b) Shall be rated AAA by S&P or Aaa by Moody's or Fitch; and

c) Purchase of securities authorized by this subdivision may not exceed 20 percent of the portfolio.

Comment [TP6]: Adds category limit per summary table

Comment [TP7]: The "AA" rating universe has of Corporate debt has shrunk to only 7-10 regular qualifying issurers, expanding the univese to "A" would provide significantly greater diversification opportunity for Corporates along with some additional yield.

Comment [TP8]: Align money market funds with requirements of state code.

Comment [TP9]: Consider adding these security types, as allowed under state code. CMOs are usually AAA-rated in quality and add a very high quality; safe, liquid investment category.

VII. INTERNAL CONTROLS

The system of internal control shall be established and maintained in written form, in a separate document. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

VIII. TRANSFER OF FUNDS

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations and shall notify the President prior to any transfer of funds in excess of $1,000,000.

IX. BANKS AND SECURITIES DEALERS

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Authority funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

X. INVESTMENT RISKS

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section VI are designed to mitigate credit risk in the portfolio;

2. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities;

3. The Authority may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Authority's risk preferences; and

4. If securities owned by the Authority are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the Authority's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

    a. If a security is downgraded two grades below the level required by the Authority, the security shall be sold immediately.

    b. If a security is downgraded one grade below the level required by this policy, the Authority's Treasurer will use discretion in determining whether

to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.

c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Authority's Board.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The Authority recognizes that, over time, longer- term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Authority shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cash flow purposes. The authority further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Authority, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy:

2. The Authority shall maintain a minimum of three months of budgeted operating expenditures in short term investments; and

3. The duration of the portfolio typically will be equal to the duration of an index of US Treasury and Federal Agency Securities with maturities which meet the Authority's needs for cash flow and level of risk tolerance (the Benchmark Index) plus or minus 10%.

XI. SAFEKEEPING AND CUSTODY

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks shall be handled as required by the California Government Code.

XII. REVIEW OF INVESTMENT POLICY

The Board of Directors will review the objectives and the performance of the portfolio and changes to the Investment Policy.

XIII. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item H. 3

APPROVAL OF INTERNAL CONTROLS & GUIDELINES FOR INVESTMENTS

ACTION ITEM

ISSUE: Annually, the Board reviews and approves SCORE's Internal Controls and Guidelines for Investments.

RECOMMENDATION: The Program Administrator recommends approving the SCORE Internal Controls and Guidelines for Investments Policy. There are no changes in these controls or guidelines.

FISCAL IMPACT: Unknown.

BACKGROUND: The JPA's Internal Controls and Guidelines delegates the authority to invest funds of the Authority for a one-year period to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. The Board should review and approve the Internal Controls and Guidelines for Investment Policy annually.

ATTACHMENTS: Internal Controls & Guidelines adopted March 2012.

SMALL CITIES ORGANIZED RISK EFFORT
Internal Controls and Guidelines
Adopted March 2012

1. Delegation of Authority

The Board of Directors hereby delegates its authority to invest funds of the Authority for a one-year period to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the Board of Directors may renew the delegation of authority each year. The Treasurer has chosen to delegate with the Board's approval the day-to-day placement of investments to an investment adviser, Chandler Asset Management (hereinafter "Adviser"), via a written agreement between the Authority and the Adviser. The Adviser shall make all investment decisions and transactions in strict accordance with state law and the Authority's Investment Policy.

The Treasurer shall also be responsible for ensuring that all investment transactions comply with the Authority's Investment Policy and for establishing internal controls. The internal controls shall be designed to regulate the Authority's investment activities, including the activities of any subordinate officials and the Adviser acting on behalf of the Authority, and to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

2. Separation of Duties

When broker confirmations and monthly custodian bank statements are received, they shall be reconciled to internal documentation promptly upon receipt. The staff member who performs the reconciliation shall not be the same as the staff member who executes investment transactions.

The Adviser's portfolio management and operation's staff responsible for compliance activities shall review investment transactions on a daily basis for consistency between trading activity and portfolio accounting and compliance with Investment Policy constraints. The Authority's Treasurer will review these transactions on a monthly basis.

3. Custodial Safekeeping and Trade Settlement

Safekeeping
All securities purchased shall be delivered to the Authority's custodial bank. All securities sold shall be delivered directly from the Authority's custodial bank to the counter party's custodial bank.

Trade Settlement
All investment transactions will be settled "delivery-vs.-payment" (DVP) in accordance with industry standards. Staff members shall not handle cash or securities in conjunction with the investment of Authority's funds.

The Adviser shall coordinate the settlement of all transactions with the Authority's custodian bank, Union Bank of California, and send all necessary paperwork to:

Andy Jeremi
Union Bank of California
350 California Street, 6th Floor
San Francisco, CA 94104
Direct: (415) 705-5043
Fax: (415) 705-5052
andy.jeremi@uboc.com

Transfer Funds or Invest Proceeds
If the Authority is purchasing a security, it may be necessary to transfer funds from another bank account or a LAIF account. If the Authority is selling a security or a security matures, it may be necessary to invest the proceeds in another security, to transfer funds to another bank account or to a LAIF account. The Authority's Treasurer or the Adviser will initiate necessary transfer of funds for trade settlements.

4. Competitive Bid

- It is preferred that all trades are executed competitively with a minimum of three price quotes to insure best execution of the transaction.
- Competitive quotes, however, are not necessary for new issues when they are offered during the initial (primary) selling period and quoted at the same price (usually par) by all brokers.
- These guidelines recognize that it is not always possible to locate three brokers who offer exactly the same security. This is particularly true in the case of secondary market agency securities, corporate bonds, and some money market securities. In those situations, comparable securities will be used to determine the current value for a security being considered for purchase.

5. Trade Documentation

SCORE's Treasurer shall reconcile the monthly investment transaction report of the adviser with the transaction report received from the Custodian.

Trade Ticket
The Adviser will prepare a trade ticket with all of the information pertinent to the purchase or sale of the investment and fax or e-mail it to the Authority's Treasurer and to Alliant Insurance, the Pool Administrator.

Broker Confirmation
A confirmation will be issued by the broker/dealer for each purchase or sale transaction. The information on the confirmation will be checked and reconciled to the trade ticket from the Adviser, and the Authority's copy of the confirmation should be attached to the trade ticket.

Monthly Custody Statement
Union Bank will issue a Monthly Custody Statement for all of the securities purchased and delivered to and held in the Authority's custody account. The information on the Monthly Custody Statement will be checked and reconciled to the Authority's Transaction and Holdings Report from Adviser.

Verify the Documentation of the Transaction
In order to assure internal controls, the documentation of investment transactions must be carefully checked. The transaction and security information on the Adviser's Trade ticket, the broker's Trade Confirmation, and Union Bank's Monthly Custody Statement should be carefully cross checked to be sure that all information reconciles. If any trade document does not reconcile with what is known as the correct information regarding a trade, then the party who issued that document must be contacted to correct the erroneous information.

All trade documentation will be distributed to the following people:

Ms. Linda Romaine
Treasurer
Small Cities Organized Risk Effort
c/o Town of Fort Jones
11960 East Street, PO Box 40
Fort Jones, CA 96032
Direct: (530) 468-2281
Fax: (530) 468-2598
ftjones@sisqtel.net

Ms. Susan Adams
Pool Administrator
Small Cities Organized Risk Effort
c/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815
(916) 643-2704
Fax: (916) 643-2750
sadams@alliantinsurance.com

6. Authorized Financial Dealers and Institutions

1. The Authority's Treasurer shall determine which financial institutions are authorized to provide investment services to the Authority. Institutions eligible to transact investment business with the Authority include:

    a. Primary government dealers as designated by the Federal Reserve Bank;

    b. Non-primary and regional dealers;

    c. Nationally or state-chartered banks;

    d. The Federal Reserve Bank; and

    e. Direct issuers of securities eligible for purchase by the Authority.

2. Selection of financial institutions and broker/dealers authorized to engage in transactions with the Authority shall be at the sole discretion of the Authority.

3. All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Authority Treasurer with a statement certifying that the institution has reviewed the California Government Code Section 53600 et seq. and the Authority's Investment Policy and that all securities offered to the Authority shall comply fully and in every instance with all provisions of the Code and with this Investment Policy.

4. Public deposits shall be made only in qualified public depositories within the State of California as established by State law. Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

5. Selection of broker/dealers used by the Adviser retained by the Authority shall be at the sole discretion of the Advisers.

7. Mitigating Credit and Market Risk in the Portfolio

The Authority will mitigate credit risk in the portfolio by following the guidelines described in the Investment Policy regarding diversification, maximum percentages of any single issuer and procedures for credit rating downgrades. Market risk will be mitigated by following the guidelines also described in the Investment Policy regarding maximum maturity, liquidity and the duration of the portfolio.

8. Annual Review

The Treasurer will review these investment procedures and guidelines annually and recommend any necessary revisions to the Board for approval.

Prepared by: _____

Linda Romaine, Treasurer
Small Cities Organized Risk Effort

Approved by: _____

Roger Carroll, President
Board of Directors
Small Cities Organized Risk Effort

Date: _____

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 1

ACI – EMPLOYEE ASSISTANCE PROGRAM RENEWAL

ACTION ITEM

ISSUE: Review and approval of SCORE's Employee Assistance Program (EAP) at the existing rates.

RECOMMENDATION: Staff Administrator recommends renewing the contract with ACI Specialty Benefits on September 15, 2013 for one year.

FISCAL IMPACT: Rate per employee is $2.25 per month, which remains unchanged from last year. There are currently 14 cities participating in this program with a current headcount of 391 = $8,798 annually.

BACKGROUND: SCORE contracted with ACI for an Employee Assistance Program in 2008 and has renewed its service agreement with them on a yearly basis since then. (This is an optional program and the cost is allocated to those cities that participate in the program according to their number of employees).

ATTACHMENTS:

1. SCORE 2013-2014 EAP Renewal Letter with Member Employee Count
2. SCORE ACI-EAP Benefit Summary

ACI SPECIALTY BENEFITS

July 3, 2012

Susan Adams
Assistant Vice President
Alliant Insurance Services
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: **SCORE 2012 EAP Renewal**

Dear Susan,

This letter is a confirmation of renewal information for the EAP benefits offered by ACI Specialty Benefits for SCORE. Thank you for your consideration in renewing the EAP Agreement. On behalf of the entire ACI staff, we appreciate your continued trust and collaboration, having served your valued employees for the past four years.

Renewal Terms:

- Renewal Date: September 15, 2012
- Renewal Term: One Year
- Renewal Rate: Current rate: $2.25 per employee per month
- Headcount: Current Headcount is 391
- Cities Being Served:

City of Biggs	City of Portola	City of Colfax
City of Isleton	City of Shasta Lake	Town of Loomis
City of Susanville	City of Dunsmuir	City of Loyalton
City of Weed	City of Etna	City of Tulelake
City of Mount Shasta	City of Yreka	City of Dorris
City of Live Oak	City of Tulelake	

There have been changes to ACI's service agreement. One of the more significant changes is that, in an effort to trend with the times, ACI Specialty Benefits is following the *Go Green* and technology movement, which means ACI can provide virtual marketing materials via email, webinar, and/or CD-R unless otherwise noted on the Benefit Summary. *Paper materials requested may be provided at a pass-through cost.*

This renewal notice is subject to the same terms and conditions as the Master Service Agreement which can be viewed at Master Agreement. Non-renewal notices must be sent in writing 60 days prior to termination date. In working to design a plan customized to fit the needs of SCORE employees, attached please find Exhibit A which outlines the current service offerings.

After reviewing the renewal letter and Exhibit A, please sign where indicated and return this letter along with the Exhibit A, initialed where indicated. Please keep a copy of each for your records.

It has been a pleasure to provide this full-service EAP and to work to support this excellent employee group for the past four years. ACI understands you have many benefit choices available to your employees, and values the trust and confidence you show in ACI's services by renewing for another year! Please feel free to contact ACI if you have any questions.

Sincerely,

Tandice Tinney, M.S.

Tandice Tinney, M.S.
VP of Service Operations

Approved by:

Susan Adams
SCORE

_____ _____

Authorized Signature Date

2013-14 ACI - EAP Renewal Employee Count

CITY	# of Employees
City of Biggs	9
City of Colfax	1
City of Dorris	12
City of Dunsmuir	10
City of Etna	46
City of Isleton	5
City of Live Oak	43
Town of Loomis	8
City of Loyalton	5
City of Mount Shasta	34
City of Portola	11
City of Shasta Lake	45
City of Susanville	62
City of Weed	30
City of Yreka	52
Tulelake	14
Total	**387**

Exhibit A – Benefit Summary

Prepared for:	**SCORE (cities covered below)**	**Summary Date:**	7/3/2012
Provider:	ACI Specialty Benefits	**Page:**	1
Policy:	Employee Assistance Program		
Effective Date:	9/15/2012		
Anniversary Date:	9/15	**Coverage:**	Employee Assistance Program

EAP INCLUSIONS	
BENEFIT DESCRIPTION	ACI Specialty Benefits (ACI) will provide employee assistance services, including diagnosis, assessment, referral and short-term problem resolution. ACI will also provide work/life services.
CITIES COVERED	City of Biggs, City of Portola, City of Colfax, Town of Loomis, City of Isleton, City of Shasta Lake, City of Loyalton, City of Susanville, City of Dunsmuir, City of Etna, City of Dorris, City of Weed, City of Yreka, City of Mount Shasta, City of Tulelake
EAP SERVICES	• Three (3) face to face sessions per year • 24-hour multilingual helpline • Unlimited Media & Webinar Employee Orientation Meetings* • Unlimited Media & Webinar Manager & Supervisor Trainings* • Unlimited Media & Webinar Lunch 'n Learn Seminars • Unlimited Just-Do-It Training consultation and facilitation tools • Four hours Per Year of On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City** • One On-Site Critical Incident Stress Debriefing (CISD) Per City Per Year • Management consultation regarding difficult employee issues • Consultation and development of policies to prevent workplace violence and manage high risk situations • Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions • Monthly HealthYMail™ Newsletter **** Provided for employee groups of 15 or more*** ***** Additional CISM/Trainings available at a reduced rate of $125/hour*** ***ACI attendance at one (1) on-site meeting per year*** ***One annual executive year-end review*** ***Pay one annual check for all cities**** **Admin fee assessed for separate billing*
TELEPHONE ACCESS	24-hour, 365 day-a-year nationwide toll free number (800-932-0034) Language line available in 175 different languages
• EMERGENCY	Caller connected to a trained medical answering service, which can immediately patch the call through to an ACI on-call provider.
• NON-EMERGENCY	Routine referrals and info available Monday - Friday, 7:00AM-5:30PM PST
REPORTING	Quarterly utilization reports with executive overview
INVOICING	Invoicing will be yearly in advance
PROVIDER NETWORK	Over 40,000 Providers Nationwide
PROMOTIONAL MATERIALS	Promotional materials such as but not limited to brochures, posters, wallet cards, letter to family members, paycheck stuffers, supervisory manuals, etc., will be provided.

Exhibit A – Benefit Summary

Prepared for:	**SCORE (cities covered below)**	**Summary Date:**	7/3/2012
Provider:	ACI Specialty Benefits	**Page:**	2
Policy:	Employee Assistance Program		
Effective Date:	9/15/2012		
Anniversary Date:	9/15	**Coverage:**	Employee Assistance Program

EAP WORK/LIFE SERVICES	▪ Unlimited childcare referrals and resources ▪ Unlimited eldercare referrals and resources ▪ Unlimited telephonic legal assistance plus 30 minute face to face consultation option & discount for ongoing services ▪ Unlimited telephonic financial assistance

CONTRACT FEATURES	
WORKWEEK REQUIREMENT	Determined by employer
ELIGIBILITY • EMPLOYEE • DEPENDENTS	 Determined by employer Spouse; domestic partners; dependents; all family members regardless of location.
TERMINATION OF BENEFITS	30 days after final termination date at no cost to employer

FEES – Includes a one (1) year rate guarantee*

Employee Group	Program Model	Employee Count	Per Employee Per Month
ALL EMPLOYEES	3 SESSIONS PER YEAR CORPORATE MODEL FOR EAP & WORK/LIFE	391	$2.25

* These rates are guaranteed for one year; thereafter, these rates will be subject to increase based upon the cost of living index not to exceed 8% per year.

ADDITIONAL FEES*

TYPE OF SERVICE	FEES FOR SERVICE
CRITICAL INCIDENT STRESS DEBRIEFING	$325 per hour
ON-SITE LAY-OFF AND RIF SUPPORT	$325 per hour
ON-SITE ORIENTATIONS	$250 per hour
EAP TRAININGS AND SEMINARS	$250 per hour
FEE FOR LATE CANCELLATION OR FAILURE TO MEET ATTENDANCE MINIMUMS	$200 per training

Additional fees are for above contracted services

2013/2014 LIABILITY ACTUARIAL STUDY

ACTION ITEM

ISSUE: The annual actuarial review, based on 12/31/12 loss data, has been completed. The attached *Draft* summary reflects the estimated ultimate cost of claims and expenses for the banking and shared risk layers for the 2013-2014 program year. This review also reflects the anticipated outstanding liabilities including ALAE for the banking and shared risk layers for the upcoming program year.

The 2013-2014 estimated liability for outstanding losses, discounted at 3%, and at the 70% confidence level is $1,221,000 which is $40,000 more than the projected liabilities were as of June 30, 2012.

The *Draft* report also provides estimated funding at various levels of confidence for the program years 2013/2014 and 2014/2015. The projected combined funding level rate per $100 payroll at the 70% confidence level for **2013/2014 is $3.34 which is less than 1% higher than the $3.32 rate that was projected for the 2012/2013** program year. The projected funding is reflected in the budget proposed later in this agenda.

	RECOMMENDED 2013-14 Rates @ 70% Confidence Level, 1.5% Discount rate	**2013-14 Rates @ 70% Confidence Level, 3% Discount Rate**	**2012-13 Rates @ 70% Confidence Level, 3% Discount Rate**	**CHANGE FROM PRIOR YEAR (3% Discount Rate)**
Banking Layer	**1.448**	1.43	1.39	<1.00%>
Pooling Layer	**1.999**	1.91	1.93	<1.00%>
Combined Layer	**3.447**	3.34	3.32	<1.00%>
Outstanding Loss Liability	**$1,274,000**	$1,221,000	$1,181,000	<3.39%>

RECOMMENDED

RECOMMENDATION: The Program Administrators recommend using the 70% confidence level and the 1.5% discount rate for the 2013-14 premium projections.

FISCAL IMPACT: The Staff recommended 70% confidence level and 1.5% discount rates, would translate into a $93,000 increase in reserves and approximately $33,000 in combined additional funding contributions (increase in contributions limited to 3%) for banking and shared risk layers for the 2013/2014 coverage period.

BACKGROUND: SCORE has Actuarial Studies done annually for accreditation and budget purposes. By having these studies done, SCORE is able to project their funding for the upcoming year and see how the rates affect their budgets.

ATTACHMENTS: General Liability Actuarial Review *Draft* as of March 12, 2013.

Bickmore

DRAFT

Tuesday, March 12, 2013

Ms. Susan Adams
JPA Administrator
Small Cities Organized Risk Effort
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Ms. Adams:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE) self-insured liability program. Assuming an SIR of $500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2013-14 program year to be $227,000 for the banking layer and $304,000 for the pooling layer for a total of $531,000. For claims incurred during the 2014-15 program year, we estimate the ultimate cost of claims and expenses to be $228,000 for the banking layer and $312,000 for the pooling layer for a total of $540,000. These amounts include allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims, assuming a 3% return on investments per year. For budgeting purposes, the expected cost of 2013-14 claims translates to rates of $1.17, $1.57 and $2.74 per $100 payroll for the banking layer, pooling layer and in total respectively. For the 2014-15 claims, the expected cost translates to rates of $1.17, $1.61 and $2.78 per $100 payroll for the banking layer, pooling layer and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted for anticipated investment income as of June 30, 2013 to be $266,000 for the banking layer and $775,000 for the pooling layer for a total of $1,041,000. As of June 30, 2014, we estimate the program's liability for outstanding claims to be $256,000 for the banking layer and $803,000 for the pooling layer for a total of $1,059,000, again including ALAE and discounted for anticipated investment income.

The $775,000 and $803,000 estimate are the minimum liability to be booked by SCORE at June 30, 2013 and June 30, 2014, respectively for the Small Cities Organized Risk Effort's pooling layer liability, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2013 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2013

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$275,000					
Investment Income Offset	(9,000)					
Discounted Loss and LAE	$266,000	$318,000	$342,000	$370,000	$405,000	$451,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$821,000					
Investment Income Offset	(46,000)					
Discounted Loss and LAE	$775,000	$903,000	$968,000	$1,045,000	$1,140,000	$1,269,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$1,096,000					
Investment Income Offset	(55,000)					
Discounted Loss and LAE	$1,041,000	$1,221,000	$1,310,000	$1,415,000	$1,545,000	$1,720,000

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2014 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2014

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$264,000					
Investment Income Offset	(8,000)					
Discounted Loss and LAE	$256,000	$306,000	$329,000	$356,000	$390,000	$434,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$851,000					
Investment Income Offset	(48,000)					
Discounted Loss and LAE	$803,000	$936,000	$1,003,000	$1,083,000	$1,182,000	$1,315,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$1,115,000					
Investment Income Offset	(56,000)					
Discounted Loss and LAE	$1,059,000	$1,242,000	$1,332,000	$1,439,000	$1,572,000	$1,749,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on SCORE's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

The table below shows our funding recommendations for Small Cities Organized Risk Effort for the 2013-14 fiscal year, assuming the current SIR of $500,000.

Small Cities Organized Risk Effort (SIR = $500,000)
Self-Insured Liability Program
Loss and ALAE Funding Guidelines for 2013-14

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$234,000					
Investment Income Offset	(7,000)					
Discounted Loss and LAE	$227,000	$278,000	$303,000	$333,000	$371,000	$422,000
Rate per $100 of 2013-14 Payroll	$1.17	$1.43	$1.56	$1.72	$1.91	$2.17

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$329,000					
Investment Income Offset	(25,000)					
Discounted Loss and LAE	$304,000	$371,000	$415,000	$467,000	$532,000	$620,000
Rate per $100 of 2013-14 Payroll	$1.57	$1.91	$2.14	$2.41	$2.74	$3.19

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$563,000					
Investment Income Offset	(32,000)					
Discounted Loss and LAE	$531,000	$649,000	$718,000	$800,000	$903,000	$1,042,000
Rate per $100 of 2013-14 Payroll	$2.74	$3.34	$3.70	$4.12	$4.65	$5.37

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2013. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to Small Cities Organized Risk Effort in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

DRAFT

Mike Harrington, FCAS, MAAA
Director, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

Nina Gau, FCAS, MAAA
Manager, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2012 to be $805,000 at the discounted, expected level. Our current estimate as of June 30, 2013, is $775,000, a decrease in our assessment of SCORE's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and ALAE – Pooling Layer

	Prior Report at June 30, 2012	Current Report at June 30, 2013	Change
(A) Case Reserves:	$293,000	$318,000	$25,000
(B) IBNR Reserves:	556,000	503,000	(53,000)
(C) Total Reserves:	$849,000	$821,000	($28,000)
(D) Offset for Investment Income:	(44,000)	(46,000)	(2,000)
(E) Total Outstanding Claim Liabilities:	$805,000	$775,000	($30,000)

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2012 and June 30, 2013 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by favorable loss development, resulting in a $28,000 decrease in total claim reserves. The offset for investment income is higher by $2,000. The net change due to the above factors is an overall decrease of $30,000 in our estimate of outstanding claim liabilities for loss and ALAE.

At the time of the prior report, our funding estimate for the 2012-13 year was $278,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but excluded unallocated loss adjustment expenses (ULAE). Our current estimate for the 2013-14 year is $304,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE – Pooling Layer

	Prior Report 2012-13 Pooling Layer $25K - $500K	Current Report 2013-14 Pooling Layer $25K - $500K	Change
(A) Ultimate Loss and ALAE:	$300,000	$329,000	$29,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	$300,000	$329,000	$29,000
(D) Offset for Investment Income:	(22,000)	(25,000)	(3,000)
(E) Total Recommended Funding:	$278,000	$304,000	$26,000
(F) Funding per $100 of Payroll:	$1.59	$1.57	($0.02)

As you can see, our funding recommendations at the discounted, expected level have increased between 2012-13 and 2013-14, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by $29,000, driven by increase in payroll. Investment income is expected to be higher. The net change due to the above factors is an overall increase of $26,000 in our annual funding estimate for loss and ALAE. However, note that the funding rate has actually decreased.

Small Cities Organized Risk Effort - Banking Layer - Liability

Funding Options for Program Year 2013-2014 (SIR = $25,000)
One-Year Funding Plan

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$234,000	$1.206
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$234,000	$1.206
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.984	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$230,000	$1.185

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.223	1.336	1.469	1.636	1.860
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	51,000	77,000	108,000	146,000	198,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$281,000	$307,000	$338,000	$376,000	$428,000
(I) Rate per $100 of Payroll: ((H) / $194,082)	$1.448	$1.582	$1.742	$1.937	$2.205

Payroll rates are per hundred dollars of 2013-2014 payroll of $19,408,200.

Small Cities Organized Risk Effort - Pooling Layer - Liability

Funding Options for Program Year 2013-2014 ($25,000 - $500,000 Layer)

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$329,000	$1.695
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$329,000	$1.695
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.964	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$317,000	$1.633

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.224	1.366	1.533	1.748	2.035
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	71,000	116,000	169,000	237,000	328,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$388,000	$433,000	$486,000	$554,000	$645,000
(I) Rate per $100 of Payroll: ((H) / $194,082)	$1.999	$2.231	$2.504	$2.854	$3.323

Payroll rates are per hundred dollars of 2013-2014 payroll of $19,408,200.

Small Cities Organized Risk Effort - $0 to SIR Layer - Liability

Funding Options for Program Year 2013-2014 (SIR = $500,000)
One-Year Funding Plan

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$563,000	$2.901
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$563,000	$2.901
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.971	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$547,000	$2.818

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.223	1.353	1.507	1.701	1.962
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	122,000	193,000	277,000	383,000	526,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$669,000	$740,000	$824,000	$930,000	$1,073,000
(I) Rate per $100 of Payroll: ((H) / $194,082)	$3.447	$3.813	$4.246	$4.792	$5.529

Payroll rates are per hundred dollars of 2013-2014 payroll of $19,408,200.

WORKERS' COMPENSATION ACTUARIAL STUDY

ACTION ITEM

ISSUE: The annual actuarial review, based on 12/31/12 loss data and valuation information, has been completed. The attached *Draft* summary reflects the estimated ultimate cost of claims and expenses for the banking and shared risk layers for the 2013-2014 program year. This review also reflects the anticipated outstanding liabilities including ALAE for the banking and shared risk layers for the upcoming program year. The 2013-2014 estimated liability for outstanding loss at the 70% confidence level is $3,614,000 which is $381,682 lower than the projected liabilities as of June 30, 2012.

The "*Draft*" report also provides estimated funding at various levels of confidence for the program years 2013/2014 and 2014/2015. The projected combined funding level rate per $100 payroll at the 70% confidence level for **2013/2014 is $4.49 which is 22.67% higher than the $3.66 rate that was projected for the 2012/2013** program year. This increase is due mostly to the increase in SIR from $150,000 per claim in the 2012-13 Program Year to $250,000 per claim in the 2013-14 Program Year. The projected funding is reflected in the budget proposed later in this agenda.

RECOMMENDED

	2013-14 Rates @ 70% Confidence Level, 1.5% Discount rate $250K SIR	2013-14 Rates @ 70% Confidence Level, 3% Discount Rate, $250K SIR	2012-13 Rates @ 70% Confidence Level, 3% Discount Rate. $250K SIR	2012-13 Rates @ 70% Confidence Level, 3% Discount Rate. $150K SIR	CHANGE FROM PRIOR YEAR (3% Discount Rate, $150K to $250K SIR)
Banking Layer	**1.658**	1.63	1.61	1.61	1.24%
Pooling Layer	**3.131**	2.86	2.65	2.05	39.51%
Combined Layer	**4.789**	4.49	4.26	3.66	22.67%
Funding	**$875,995**	$821,303	$710,785	$607,337	

RECOMMENDED

REFLECTS: 5% Rate Increase from 2012/13 to 2013/14 at $250K SIR
10% rate increase in Shared Risk layer.
Payroll has increased over $1,000,000 from prior year which affects funding.

RECOMMENDATION: Staff recommends using the 70% confidence level and the 1.5% discount rate for the 2013-14 premium projections.

FISCAL IMPACT: The banking layer rate increased slightly. The Shared Risk layer rate increased 10% resulting in a combined rate increase of 5%.

BACKGROUND: SCORE has Actuarial Studies performed annually for accreditation and budget purposes. By having these studies done, SCORE is able to project their funding for the upcoming year and see how the rates affect their budgets.

ATTACHMENTS: Workers' Compensation Actuarial Review as of March 12, 2013

Bickmore

DRAFT

Tuesday, March 12, 2013

Ms. Susan Adams
JPA Administrator
Small Cities Organized Risk Effort
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Ms. Adams:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE) self-insured workers' compensation program. Assuming an SIR of $150,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2013-14 program year to be $255,000 for the banking layer and $351,000 for the pooling layer, for a total of $606,000. For claims incurred during the 2014-15 program year, we estimate the ultimate cost of claims and expenses to be $266,000 for the banking layer and $372,000 for the pooling layer, for a total of $638,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims, assuming a 3% return on investments per year. For budgeting purposes, the expected cost of 2013-14 claims translates to a rate of $1.36, $1.87 and $3.22 per $100 payroll for the banking layer, pooling layer, and in total respectively. For the 2014-15 claims, the expected cost translates to rates of $1.41, $1.98 and $3.39 per $100 payroll for the banking layer, pooling layer, and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted for anticipated investment income as of June 30, 2013 to be $419,000 for the banking layer and $2,840,000 for the pooling layer, for a total of $3,259,000. As of June 30, 2014, we estimate the program's liability for outstanding claims to be $357,000 for the banking layer and $2,738,000 for the pooling layer, for a total of $3,095,000, again including ALAE and discounted for anticipated investment income.

The $2,840,000 and $2,738,000 estimates are the minimum liability to be booked by SCORE at June 30, 2013 and June 30, 2014, respectively for the Small Cities Organized Risk Effort's pooling layer liability, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2013 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2013

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$440,000					
Investment Income Offset	(21,000)					
Discounted Loss and LAE	$419,000	$466,000	$487,000	$511,000	$541,000	$580,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$3,424,000					
Investment Income Offset	(584,000)					
Discounted Loss and LAE	$2,840,000	$3,148,000	$3,280,000	$3,432,000	$3,624,000	$3,875,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$3,864,000					
Investment Income Offset	(605,000)					
Discounted Loss and LAE	$3,259,000	$3,614,000	$3,767,000	$3,943,000	$4,165,000	$4,455,000

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2014 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
at June 30, 2014

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$375,000					
Investment Income Offset	(18,000)					
Discounted Loss and LAE	$357,000	$397,000	$415,000	$435,000	$461,000	$494,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$3,294,000					
Investment Income Offset	(556,000)					
Discounted Loss and LAE	$2,738,000	$3,035,000	$3,163,000	$3,310,000	$3,494,000	$3,737,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$3,669,000					
Investment Income Offset	(574,000)					
Discounted Loss and LAE	$3,095,000	$3,432,000	$3,578,000	$3,745,000	$3,955,000	$4,231,000

GASB #10 does not address an actual funding requirement for the program, but only speaks to the liability to be recorded on SCORE's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a margin for contingencies. Generally, the amount should be sufficient to bring funding to the 75% to 85% confidence level for primary programs. We consider funding to the 70% confidence level to be marginally acceptable and funding to the 90% confidence level to be conservative.

The following tables show our funding recommendations for the Small Cities Organized Risk Effort for the 2013-14 fiscal year, assuming the current SIR of $150,000.

Small Cities Organized Risk Effort (SIR = $150,000)
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2013-14

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$263,000					
Investment Income Offset	(8,000)					
Discounted Loss and LAE	$255,000	$307,000	$334,000	$365,000	$404,000	$457,000
Rate per $100 of 2013-14 Payroll	$1.36	$1.63	$1.78	$1.94	$2.15	$2.43

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$409,000					
Investment Income Offset	(58,000)					
Discounted Loss and LAE	$351,000	$414,000	$442,000	$474,000	$515,000	$570,000
Rate per $100 of 2013-14 Payroll	$1.87	$2.20	$2.35	$2.52	$2.74	$3.03

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$672,000					
Investment Income Offset	(66,000)					
Discounted Loss and LAE	$606,000	$721,000	$776,000	$839,000	$919,000	$1,027,000
Rate per $100 of 2013-14 Payroll	$3.22	$3.83	$4.12	$4.46	$4.88	$5.46

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2013. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, and recent WCAB court decisions based upon information provided by the WCIRB.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to the Small Cities Organized Risk Effort in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Nina Gau at (916) 244-1193 with any questions you may have concerning this report.

Sincerely,

Bickmore

DRAFT

Mike Harrington, FCAS, MAAA
Director, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

Nina Gau, FCAS, MAAA
Manager, Property and Casualty Actuarial Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2012 to be $2,606,000 at the discounted, expected level. Our current estimate as of June 30, 2013, is $2,840,000, an increase in our assessment of SCORE's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and ALAE – Pooling Layer

	Prior Report at June 30, 2012	Current Report at June 30, 2013	Change
(A) Case Reserves:	$1,837,000	$2,064,000	$227,000
(B) IBNR Reserves:	1,305,000	1,360,000	55,000
(C) Total Reserves:	$3,142,000	$3,424,000	$282,000
(D) Offset for Investment Income:	(536,000)	(584,000)	(48,000)
(E) Total Outstanding Claim Liabilities:	$2,606,000	$2,840,000	$234,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2012 and June 30, 2013 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by adverse loss development, resulting in a $282,000 increase in total claim reserves. This increase in reserves leads to a larger offset for investment income. The net change due to the above factors is an overall increase of $234,000 in our estimate of outstanding claim liabilities for loss and ALAE.

At the time of the prior report, our funding estimate for the 2012-13 year was $285,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but excluded unallocated loss adjustment expenses (ULAE). Our current estimate for the 2013-14 year is $351,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE – Pooling Layer

	Prior Report 2012-13 Pooling Layer $25K - $150K	Current Report 2013-14 Pooling Layer $25K - $150K	Change
(A) Ultimate Loss and ALAE:	$333,000	$409,000	$76,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	$333,000	$409,000	$76,000
(D) Offset for Investment Income:	(48,000)	(58,000)	(10,000)
(E) Total Recommended Funding:	$285,000	$351,000	$66,000
(F) Funding per $100 of Payroll:	$1.72	$1.87	$0.15

As you can see, our funding recommendations at the discounted, expected level have increased between 2012-13 and 2013-14, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by $76,000, driven by an increase in the loss rate coupled with an increase in payroll. Investment income is expected to be higher. The net change due to the above factors is an overall increase of $66,000 in our annual funding estimate for loss and ALAE. However, note that the funding rate has increased approximately 9%.

E. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at $150,000 per occurrence for 2013-14 (See Appendix K).
- We received loss data evaluated as of 12/31/2012 (See Appendix L). We also utilized the data from SCORE's most recent actuarial study for our assessment of loss development.
- We have assumed that SCORE's payroll for 2013-14 will be $18,814,000 based upon information provided by SCORE (See Appendix M).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

Small Cities Organized Risk Effort - Banking Layer - Workers' Compensation

Funding Options for Program Year 2013-2014 (SIR = $25,000)
One-Year Funding Plan

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$263,000	$1.398
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$263,000	$1.398
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.984	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$259,000	$1.377

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.204	1.308	1.430	1.583	1.792
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	53,000	80,000	111,000	151,000	205,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$312,000	$339,000	$370,000	$410,000	$464,000
(I) Rate per $100 of Payroll: ((H) / $188,142)	$1.658	$1.802	$1.967	$2.179	$2.466

Payroll rates are per hundred dollars of 2013-2014 payroll of $18,814,200.

Small Cities Organized Risk Effort - Pooling Layer - Workers' Compensation

Funding Options for Program Year 2013-2014 ($25,000 - $250,000)

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$547,000	$2.907
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$547,000	$2.907
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.903	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$494,000	$2.626

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.192	1.279	1.387	1.516	1.692
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	95,000	138,000	191,000	255,000	342,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$589,000	$632,000	$685,000	$749,000	$836,000
(I) Rate per $100 of Payroll: ((H) / $188,142)	$3.131	$3.359	$3.641	$3.981	$4.443

Payroll rates are per hundred dollars of 2013-2014 payroll of $18,814,200.

Small Cities Organized Risk Effort - $0 to SIR Layer - Workers' Compensation

Funding Options for Program Year 2013-2014 (SIR = $250,000)
One-Year Funding Plan

	Dollar Amount	Payroll Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2013-2014:	$810,000	$4.305
(B) Estimated Claims Administration Fees Incurred in Accident Year 2013-2014:	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2013-2014: ((A) + (B))	$810,000	$4.305
(D) Loss Discount Factor (Based on a Discount Rate of 1.50%.)	0.930	
(E) Discounted Total Claims Costs Incurred in Accident Year 2013-2014: ((C) x (D))	$753,000	$4.002

	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor:	1.197	1.290	1.401	1.539	1.726
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	148,000	218,000	302,000	406,000	547,000
(H) Recommended Funding in 2013-2014 for Claims Costs and Other Expenses ((E) + (G))	$901,000	$971,000	$1,055,000	$1,159,000	$1,300,000
(I) Rate per $100 of Payroll: ((H) / $188,142)	$4.789	$5.161	$5.607	$6.160	$6.910

Payroll rates are per hundred dollars of 2013-2014 payroll of $18,814,200.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 4

2013/14 SCORE PRELIMINARY BUDGET

INFORMATION ITEM

ISSUE: Ms. Susan Adams will present the 2013/2014 Preliminary Budget which will allow members to obtain an estimate of the deposits they will need to make in order to adequately fund the 2013-14 Program Year. The **Workers' Compensation and Liability Programs have been limited to a 3.0% Premium Increase per Board approval on October 25, 2012.**

RECOMMENDATION: None.

FISCAL IMPACT: The preliminary budget is relatively flat. The Liability and Workers' Compensation contributions have been capped at a 3% maximum increase.

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate to calculate premium and expenses for SCORE Board members. The budget also recognizes the calculation of experience modification factors as adopted by the program's Master Plan Documents. Although the costs are not finalized, it has become the practice in the past for SCORE to review a Preliminary Program Budget at the March Board meeting. This practice was adopted to allow the members to have an indication of costs for their individual budgets. It also allowed the SCORE members to give direction as to where they would like to expend the funds in the following year. The W.C. and Liability program contributions will be capped at a 3% increase for the next 3 years.

ATTACHMENTS: None – Will be distributed under separate cover at the meeting.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 5

LAWCX PREMIUM REFUND DISTRIBUTION

ACTION ITEM

ISSUE: LAWCX has issued a refund check to SCORE based on the actual audited 2011/2012 premium. The Board should discuss whether to apply the premium refund towards next year's premiums or distribute the funds back to members.

RECOMMENDATION: None.

FISCAL IMPACT: $29,334

BACKGROUND: Annually LAWCX adjusts the prior year (2011/12) estimated premium to reflect actual payroll and excess insurance premiums and sends a refund or requests additional premium based on this audit.

ATTACHMENTS: LAWCX Premium Refund Letter
LAWCX Premium Refund Allocation Calculations

President
Mr. Scott Ellerbrock
PERMA
36-951 Cook Street, Suite 101
Palm Desert, CA 92211
(760) 360-4966
FAX (760) 360-3264

Vice President
Ms. Rosa Kindred-Winzer
City of Merced
678 West 18th Street
Merced, CA 95340
(209) 385-6822
FAX (209) 384-5805

LAWCX

Interim Executive Director
Ms. Beth Lyons
Bickmore
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
(800) 541-4591, ext 8529
FAX (916) 244-1199

Local Agency Workers' Compensation Excess Joint Powers Authority
A California Public Agency

Treasurer
Mr. Kin Ong
PARSAC
1525 Response Road, Suite 1
Sacramento, CA 95815
(916) 927-7727
FAX (916) 927-3075

February 15, 2013

TO: LAWCX Members

FROM: Anita Holland, Accounting Manager

SUBJECT: PREMIUM ADJUSTMENT REFUND

The enclosed check represents return of premium for the 2011/2012 program year. The refund is required because payroll and excess insurance rate estimates used to prepare the initial premium billing, which you received and paid during the summer of 2011, have been adjusted to reflect actual amounts. Attached is a calculation of the adjustment.

Should you have any questions, please feel free to contact me at (800) 541-4591, ext. 1105.

Enclosure

LAW2013-036

Mailing Address: 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833

LAWCX

Vendor ID	Payable To	Payment Number	Date	Check Number
SC115	SCORE	PMT02391	02/14/2013	**4723**

Invoice Number	Invoice Date	Description	Paid Amount
021413	02/14/2013	2011/2012 Premium Adj Refund	29,334.00
			29,334.00

THE FACE OF THIS CHECK IS PRINTED BLUE-THE BACK CONTAINS A SIMULATED WATERMARK

LAWCX

1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
916.244.1100

CALIFORNIA BANK & TRUST
SACRAMENTO MAIN OFFICE
SACRAMENTO CA 95818
11-204-1210

4723

Date: February 14, 2013

Amount: $ 29,334.00

SECURITY FEATURE

Pay ***TWENTY-NINE THOUSAND THREE HUNDRED THIRTY-FOUR AND XX / 100**********

To The Order Of
SCORE
1792 Tribute Road
Suite 450
Sacramento, CA 95815

MP

⑈4723⑈ ⑆122100204⑆ 1030026561⑈

LAWCX PREMIUM AND REFUND ALLOCATION

2011-12 LAWCX **TOTAL Premium Paid**	$319,339
2011-12 LAWCX **Premium Paid by MINICITIES**	$57,608
2011-12 LAWCX Premium **REFUND**	$29,334
2011-12 LAWCX Premium Paid by Full Members	$261,731

MINICITIES Percentage o of Premium			**18.04%**
MINICTITIES Allocation of Refund			**$5,291.78**

MEMBER ENTITY	2011- 12 LAWCX Premium	2011-12 Premium % Contribution	2011-12 LAWCX Premium Refund
Dunsmuir	$ 10,850	4.15%	$996.70
Live Oak	$ 20,233	7.73%	$1,858.58
Mt. Shasta	$ 44,601	17.04%	$4,096.99
Shasta Lake	$ 41,949	16.03%	$3,853.40
Susanville	$ 45,708	17.46%	$4,198.71
Weed	$ 32,707	12.50%	$3,004.40
Yreka	$ 65,682	25.10%	$6,033.41
Total	**$ 261,731**	**100.00%**	**$24,042**
	$261,731	100%	$24,042

MINI CITIES MEMBERS	2011- 12 LAWCX Premium	Contribution Percentage	Refund Allocation
Biggs	$ 6,106	10.60%	$ 560.85
Colfax	$ 5,186	9.00%	$ 476.41
Dorris	$ 1,959	3.40%	$ 179.92
Etna	$ 3,821	6.63%	$ 351.01
Fort Jones	$ 2,335	4.05%	$ 214.44
Loomis	$ 10,334	17.94%	$ 949.25
Loyalton	$ 2,739	4.75%	$ 251.58
Montague	$ 3,784	6.57%	$ 347.55
Portola	$ 7,853	13.63%	$ 721.38
Rio Dell	$ 13,492	23.42%	$ 1,239.38
TOTAL	**$ 57,608**	**100.00%**	**$ 5,291.78**
	$ 57,608	100.00%	$5,291.78

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 6

REVIEW AND DECLARATION OF THE FYE 2012 LIABILITY RETROSPECTIVE DISTRIBUTIONS

ACTION ITEM

ISSUE: The Board should review the revised Retrospective Adjustment calculations for the Liability Program provided by Gilbert Associates. These calculations are based on 6/30/12 claims loss data, financials and actuary valuation. This calculation is presented for Board review as well as a tool for deciding the amount of dividends that should be issued out of each program, if any.

RECOMMENDATION: The Program Administrator will make a recommendation at the meeting after the Retrospective Adjustment calculation has been reviewed.

FISCAL IMPACT: TBD

BACKGROUND: The calculations were presented at the January 2013 Board of Directors meeting for review. In accordance with the Master Plan Document, SCORE calculates the funds available for returns by Program Year annually. All years are adjusted under the banking layer, (i.e. loss amounts under $25,000) but only 75 percent of the cities' positive balance is eligible to be declared as a dividend. The adjustment to the Shared Risk is limited to those years which have the five years or more to reach full maturity.

HANDOUTS: The 2011-12 Liability Retrospective Rating Calculations will be presented at the meeting.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 7

REVIEW AND DECLARATION OF THE FYE 2012 WORKERS' COMPENSATION RETROSPECTIVE DISTRIBUTIONS

ACTION ITEM

ISSUE: The Board should review the revised Retrospective Adjustment calculations for the Workers' Compensation Program provided by Gilbert Associates. These calculations are based on 6/30/12 claims loss data, financials and actuary valuation. This calculation is presented for Board review as well as a tool for deciding the amount of dividends that should be issued out of each program, if any.

RECOMMENDATION: The Program Administrator recommends the Board review these documents and decide on a percentage to distribute back to members.

FISCAL IMPACT: TBD

BACKGROUND: The calculations were presented at the January 2013 Board of Directors meeting for review. In accordance with the Master Plan Document, SCORE calculates the funds available for returns by Program Year annually. All years are adjusted under the banking layer, (i.e. loss amounts under $25,000) but only 75 percent of the cities' positive balance is eligible to be declared as a dividend. The adjustment to the Shared Risk is limited to those years which have the five years or more to reach full maturity.

HANDOUTS: The 2011-12 Workers' Compensation Retrospective Rating Calculations will be distributed at the meeting.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 8

REQUEST FOR DIVIDEND DISTRIBUTION FROM PRIOR MEMBERS OF SCORE

ACTION ITEM

ISSUE: SCORE has received formal written requests from the City of Crescent City, City of Williams and City of Ione requesting release of any funds due to them from retrospective rating plan distributions.

RECOMMENDATION: Staff recommends the Board adhere to the bylaws as respects this request and issue the distributions as reflected in the retrospective rating calculations, at the percentage approved by the Board of Directors.

FISCAL IMPACT: TBD once the Board approves the retrospective dividend calculations.

BACKGROUND: This item was discussed during the January 25, 2013 Board meeting for the City of Crescent City. Since then, the Program Administrator has also been contacted by the Cities of Williams and Ione with distribution requests. Gilbert Associates was directed to calculate the available amounts for all 3 members, considering the additional 5 year withholding period mandated by the JPA Bylaws. The Board will have the ability to declare a percentage of the available amounts for release to the members.

ATTACHMENTS:

1. City of Crescent City Retro Distribution Request Letter
2. City of Ione Retro Distribution Request letter
3. City of Williams Retro Distribution Request Letter

377 J STREET CRESCENT CITY, CALIFORNIA 95531-4025

Administration/Finance:	707-464-7483	Public Works/Planning:	707-464-9506
Utilities:	707-464-6517	FAX:	707-465-4405

February 27, 2013

Small Cities Organized Risk Effort
c/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Via email and US mail

Subject: City of Crescent City – Request for release of funds and disbursement of equity/dividends due

Dear President Carroll and SCORE Board of Directors:

The City of Crescent City would like to respectfully request from the Board of Directors a release of all funds due the City of Crescent City from any reduction in equity, retrospective calculations or dividends that are being returned to all members of the JPA within the Shared risk layers. I would like to respectfully request that the Board consider our request at the next meeting.

It is my understanding that all Banking layer amounts are remitted to the City without request, but would like to request accounting records or summary information related to distributions to all members including Crescent City since the last request was made on July 2, 2012.

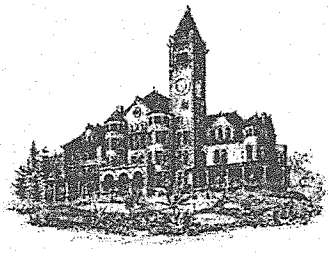
The City continues to support the SCORE Board and reiterates our commitment to assist with any claims above and will immediately pay any amounts or assessments due to SCORE if the occasion should arise.

If you have any questions, please feel free to contact Finance Director Ken McDonald at (707) 464-7483, extension 224 or myself at extension 232.

Sincerely,

Eugene M. Palazzo
City Manager

City of Ione



March 15, 2013

Ms. Susan Adams
Alliant Insurance Services, Inc.

RE: Retrospective Rating Distributions

Dear Susan:

The City of Ione is formally requesting the City's share of our retrospective rating distributions and any other available distributions due to the City of Ione.

Thank you for your attention to this matter.

Sincerely,

Edwin R. Pattison
City Manager

jmt

#1 Main Street • P.O. Box 398 • Ione, California 95640-0398
209.274.2412 • Fax 209.274.2830 • www.ione-ca.com

CITY of WILLIAMS
810 E STREET
POST OFFICE BOX 310
WILLIAMS, CALIFORNIA 95987
PHONE: (530) 473-2955 • FAX: (530) 473-2445

To: Small Cities Organized Risk Effort

Date: January 23, 2013

Attention: Susan Adams, Alliant Insurance Services, Inc.

Regarding: Retrospective Rating Distributions

Dear Susan,

The City of Williams is formally requesting the City's share of our retrospective rating distributions and any other available distributions due to the City of Williams.

Thank you for your attention to this matter.

Sincerely,

Charles Bergson, City Administrator

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 9

SCORE PROPERTY APPRAISAL STATUS UPDATE

INFORMATION ITEM

ISSUE: Staff will provide the Committee with the results of the Property Appraisal Survey that was just completed by AssetWorks, Inc.

FISCAL IMPACT: $60,000 was included in the 2012/13 budget for Property Appraisal Services during fiscal year 2012/2013. AssetWorks, Inc. agreed and entered into a contract to provide appraisals to all SCORE member locations at a cost of $48,500.

RECOMMENDATION: None. This is provided as information only.

BACKGROUND: AssetWorks, Inc was selected as the Property Appraisal Services vendor for SCORE and agreed to conduct appraisals of all member locations before March 31, 2013. This would allow the administrator access to the revised property values in time for the 2013-14 Property Insurance renewals.

ATTACHMENTS: None

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 10

FINANCIAL AUDIT SERVICES REQUEST FOR PROPOSALS UPDATE

INFORMATION ITEM

ISSUE: SCORE recently issued a RFP for Financial Audit Services. Several Financial Accounting firms have been identified and given the opportunity to submit proposals for annual audit services. Staff will update the Board on any proposals already submitted.

RECOMMENDATION: None. This item is being presented for information purposes only.

FISCAL IMPACT: Staff estimates the cost at approximately $20,000 per year.

BACKGROUND: Maze was hired in 2008 to provide audits for FYE 2010, 2011 and 2012. The current financial audit contract with Maze and Associates expires at the completion of the FY 2012 audit. At the October, 2012 Board of Directors meeting, it was requested that Staff issue a Request for Proposals (RFP) for Financial Audit Services in lieu of taking another contract extension with Maze and Associates, Inc. After performing the required due diligence and requesting suggestions from Board Members, Staff was able to identify several accounting firms that are qualified to perform this type of work and a copy of the RFP was sent to each one.

The RFP was issued on February 4, 2013 and responses are due back to the Program Administrator by March 29, 2013. The Finance Committee will then decide on whether to hold interviews and which firm will be awarded the contract.

ATTACHMENTS: None.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 11

CITY OF TULELAKE – REQUEST FOR PAYMENT PLAN FOR 2013/14 CONTRIBUTIONS

ACTION ITEM

ISSUE: City of Tulelake has requested a quarterly installment premium payment plan to pay for their SCORE contributions. The Board will have a discussion on whether they will allow such a payment plan and on what terms. Mr. Randolph Darrow, Tulelake's Mayor will be in attendance to address the Board and answer questions regarding their request.

RECOMMENDATION: Staff has no recommendation as this is a Board decision.

FISCAL IMPACT: $49,493

BACKGROUND: The City of Tulelake joined SCORE in 2011 and has paid their premiums in full. They have requested a quarterly installment premium payment plan for next year and the Board will need to discuss whether such a request can be accommodated. Tulelake's Mayor, Mr. Randolph Darrow will be in attendance and will address the Board and answer any questions from Members.

ATTACHMENTS: Tulelake Payment Plan Request Letter

CITY OF TULELAKE

591 Main Street
P. O. Box 847, Tulelake, CA 96134
Phone 530-667-5522 - FAX 530-667-5351
cityoftulelake@cot.net

March 13, 2013

Ms. Susan Adams, Program Administrator
Small Cities Organized Risk Effort
1792 Tribute Rd, Ste 450
Sacramento, California 95815

Subject: Request to make quarterly premium payments for the 2013-2014 fiscal year.

Dear Susan,

The City of Tulelake would like to make quarterly insurance payments for the fiscal year 2013-2014 rather than do a one-time annual payment. We are a small city and paying for an annual payment all at once impacts our cash flow for our regular operating expenses. Please have your board of directors consider this option at their next scheduled board meeting. Thank you.

Sincerely,

Randy Darrow

Randy Darrow
Mayor
City of Tulelake

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 12

RISK MANAGEMENT - MEMBER INSOLVENCIES WHITE PAPER

ACTION ITEM

ISSUE: The Board will receive a draft copy of a White Paper addressing the implications of insolvency or bankruptcy of a SCORE Member and discusses the potential for creditors or the courts system to gain access to any assets or distributions that the member was entitled to.

RECOMMENDATION: After reviewing the material outlined in the document, the Board should direct Staff on whether they would like to amend SCORE's Governing Documents and Bylaws to more specifically address the issue of Member Insolvencies.

FISCAL IMPACT: None

BACKGROUND: At the October 25, 2012 Long Range Planning Meeting a discussion was held regarding the financial crisis affecting public entities and the potential implications of a current or prior member becoming insolvent. Staff and the JPA Legal Counsel were directed to develop and submit to the Board a white paper addressing the implications of insolvency of a current or past SCORE Member.

ATTACHMENT: None – Will be handed out under separate cover at the meeting.

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item I. 14

SCORE ANNUAL TRAINING DAY

INFORMATION ITEM

ISSUE: Staff is requesting Board input on topics for the bi-annual Training Day which will be held on October 25, 2013 followed by the Board of Directors Meeting on October 26, 2013. Staff is also requesting suggestions for possible meeting destinations.

RECOMMENDATION: None

FISCAL IMPACT: Not to exceed $10,000

BACKGROUND: Every other year, SCORE holds a Training Day to provide Board members with information on programs, risk management and services available to members. Presentations are provided by SCORE staff and SCORE partners.

Staff has received preliminary proposals for two different venues in Napa, two in Sacramento and The Inn at the Tides in Bodega Bay.

ATTACHMENTS: None

Small Cities Organized Risk Effort
Board of Directors Meeting
March 22, 2013

Agenda Item K.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims for payment of a tort liability loss or a public liability loss:

**Request for Authority

1. **Liability**
   a. Ralston vs. City of Weed**

2. **Workers' Compensation**
   a. Brian Brown vs. City of Susanville**
   b. Thomas Downing vs. City of Susanville**

FISCAL IMPACT: Unknown

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

BACKGROUND: Confidential

ATTACHMENTS: None

California Association of Joint Powers Authorities

California Association of Joint Powers Authorities

2013 Fall Conference & Training Seminar

2013 Fall Conference & Training Seminar

Tuesday, September 10, 2013 8:00 am - 5:00 pm

Passport to Innovation

Room reservations at the Embassy Suites South Lake Tahoe are available.

Exhibitors & Sponsorship Packet

Exhibitors & Sponsorship Registration Form

2012 Fall Conference Presentations

Platinum Sponsors

2011 Fall Conference information is available here

2013 Annual Conference

Conference Home

Housing Information

"Great conference overall. I enjoyed it and learned a great deal. It's great to get out of the office and spend some quality time with my peers."*Jeffrey Price**PERMA***

Fall Conference

Sept. 10-13, 2013

Exhibitors & Sponsorship Packet
Reserve a Room!

CAREERS

RESOURCES

CONTACT

P 916 231 2139
F 916 231 2141
E info@cajpa.org
California Association of Joint Powers Authorities 1215 K Street, Suite 940 Sacramento, CA 95814

SCORE RESOURCE CONTACT GUIDE

January 2013

PROGRAM ADMINISTRATION

Alliant Insurance Services, Inc.
www.alliantinsurance.com
Main: (916) 643-2700 Fax: (916) 643-2750

SUBJECT	MAIN CONTACT
JPA MANAGEMENT ISSUES – coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	**Susan Adams** Laurence Voiculescu Joan Crossley Johnny Yang
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.	**Laurence Voiculescu** Susan Adams Joan Crossley Johnny Yang
COVERAGE / RISK MANAGEMENT ISSUES – ➢ Certificates of coverage, additions/deletions of coverage's, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➢ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➢ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review	**Laurence Voiculescu** Susan Adams Joan Crossley Johnny Yang

Susan Adams	(916) 643-2704 / (916) 203-1541 (cell)	sadams@alliantinsurance.com
Johnny Yang	(916) 643-2712	jyang@alliantinsurance.com
Joan Crossley	(916) 643-2708	jcrossley@alliantinsurance.com
Mike Simmons	(415) 403-1425 / (925) 708-3374 (cell)	msimmons@alliantinsurance.com
Laurence Voiculescu	(916) 643-2702	LVoiculescu@alliantinsurance.com

ACCOUNTING SERVICES	EMPLOYEE ASSISTANCE PROGRAM	RISK CONTROL PROGRAM
Gilbert Associates, Inc. 2880 Gateway Oaks Drive, Suite 100 Sacramento, California 95833 Main: (916) 646-6464 Fax: (916) 929-6836 www.gilbertcpa.com Kevin Wong – kswong@gilbertcpa.com	ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 Fax: (858) 452-7819 www.acieap.com Tori Barr – tbarr@acieap.com	SBK Risk Services 4521 Oxbow Ridge Place Fair Oaks, CA 95628 (916) 747-5225 Jack Kastorff Jack.kastorff@comcast.net

SCORE RESOURCE CONTACT GUIDE

January 2013

CLAIMS ADMINISTRATION
York Risk Services Group, Inc.
www.yorkrsg.com
P.O. Box 619058
Roseville, CA 95661-9058
Main: (916) 960-0900 Fax: (916) 783-0334

SUBJECT	MAIN CONTACT
ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues	**Marcus Beverly –** WC & Liability
SUPERVISORIAL ISSUES – liability claims administration management, oversight of safety & loss control services	**Tom Baber** - Liability
CLAIMS ISSUES – *LIABILITY* ***All Members***	**Craig Wheaton –** Unit Manager **Cameron Dewey** – Claims Adjuster **Field Adjusters:** Shawn Millar Olivia Doney Bernard Sarmiento Ken Sloane
CLAIMS ISSUES – *WORKERS' COMPENSATION* ***All Members***	**Tom McCampbell –** VP, WC **Kelli Vitale-Carson–** AVP, WC **Jodi Fink –** Claims Examiner **Sara Marshall** – Future Med and Medical Only Claims Examiner
COMPUTER SERVICES **TRUST ACCOUNT SERVICES –** loss runs, special reports, check registers, bank reconciliations	**Chris Shaffer** **Herb McDuffee**

Tom Baber	(916) 746-8834	Tom.baber@yorkrsg.com
Marcus Beverly	(916) 746-8828	Marcus.beverly@yorkrsg.com
Cameron Dewey	(530) 248-1414	cameron.dewey@yorkrsg.com
Jodi Fink	(916) 580-2437	Jodi.fink@yorkrsg.com
Sara Marshall	(916) 960-0982	Sara.Marshall@yorkrsg.com
Tom McCampbell	(916) 960-0925	Tom.McCampbell@yorkrsg.com
Herb McDuffee	(916) 960-0941	Herb.Mcduffee@yorkrsg.com
Shawn Millar	(530) 345-5998	shawn.millar@yorkrsg.com
Bernard Sarmiento	(916) 960-0912	Bernard.Sarmiento@yorkrsg.com
Chris Shaffer	(916) 960-0960	christopher.shaffer@yorkrsg.com
Ken Sloane	(916) 960-0927	Kenneth.Sloan@yorkrsg.com
Kelli Vitale-Carson	(916) 960-0998	Kelli.VitaleCarson@yorkrsg.com
Craig Wheaton	(916) 960-0988	craig.wheaton@yorkrsg.com