

President
Mr. Roger Carroll
Town of Loomis
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Loomis, CA 95650
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Secretary
Ms. Debra Maggini
City of Susanville
66 North Lassen Street
Susanville, CA 96130
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Vice President
Mr. Kelley McKinnis
City of Weed
550 Main Street
P.O. Box 470
Weed, CA 96094
TEL: (530) 938-5027
FAX: (530) 938-5096

Treasurer
Ms. Linda Romaine
Town of Fort Jones
11960 East Street
P.O. Box 40
Fort Jones, CA 96032
TEL: (530) 468-2281

Small Cities Organized Risk Effort Board of Directors Meeting

AGENDA

Location: Gaia Anderson Hotel
4125 Riverside Place
Anderson, CA 96007

Date/Time: January 28, 2011, 10:00 a.m.

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 Joyce Flores at Alliant Insurance Services at (916) 643-2712.

Documents and materials 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.

Pursuant to Government Code Section 54953, members of the public may hear a discussion of this conference at the offices of each teleconference location as listed below.

- 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 the Agenda** **A 1**
- D. Public Comment**
This time is reserved for members of the public to address the Board of Directors on matters of SCORE.
- 1 E. CONSENT CALENDAR** **A 1**
 - 3-6** 1. Board of Directors Meeting Minutes – December 14, 2010
 - 7** 2. Treasurer’s Report – 1/20/11
 - 8-11** 3. Local Agency Investment Fund (LAIF) Monthly Statement of Investments: October 2010 to January 2011
 - 12-24** 4. Union Bank Account Statement – December 2010
 - 25-27** 5. SCORE Checking Account Transaction List: 10/6/2010 – 1/18/11
 - 6. Investment Statements from Chandler Asset Management – October, November and December 2010
 - a. Account 590
 - 28-30** i. Portfolio Summaries
 - 31-34** ii. Holdings Report – Most Recent

35-37	iii.	Compliance Report		
38-43	iiii.	Transaction Reports		
	b.	Account 591		
44-46	i.	Portfolio Summaries		
47	7.	York Insurance Services Claims Bill Review - December 2010		
	8.	Notice of Intent to Withdraw from SCORE		
48	a.	City of Crescent City		
49	b.	City of Williams		
	9.	SCORE's Excess JPA Meeting Minutes		
50-56	a.	California Joint Powers Risk Management Authority (CJPRMA) – December 16, 2010		
57-68	b.	Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) – November 17, 2010		
69-76	c.	Employment Risk Management Authority (ERMA) – November 8, 2010		
77-83	10.	SCORE Service Calendar		
	11.	ACI Employee Assistance Program		
84-95	a.	Q4 2010 Utility Report		
96	b.	Q4 2010 Usage Breakdown		
97-99	c.	ACI Brochures		

F. GENERAL ADMINISTRATION

	1.	President's Report	I	4
		<i>Mr. Roger Carroll will address the Board on SCORE matters. – VERBAL</i>		
100-102	2.	Alliant Update	I	1
		<i>Ms. Susan Adams will update the Board on SCORE matters.</i>		
103-104	3.	SCORE Resource Contact Guide	I	1
		<i>Staff created a Resource Contact Guide for the SCORE members.</i>		

G. FINANCIAL

105	1.	Financials for the Quarter Ending December 31, 2010	A	2
		<i>Quarterly Financials as of December 30, 2010 was received from Gilbert Associates.</i>		
106	2.	Annual Audited Financial Reports: Year Ending June 30, 2009	A	2
		<i>Ms. Katherine Yuen of MAZE and Associates will present SCORE's Financial Audit for Yeas Ending June 30, 2009.</i>		
	3.	Equity Distribution and Rate Stabilization Plan		
		<i>Staff will address the Board regarding the proposed Equity Distribution and Rate Stabilization Plan to be effective July 1, 2011.</i>		
107-123	a.	Equity Distribution and Rate Stabilization Presentation	I	1
124-125	b.	Approval of a Three / Five-Year Target Equity Distribution Plan	A	4
126	c.	Approval of Banking and Shared Risk Funding Levels	A	4
127-128	d.	Other issues (Resulting from an Equity Distribution Plan)	A	4

129-130	4.	Employment Assistance Program (EAP) Premium Calculation Adjustment <i>Staff will present the revised EAP premium adjustment based on actual participation.</i>	A	1
131-139	5.	Recommended Investment Policy Change <i>Mr. Mike Simmons will address the Board of recommended revisions to the Investment Policy to shorten the duration of the portfolio.</i>	A	1
	6.	Request to Change March 25, 2011 Board of Directors Meeting to April 8, 2011 <i>Please check calendars - VERBAL</i>	A	4
H. LIABILITY				
	1.	California Joint Powers Risk Management Authority (CJPRMA) Update <i>Mr. Roger Carroll will update the Board on CJPRMA matters. – VERBAL</i>	I	4
I. WORKERS' COMPENSATION				
	1.	Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) Update <i>Ms. Susan Adams will discuss updates regarding LAWCX matters. - VERBAL</i>	I	4
140	2.	SCORE LAWCX Alternate <i>The SCORE Board will need to appoint an Alternate for LAWCX.</i>	A	4
J. LOSS PREVENTION/SAFETY				
141-143	1.	TargetSafety PreventionLink Presentation <i>Ms. Amanda Goad of TargetSafety will provide the Board with a demonstration of SCORE's PreventionLink website including the services SCORE purchased from TargetSafety.</i>	I	4

144 **K. Closed Session Pursuant to Government Code Section 54956.95**

**Requesting Authority

1. Workers' Compensation

- a. 2008078652 v. Ione DOI 7-7-08
- b. 2006051751 v. Susanville DOI 7-31-06
- c. 2007058233 v. Weed DOI 1-22-07
- d. 2007070094 v. Williams DOI 12-19-07

2. Liability

- a. 2010104729 v. Isleton
- b. 2009098216 v. Mt. Shasta
- c. 200808767 v. Mt. Shasta
- d. 2006047763 v. Dunsmuir
- e. 2010106357 v. Dunsmuir
- f. 2010107181 v. Crescent City
- g. 2008074550 v. Crescent City

L. REPORT FROM CLOSED SESSION

M. CLOSING COMMENTS

ADJOURNMENT

NEXT MEETING

March 25, 2011, 10:00 a.m.
Gaia Anderson Hotel
Anderson, CA

Agenda Item E

Consent Calendar

Action Item

Issue: The 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 as presented.

Fiscal Impact: None

Background: The Board places the following items on the Consent Calendar for adoption. The Board may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

Attachments:

1. Board of Directors Meeting Minutes – December 14, 2010
2. Treasurer’s Report – 1/20/11
3. Local Agency Investment Fund (LAIF) Monthly Statement of Investments: October 2010 to January 2011
4. Union Bank Account Statement – December 2010
5. SCORE Checking Account Transaction List: 10/6/2010 – 1/18/11
6. Investment Statements from Chandler Asset Management – October, November and December 2010
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Holdings Report – Most Recent
 - iii. Compliance Report
 - iiii. Transaction Reports
 - b. Account 591
 - i. Portfolio Summaries
7. York Insurance Services Claims Bill Review - September, October, November and December 2010
8. Notice of Intent to Withdraw
 - a. City of Crescent City
 - b. City of Williams
9. SCORE Excess JPA Meeting Minutes
 - a. California Joint Powers Risk Management Authority (CJPRMA) – December 16, 2010

**Agenda Item E
Continued**

- b. Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) – November 17, 2010
 - c. Employment Risk Management Authority (ERMA) – November 8, 2010
10. SCORE Service Calendar
- a. Q4 2010 Utility Report
 - b. Q4 2010 Usage Breakdown
 - c. ACI Brochures

**Small Cities Organized Risk Effort (SCORE)
Board of Directors Webinar Minutes
December 14, 2010**

Member Cities Present

Pete Carr, City of Biggs
Ken McDonald, City of Crescent City
Liz Clontz, City of Dorris
Linda Romaine, Town of Ft. Jones
Bruce Pope, 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
Ted Marconi, City of Mount Shasta
Jim Murphy, City of Portola
John Duckett, City of Shasta Lake
Debra Magginetti, City of Susanville
Kelly McKinnis, City of Weed
Earl Wilson, City of Weed
Steve Baker, City of Yreka
Rhetta Hogan, City of Yreka

Member Cities Absent

City of Colfax
City of Dunsmuir
City of Etna
City of Rio Dell
City of Williams

Consultants & Guests

Susan Adams, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services
Joyce Flores, Alliant Insurance Services
Jackie Parker, Alliant Insurance Services
Mike Harrington, Bickmore Risk Services
Bonnie Markuson, York Insurance Services
Cameron Dewey, York Insurance Services
Craig Wheaton, York Insurance Services
Ben Burg, York Insurance Services
Kevin S. Wong, Gilbert Associates
Tracey Smith-Reed, Gilbert Associates

A. CALL TO ORDER

Mr. Roger Carroll, President, called the meeting to order at 9:10 a.m.

B. ROLL CALL/ABSENCE REPORT

The above-mentioned members were present constituting a quorum. Cities absent were City of Colfax, City of Dunsmuir, City of Etna, City of Rio Dell, and City of Williams.

C. APPROVAL OF THE AGENDA

A motion was made to approve the agenda as presented.

MOTION: Ted Marconi **SECOND:** Kathy LeBlanc **MOTION CARRIED**

D. PUBLIC COMMENTS

There were no public comments.

E. CONSENT CALENDAR

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

MOTION: Kelly Mckinnis **SECOND:** Bruce Pope **MOTION CARRIED**

F. FINANCIAL

1. Year End Unaudited Financials as of June 30, 2009, June 30, 2010 and Quarterly Financials as of September 30, 2010

Mr. Kevin Wong indicated total net assets as of June 30, 2009 is \$8,744,247.80. Total assets increased by \$1.6 million dollars and Liability decreased by \$1.1 million dollars due to claims. SCORE retains a shock loss totaling \$1.5 million which is 3X the JPA's self-insured retention (SIR). Total net operating revenue is \$2,282,897.39. Mr. Wong stated SCORE's financials as of June 30, 2009 were very healthy.

Mr. Wong continued that SCORE's Statement of Assets as of June 30, 2010 is overall very well funded. Total Liabilities increased by \$1.4 million and total net assets is \$9,244,884.11. Mr. Mike Simmons stated SCORE is a financially strong organization with a total net operating revenue of \$409,035.65.

The total net assets as of September 30, 2010 are \$10,208,680.89. Total Liabilities decreased by \$200,000 in 3 months; however, Mr. Wong stated the incurred but not reported (IBNR) could still change. Net revenue over expenses is \$963,796.78.

A motion was made to approve the Unaudited Financial Statements as of June 30, 2009, June 30, 2010, and the Quarterly Financial Statements as of September 30, 2010 as presented.

MOTION: Kelly McKinnis **SECOND:** Linda Romaine **MOTION CARRIED**

2. Annual Audited Financial Report Update for June 30, 2009 and June 30, 2010

Ms. Tracey Smith-Reed informed the Board that Gilbert Associates prepared binders for both years based on the request of the MAZE and Associates. The Audit for June 30, 2009 is scheduled for the week of December 20th. The audit for June 30, 2010 is scheduled the following week on December 27th. Ms. Smith-Reed anticipates both financial audits should be complete by January prior for Board approval.

G. SCORE Equity Distribution and Rate Stabilization Plan Presentation

1. SCORE Equity Distribution and Rate Stabilization Plan Presentation

Ms. Adams presented SCORE's Equity Distribution and Rate Stabilization Plan in two parts. Its goals are to determine SCORE's equity distribution plan and future rate funding levels while maintaining the financial stability of SCORE.

The Equity Distribution outlines available assets to outstanding liabilities. It also features historical funding, loss experience and actuarial projections, equity recommendations and historical dividend distributions. The Rate Stabilization shows confidence level comparisons, historical rates and funding, rate reduction savings, and future funding levels.

Currently, SCORE funds at the 85% confidence level; however, the JPA is well funded over the 90% confidence level. Total available asset is \$15,851,824 as of June 30, 2010. Ms. Adams stated that due to Workers' Compensation reform, the SCORE rates have decreased steadily since 2004/2005. Liability historical funding rates have remained relatively flat since 2005 even with the increase of confidence level from 80% to 85% in 2007.

Ms. Adams also showed the members funding comparison at various confidence levels as well as rate reduction exhibits per member with total savings. Rates shown are also projected by the actuary and include inflationary increase.

At the January 2011 meeting, members should look into approval of a 3 to 5 year distribution plan and also lowering the JPA's confidence level funding to 70%.

Ms. Liz Clontz entered the webinar at 10:00 a.m.

Mr. Ken McDonald exited the webinar at 10:06 a.m.

H. Closed Session Pursuant to Government code Section 54956.95

At 10:17 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. Workers' Compensation

a. 2009094090 v. Colfax

b. 2009088405 v. Crescent City

2. Liability

a. 2010104729 v. Isleton

I. Report from Closed Session

The Board returned from closed session at 10:38 a.m. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff.

J. Closing Comments

There were no closing comments.

Adjournment

The meeting was adjourned at 10:38 a.m.

NEXT MEETING: Friday, January 28, 2011 @ 10:00 a.m. at the Gaia Anderson Hotel, Anderson.

Respectfully Submitted,

Debra Magginetti, Secretary

Date

SCORE

Small Cities Organized Risk Effort A Joint Powers Authority

Board of Directors
Small Cities Organized Risk Effort

Attached is the investment report for the period ended 12-31-2010, in accordance with Government Code §53646(b) (1) which requires the authority Treasurer to submit quarterly to the Chief Executive Officer and the legislative body (Board of Directors), a quarterly Investment Report within thirty (30) days following the end of the quarter covered by the report. The report shall contain the following elements; the type of investment, issuer, maturity, par and dollar amounts invested; for the funds managed by contracted parties including lending programs; the market value and source of valuation. The Treasurer must also include a description of the compliance with the stated investment policy. The description of the holdings and market value are not required if all of the Authority's funds are invested in LAIF or equivalent. The Treasurer must also include a statement regarding its ability to meet the next six (6) months cash expenditure requirements.

The Authority's funds are invested in LAIF and with Chandler Asset Management. The statements for those accounts are included as part of this Investment Report.

It is the belief of the Treasurer, that the funds held in liquid investments are more than sufficient to meet the Authority's cash flow needs for the following six months, and that the investment in LAIF and other securities is in keeping with the investment policy of the Authority, as duly authorized by the Board of Directors.

Respectfully submitted,

Linda Romaine

Linda Romaine, Treasurer
01-20-2011

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif
October 04, 2010

SMALL CITIES ORGANIZED RISK EFFORT

TREASURER
C/O TOWN OF FORT JONES
P.O. BOX 40
FORT JONES, CA 96032-0040

PMIA Average Monthly Yields

Account Number: 40-04-001

Transactions
Tran Type Definitions

September 2010 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,470,742.30
Total Withdrawal:	0.00	Ending Balance:	2,470,742.30

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif
 November 10,
 2010

SMALL CITIES ORGANIZED RISK EFFORT

TREASURER
 C/O TOWN OF FORT JONES
 P.O. BOX 40
 FORT JONES, CA 96032-0040

PMIA Average Monthly Yields

Account Number: 40-04-001

Transactions

Tran Type Definitions

October 2010 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2010	10/14/2010	QRD	1292286	SYSTEM	3,190.98

Account Summary

Total Deposit:	3,190.98	Beginning Balance:	2,470,742.30
Total Withdrawal:	0.00	Ending Balance:	2,473,933.28

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia
-laif
December 03,
2010

SMALL CITIES ORGANIZED RISK EFFORT

TREASURER
C/O TOWN OF FORT JONES
P.O. BOX 40
FORT JONES, CA 96032-0040

PMIA Average Monthly Yields

Account Number: 40-04-001

Transactions
Tran Type Definitions

November 2010 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,473,933.28
Total Withdrawal:	0.00	Ending Balance:	2,473,933.28

Local Agency Investment Fund

**P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001**

www.treasurer.ca.gov/pmia

-laif

January 06, 2011

SMALL CITIES ORGANIZED RISK EFFORT

TREASURER
C/O TOWN OF FORT JONES
P.O. BOX 40
FORT JONES, CA 96032-0040

PMLA Average Monthly Yields

Account Number: 40-04-001

Transactions
Tran Type Definitions

December 2010 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,473,933.28
Total Withdrawal:	0.00	Ending Balance:	2,473,933.28



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

MB 02 002101 19661 H 15 A

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



Important Information

Explore Union Bank's updated demo showcasing Online Trust & Custody and experience convenient access to account information, statements, corporate actions, and more. To view the new demo, visit unionbank.com/trustandcustody

Account Statement

Statement Period

December 1, 2010 through December 31, 2010

Account Number
6736301210

Account Name
SMALL CITIES ORGANIZED RISK EFFORT

Relationship Manager
CARMEN CONIENDO
415-705-7207

Online Access
unionbank.com/trustandcustody

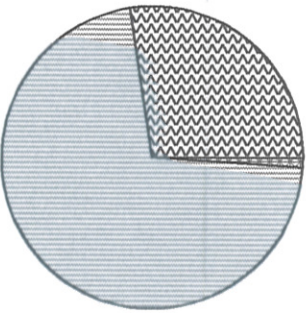
Investment Manager
CHANDLER LIQUID ASSET MGMT

Overview of Total Account Value

Closing Value on 12/31/2009 \$9,813,555.66
 Opening Value on 12/01/2010 \$10,239,163.11
 Closing Value on 12/31/2010 \$10,196,231.23
 Net Change For Period **(\$42,931.88)**

Overview of Account by Investment Category

Your Current Portfolio Mix



% of Total Account	Market Value	Description
1.04%	105,946.38	Cash & Cash Equivalents
71.46%	7,285,975.55	Government Obligations
27.50%	2,804,359.30	Corporate Obligations
100.00%	\$10,196,231.23	Total Account Value



Account Number
 6736301210
Account Name
 SCORE

Account Statement

Statement Period

December 1, 2010 through December 31, 2010

Contents

- Account Summary
- Principal Portfolio Summary
- Unrealized Gain/Loss Summary
- Cash Transactions Summary
- Asset Detail
- Maturity Summary
- Transaction Detail
- Realized Gain/Loss Summary

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	105,946.38	1.04%	0.01%
Government Obligations	7,285,925.55	71.46%	3.21%
Corporate Obligations	2,804,359.30	27.50%	3.01%
Total Principal Portfolio	\$10,196,231.23	100.00%	3.12%

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	105,946.38	105,946.38	0.00
Government Obligations	7,115,826.39	7,285,925.55	170,099.16
Corporate Obligations	2,788,402.09	2,804,359.30	35,957.21
Total Gain/Loss	\$9,990,174.86	\$10,196,231.23	\$206,056.37

Cash Transactions Summary

Receipts	Principal Cash
Dividend	0.48
Interest	35,395.63
Accrued Interest Received	3,819.27
Sales	444,393.30
Total Receipts	\$483,608.68
Disbursements	
Accrued Interest Paid	(1,114.49)
Purchases	(458,011.97)
Payments to/for Beneficiaries	(1,034.00)
Total Disbursements	(\$460,160.46)
Other Transactions	
Net Cash Management	(23,448.22)
Total Other Transactions	(\$23,448.22)
Total Net Transactions	\$0.00



Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

December 1, 2010 through December 31, 2010

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	105,946.380	105,946.38	105,946.38	1.0000 12/31/2010	1.04%	0.01%	10.60
Total Cash & Cash Equivalents			\$105,946.38	\$105,946.38		1.04%	0.01%	\$10.60

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 4.6250% 2/29/2012	912828GK0	155,000.000	163,549.80	162,585.70	104.8940 12/31/2010	1.59%	4.41%	7,168.75
UNITED STATES TREAS NTS 4.5000% 4/30/2012	912828G07	400,000.000	394,250.00	422,016.00	105.5040 12/31/2010	4.15%	4.27%	18,000.00
UNITED STATES TREAS NTS 4.2500% 9/30/2012	912828HE3	120,000.000	120,253.13	127,842.00	106.5350 12/31/2010	1.25%	3.99%	5,100.00
UNITED STATES TREAS NTS 3.8750% 10/31/2012	912828HG8	350,000.000	357,396.48	371,315.00	106.0900 12/31/2010	3.64%	3.65%	13,562.50
UNITED STATES TREAS NTS 3.3750% 11/30/2012	912828HK9	365,000.000	367,036.33	384,702.70	105.3980 12/31/2010	3.77%	3.20%	12,318.75
UNITED STATES TREAS NTS 2.5000% 3/31/2013	912828HV5	125,000.000	128,154.72	130,117.50	104.0940 12/31/2010	1.28%	2.40%	3,125.00
UNITED STATES TREAS NTS 2.7500% 10/31/2013	912828J04	125,000.000	129,633.79	131,396.25	105.1170 12/31/2010	1.29%	2.62%	3,437.50



Account Number
6736301210
Account Name
SCORE

Account Statement

Statement Period

December 1, 2010 through December 31, 2010

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name Federal Govt Agency	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
FEDERAL FARM CR BKS CONS 4.8750% 2/18/2011	31331VSK3	55,000,000	56,880.17	55,311.85	100.5670 12/31/2010	0.54%	4.85%	2,681.25
FEDERAL HOME LOAN BANKS 3.3750% 6/24/2011	3133XRCW8	100,000,000	98,880.00	101,401.00	101.4010 12/31/2010	0.99%	3.33%	3,375.00
FEDERAL FARM CR BKS CONS 5.3750% 7/18/2011	31331VJ80	225,000,000	235,895.18	231,144.75	102.7310 12/31/2010	2.27%	5.23%	12,093.75
FEDERAL NATL MTG ASSN 5.0000% 10/15/2011	31359MZ30	100,000,000	106,746.50	103,609.00	103.6090 12/31/2010	1.02%	4.83%	5,000.00
FEDERAL HOME LN BKS 4.8750% 11/18/2011	3133XHPH9	150,000,000	157,239.45	155,830.50	103.8870 12/31/2010	1.53%	4.69%	7,312.50
FEDERAL NATL MTG ASSN 4.8750% 5/18/2012	31398ABX9	50,000,000	53,007.15	52,983.00	105.9660 12/31/2010	0.52%	4.60%	2,437.50
TENNESSEE VALLEY AUTH 6.7900% 5/23/2012	880591DT6	215,000,000	234,715.95	233,354.55	108.5370 12/31/2010	2.29%	6.26%	14,598.50
FEDERAL HOME LOAN BANK BONDS DTD 06/18/2010 0.875% 08/22/2012	3133XVWB7	205,000,000	205,686.75	206,018.85	100.4970 12/31/2010	2.02%	0.87%	1,793.75
FEDERAL HOME LN BKS 4.6250% 10/10/2012	3133XML66	125,000,000	128,470.00	133,932.50	107.1460 12/31/2010	1.31%	4.32%	5,781.25
FEDERAL NATL MTGE ASSN NOTES 0.500% 10/30/2012	31398A4T6	205,000,000	204,145.97	204,458.80	99.7360 12/31/2010	2.01%	0.50%	1,025.00
FEDERAL HOME LOAN BANKS 3.6250% 5/29/2013	3133XQU34	200,000,000	197,247.00	213,148.00	106.5740 12/31/2010	2.09%	3.40%	7,250.00



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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 3.8750% 6/14/2013	31339X2M5	200,000.000	200,403.10	214,270.00	107.1350 12/31/2010	2.10%	3.62%	7,750.00
FEDERAL HOME LN MTG CORP 3.7500% 6/29/2013	3137EABM0	100,000.000	98,090.70	107,095.00	107.0950 12/31/2010	1.05%	3.50%	3,750.00
FEDERAL NATL MTG ASSN 3.8750% 7/12/2013	31398ASD5	200,000.000	201,173.60	214,792.00	107.3960 12/31/2010	2.11%	3.61%	7,750.00
FEDERAL HOME LN MTG CORP 4.5000% 7/15/2013	3134A4TZ7	115,000.000	119,099.95	125,291.35	108.9490 12/31/2010	1.23%	4.13%	5,175.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000.000	242,426.00	251,877.60	109.5120 12/31/2010	2.47%	4.34%	10,925.00
FEDERAL FARM CREDIT BANK BONDS DTD 09/23/2010 1.10% 09/23/2013	31331JJ38	105,000.000	105,000.00	104,866.65	99.8730 12/31/2010	1.03%	1.10%	1,155.00
FEDERAL NATL MTGE ASSN NOTES 1.200% 09/27/2013	31398AA47	205,000.000	205,000.00	204,628.95	99.8190 12/31/2010	2.01%	1.20%	2,460.00
FEDERAL FARM CR BKS GLOBAL 3.8750% 10/7/2013	31331GCS6	60,000.000	65,300.40	64,667.40	107.7790 12/31/2010	0.63%	3.60%	2,325.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000.000	258,142.75	266,952.50	106.7810 12/31/2010	2.62%	3.39%	9,062.50
FEDERAL HOME LOAN MTGE CORP NOTES 1.400% 11/18/2013	3134G1PP3	110,000.000	110,456.50	110,260.70	100.2370 12/31/2010	1.08%	1.40%	1,540.00
FEDERAL NATL MTG ASSN DTD 12/11/2008 2.875% 12/11/2013	31398AUJ9	100,000.000	101,696.10	105,122.00	105.1220 12/31/2010	1.03%	2.73%	2,875.00



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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name Federal Govt Agency	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000,000	34,625.96	36,401.05	104.0030 12/31/2010	0.36%	2.40%	875.00
FEDERAL NATL MTG ASSN NTS DTD 03/13/2009 2.750% 03/13/2014	31398AVZ2	95,000,000	96,665.83	99,294.95	104.5210 12/31/2010	0.97%	2.63%	2,612.50
FEDERAL FARM CR BKS GLOBAL BDS DTD 04/17/2009 2.625% 04/17/2014	31331GTJ8	205,000,000	216,410.30	213,888.80	104.3360 12/31/2010	2.10%	2.52%	5,381.25
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000,000	155,568.75	155,412.00	103.6080 12/31/2010	1.52%	2.41%	3,750.00
FEDERAL NATL MTG ASSN NOTES DTD 05/15/2009 2.500% 05/15/2014	31398AXJ6	300,000,000	301,178.80	311,253.00	103.7510 12/31/2010	3.05%	2.41%	7,500.00
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000,000	259,368.20	264,958.20	101.9070 12/31/2010	2.60%	1.86%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000,000	111,171.90	113,506.00	113.5060 12/31/2010	1.11%	4.63%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	245,000,000	250,683.60	258,195.70	105.3860 12/31/2010	2.53%	2.85%	7,350.00
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000,000	256,160.83	260,282.50	104.1130 12/31/2010	2.55%	2.76%	7,187.50
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000,000	283,288.50	278,888.50	101.4140 12/31/2010	2.74%	2.34%	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								
FEDERAL NATL MTG ASSN 1.8500% 9/9/2015	3136FPE06	105,000,000	104,816.25	102,852.75	97.9550 12/31/2010	1.01%	1.89%	1,942.50
Total Government Obligations			\$7,115,826.39	\$7,285,925.55		71.46%	3.21%	\$234,148.50

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								
US BANCORP DTD 03/13/2009 2.250% 03/13/2012	91160HAA5	160,000,000	159,980.80	163,244.80	102.0280 12/31/2010	1.60%	2.21%	3,600.00
BANK OF AMERICA FDIC GTD TLG 3.1250% 6/15/2012	06050BAA9	280,000,000	290,365.50	290,001.60	103.5720 12/31/2010	2.84%	3.02%	8,750.00
GOLDMAN SACHS GP INC FDIC TL 3.2500% 6/15/2012	38146FAA9	280,000,000	284,814.50	290,665.20	103.8090 12/31/2010	2.85%	3.13%	9,100.00
WELLS FARGO & COMPANY DTD 03/30/2009 2.1250% 06/15/2012	949744AC0	290,000,000	290,859.44	296,667.10	102.2990 12/31/2010	2.91%	2.08%	6,162.50
PNC FUNDING CORP NOTES DTD 12/22/2008 2.300% 06/22/2012	69351CAC7	290,000,000	294,515.30	297,383.40	102.5460 12/31/2010	2.92%	2.24%	6,670.00
JPMORGAN CHASE & CO DTD 04/06/2009 2.1250% 12/26/2012	481247AM6	295,000,000	295,914.50	303,124.30	102.7540 12/31/2010	2.98%	2.07%	6,268.75
WAL MART STORES INC 4.2500% 4/15/2013	931142CL5	45,000,000	48,179.25	49,346.20	107.4360 12/31/2010	0.47%	3.96%	1,912.50



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Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name Corporate Bonds	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
CHEVRON CORPORATION SR NOTES DTD 03/03/2009 3.95% 03/03/2014	166751AH0	140,000.000	146,704.15	149,458.40	106.7560 12/31/2010	1.47%	3.70%	5,530.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000.000	194,130.60	199,216.80	110.6760 12/31/2010	1.95%	5.33%	10,620.00
WAL MART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	93114ZCQ4	150,000.000	155,436.00	156,889.50	104.5830 12/31/2010	1.54%	3.06%	4,800.00
MICROSOFT CORP NT DTD 05/18/2009 2.950% 06/01/2014	594918AB0	200,000.000	204,324.00	208,196.00	104.0980 12/31/2010	2.04%	2.83%	5,900.00
PROCTER & GAMBLE CO 4.9500% 8/15/2014	742718DA4	180,000.000	204,706.80	199,949.40	111.0830 12/31/2010	1.96%	4.46%	8,910.00
BERKSHIRE HATHAWAY INC 3.200% 02/1/2015	084670AV0	195,000.000	198,471.25	201,216.60	103.1880 12/31/2010	1.97%	3.10%	6,240.00
Total Corporate Obligations			\$2,768,402.09	\$2,804,359.30		27.50%	3.01%	\$84,463.75
Total Principal Portfolio			\$9,990,174.86	\$10,196,231.23		100.00%	3.12%	\$318,622.85
Total Account Values			\$9,990,174.86	\$10,196,231.23		100.00%	3.12%	\$318,622.85



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Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2010					
2011		630,000.000	655,641.30	647,297.10	6.42%
2012		3,785,000.000	3,844,961.60	3,940,295.50	39.05%
2013		2,170,000.000	2,209,913.86	2,292,832.10	22.72%
2014		2,240,000.000	2,330,974.89	2,366,619.80	23.45%
2015		825,000.000	842,736.83	843,240.35	8.36%
2016					
2017					
2018					
2019					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$0.00	9,650,000.000	\$9,884,228.48	\$10,090,284.85	100.00%

Transaction Detail

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
	Beginning Balance		\$0.00	\$9,934,251.37
12/01/10	Interest CASH RECEIPT OF INTEREST EARNED ON MICROSOFT CORP NT 2.950% 6/01/14 0.01475/\$1 PV ON 200,000 PAR VALUE DUE 12/1/2010	594918AB0	2,950.00	
12/01/10	Dividend CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MONEY MKT ONE MONTH YIELD (ANNUALIZED) .01%	431114503S	0.48	
12/02/10	Interest CASH RECEIPT OF INTEREST EARNED ON FCCB BDS 1.900% 6/02/14 0.00995/\$1 PV ON 280,000 PAR VALUE DUE 12/2/2010	31331JQA4	2,470.00	





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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
12/03/10	Payments to/for Beneficiaries	CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC. PAYMENT PER REQUEST R/T 286 MGMT FEE FOR PERIOD ENDING NOVEMBER 30, 2010 INVOICE 8998		(1,034.00)	
12/13/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMANTIS 2.875% 12/11/13 0.014375/\$1 PV ON 100,000 PAR VALUE DUE 12/11/2010	31398AUJ9	1,437.50	
12/14/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLEB 3.875% 6/14/13 0.019375/\$1 PV ON 200,000 PAR VALUE DUE 12/14/2010	31339X2M5	3,875.00	
12/15/10	Interest	CASH RECEIPT OF INTEREST EARNED ON BK OF AMERICA BDS 3.125% 6/15/12 0.015625/\$1 PV ON 280,000 PAR VALUE DUE 12/15/2010	06050BAA9	4,375.00	
12/15/10	Interest	CASH RECEIPT OF INTEREST EARNED ON WELLS FARGO & CO 2.125% 6/15/12 0.010625/\$1 PV ON 290,000 PAR VALUE DUE 12/15/2010	94974AAC0	3,081.25	
12/17/10	Interest	CASH RECEIPT OF INTEREST EARNED ON GOLDMAN SACHS GR BDS 3.250% 6/15/12 0.01625/\$1 PV ON 280,000 PAR VALUE DUE 12/15/2010	38146FAA9	4,550.00	
12/17/10	Purchases	PURCHASED 45,000 PAR VALUE OF WALMART STORES INC 4.250% 4/15/13 TRADE DATE 12/14/10 PURCHASED THROUGH MORGAN STANLEY 45,000 PAR VALUE AT 107.085 %	931142CL5	(48,179.25)	48,179.25
12/17/10	Accrued Interest Paid	PAID ACCRUED INTEREST ON PURCHASE OF WALMART STORES INC 4.250% 4/15/13	931142CL5	(329.37)	
12/20/10	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLEB BDS 5.250% 6/18/14 0.02625/\$1 PV ON 100,000 PAR VALUE DUE 12/18/2010	3133X7FK5	2,625.00	



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Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/22/10	Interest CASH RECEIPT OF INTEREST EARNED ON PNC FDG CORP NTS 2.300% 6/22/12 0.0115/\$1 PV ON 290,000 PAR VALUE DUE 12/22/2010	69351CAC7	3,335.00	
12/24/10	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 3.375% 6/24/11 0.016875/\$1 PV ON 100,000 PAR VALUE DUE 12/24/201	3133XRCW8	1,687.50	
12/27/10	Purchases PURCHASED 205,000 PAR VALUE OF FNMA NTS 0.500% 10/30/12 TRADE DATE 12/22/10 PURCHASED THROUGH DEUTSCHE BANC-ALEX BROWN 205,000 PAR VALUE AT 99.5834 %	31398A4T6	(204,145.97)	204,145.97
12/27/10	Accrued Interest Paid PAID ACCRUED INTEREST ON PURCHASE OF FNMA NTS 0.500% 10/30/12	31398A4T6	(162.29)	
12/27/10	Purchases PURCHASED 205,000 PAR VALUE OF FHLB BDS 0.875% 8/22/12 TRADE DATE 12/22/10 PURCHASED THROUGH SALOMON BROS. 205,000 PAR VALUE AT 100.335 %	3133XVWB7	(205,686.75)	205,686.75
12/27/10	Accrued Interest Paid PAID ACCRUED INTEREST ON PURCHASE OF FHLB BDS 0.875% 8/22/12	3133XVWB7	(622.83)	
12/27/10	Sales SOLD 150,000 PAR VALUE OF FNMA NTS 2.625% 11/20/14 ST CAPITAL GAIN OF \$4,851.40 TRADE DATE 12/22/10 SOLD THROUGH MERRILL LYNCH FIXED INCOME 150,000 PAR VALUE AT 103.496 %	31398AZV7	155,244.00	(150,392.60)
12/27/10	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF FNMA NTS 2.625% 11/20/14	31398AZV7	404.69	



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Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/27/10	Sales SOLD 275,000 PAR VALUE OF FHLMC NTS 3.000% 7/28/14 LT CAPITAL GAIN OF \$14,005.20 TRADE DATE 12/22/10 SOLD THROUGH DEUTSCHE BANC-ALEX BROWN 275,000 PAR VALUE AT 105.1452 %	3137EACD9	289,149.30	(275,144.10)
12/27/10	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF FHLMC NTS 3.000% 7/28/14	3137EACD9	3,414.58	
12/27/10	Interest CASH RECEIPT OF INTEREST EARNED ON JPMORGAN CHASE & CO 2.125% 12/28/12 0.010625/\$1 PV ON 295,000 PAR VALUE DUE 12/28/201	481247AM6	3,134.38	
12/28/10	Interest CASH RECEIPT OF INTEREST EARNED ON FHLMC BDS 3.750% 6/28/13 0.01875/\$1 PV ON 100,000 PAR VALUE DUE 12/28/2010	3137EABM0	1,875.00	
	Net Cash Management TOTAL ACTIVITY FOR HIGHMARK 100% US TREASURY MONEY MKT FROM 12/01/10 TO 12/31/10	431114503S	(23,448.22)	23,448.22
	Net Activity		\$0.00	\$55,923.49
	Ending Balance		\$0.00	\$9,990,174.86

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Short	Gain / Loss Amount	Long
12/27/10	FNMMA NTS	31398AZV7	150,000.00	150,392.60	155,244.00	4,851.40	0.00	



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Realized Gain/Loss Summary (continued)

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Gain / Loss Amount	
						Short	Long
12/27/10	FILM/C NTS	3137EACD9	275,000.00	275,144.10	289,149.30	0.00	14,005.20
	TOTAL			\$425,536.70	\$444,393.30	\$4,851.40	\$14,005.20
	SUMMARY			DISTRIBUTIONS	REALIZED	TOTAL	
	Short Term Capital Gain / Loss			\$0.00	\$4,851.40	\$4,851.40	
	Long Term Capital Gain / Loss			\$0.00	\$14,005.20	\$14,005.20	

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.

Small Cities Organized Risk Effort
Transaction List by Date
 October 5, 2010 - January 18, 2011

Date	Type	Num	Name	Memo/Description	Amount
10/06/2010	Payment	36918	Live Oak		21,259.00
10/06/2010	Payment	29058	Rio Dell		10,741.00
10/12/2010	Payment	12606	Etna		4,182.00
10/12/2010	Payment	94800	Yreka		63,865.00
10/12/2010	Payment	40524	Dunsmuir		10,631.00
10/12/2010	Payment	24819	Biggs		6,129.00
10/15/2010	Bill	6822	Granzella's Inc.	Lunch for Meeting 10/14/10 & 10/15/10	768.35
10/15/2010	Bill Payment (Check)	2108	Granzella's Inc.		-768.35
10/15/2010	Deposit				3,190.30
10/18/2010	Payment	12610	Etna		4,186.00
10/18/2010	Payment	28902	Montague		3,664.00
10/18/2010	Payment		Portola		10,307.00
10/18/2010	Bill	23696	Donald R. Reynolds, CPA	Inv # 23696	90.00
10/18/2010	Transfer			10-1-2010 to 10-15-2010	-25,675.22
10/18/2010	Payment	10466	Isleton		5,000.00
10/18/2010	Bill		Takhar		1,000.00
10/18/2010	Bill		City of Rio Dell	CAJPA Conference	1,000.00
10/19/2010	Payment	48563	Loomis		33,177.00
10/19/2010	Payment	42728	Shasta Lake		51,706.00
10/19/2010	Bill	Expenses	Fort Jones, Town of	Expenses - SCORE Meeting 10/14/10 & 10/15/10 Linda Romaine	286.50
10/22/2010	Payment	413991	Crescent City		66,969.00
10/22/2010	Bill	28397	Champion Awards	Name Plates	99.88
10/26/2010	Transfer			C & R Award	-12,500.00
10/29/2010	Bill Payment (Check)	2109	York Insurance Services Group, Inc-CA	Inv # 50002912 WC Claim Admin	-7,665.00
10/29/2010	Bill Payment (Check)	2110	York Insurance Services Group, Inc-CA	Inv # 500002052, 500107680 & 81, 500107644, 500002991	-34,936.17
10/29/2010	Bill Payment (Check)	2119	Donald R. Reynolds, CPA	Inv # 23696	-90.00
10/29/2010	Bill Payment (Check)	2120	City of Rio Dell	Reimbursement - CAJPA	-1,000.00
10/29/2010	Bill Payment (Check)	2112	Takhar	Reimbursement - CAJPA	-1,000.00
10/29/2010	Bill Payment (Check)	2113	Union Bank of California, N.A.	July - Sept 2010	-875.00
10/29/2010	Bill Payment (Check)	2114	ACI Specialty Benefits	Inv # 10677 & 10903	-9,585.00
10/29/2010	Bill	2115	Gilbert Associates, Inc.	29330 ENG - Sept	-6,592.50

Date	Type	Num	Name	Memo/Description	Amount
	Payment (Check)				
10/29/2010	Bill	4451 - Lexipol	City of Susanville	Reimbursement of \$2000 for Lexipol Inv # 4451 7/1/10	2,000.00
10/29/2010	Bill	2116	Fort Jones, Town of	Voided - Travel Reimbursement	0.00
	Payment (Check)				
10/29/2010	Bill	2117	Champion Awards	Name Plates	-99.88
	Payment (Check)				
10/29/2010	Bill	2118	City of Susanville	Lexipol Reimbursement Inv # 4451	-2,000.00
	Payment (Check)				
10/29/2010	Check	2111	VOID	Void	0.00
10/31/2010	Deposit				746.82
11/01/2010	Payment	31949	Williams		30,526.00
11/01/2010	Payment	2800	Mt. Shasta		36,569.00
11/02/2010	Transfer			10-16-2010 to 10-31-2010	-22,592.75
11/02/2010	Transfer			10-16-2010 to 10-31-2010	-12,501.79
11/10/2010	Payment	17086	Dorris		2,008.00
11/17/2010	Transfer			11-1-2010 to 11-15-2010	-10,294.10
11/17/2010	Transfer			11-1-2010 to 11-15-2010	-44,142.43
11/17/2010	Payment	80181	Susanville		73,582.00
11/18/2010	Check	2123	TargetSafety.Com, Inc.		-23,845.00
11/18/2010	Check	2124	Michael Simmons		-838.33
11/18/2010	Check	2125	Gilbert Associates, Inc.		-2,358.75
11/18/2010	Check	2126	Gilbert Associates, Inc.		-4,000.00
11/18/2010	Check	2127	Gilbert Associates, Inc.		-8,000.00
11/18/2010	Check	2128	Gilbert Associates, Inc.		-425.00
11/20/2010	Bill		Gibbons & Conley	Inv # 10-AuG-1317	397.80
11/20/2010	Bill		York Insurance Services Group, Inc-CA	Liability Risk Control Oct 2010	5,406.98
11/20/2010	Bill		York Insurance Services Group, Inc-CA	Workers Comp Claims	7,665.00
11/20/2010	Bill		York Insurance Services Group, Inc-CA	Workers Comp Risk Control Oct 2010	3,131.06
11/20/2010	Bill		PARMA	2011 Membership Dues	100.00
11/20/2010	Bill		York Insurance Services Group, Inc-CA	Liability Calims-Oct 2010	9,509.87
11/30/2010	Deposit				769.37
11/30/2010	Payment	28329	Colfax		8,689.00
12/01/2010	Deposit				12,585.94
12/02/2010	Transfer			11-16-2010 to 11-30-2010	-3,832.82
12/02/2010	Transfer			11-16-2010 to 11-30-2010	-1,101.48
12/08/2010	Bill		York Insurance Services Group, Inc-CA	Inv#500003391	7,665.00
12/14/2010	Bill	2129	York Insurance Services Group, Inc-CA		-3,131.06
	Payment (Check)				
12/14/2010	Bill	2130	York Insurance Services Group, Inc-CA		-9,509.87
	Payment (Check)				
12/14/2010	Bill	2131	York Insurance Services Group, Inc-CA		-7,665.00
	Payment (Check)				

Date	Type	Num	Name	Memo/Description	Amount
12/14/2010	Bill Payment (Check)	2132	Gibbons & Conley		-397.80
12/14/2010	Bill Payment (Check)	2133	York Insurance Services Group, Inc-CA		-5,406.98
12/14/2010	Bill Payment (Check)	2134	Gilbert Associates, Inc.	Account # :29330 ENG	-7,681.25
12/14/2010	Bill Payment (Check)	2135	Gilbert Associates, Inc.	Account # :29330 ENG	-1,200.00
12/15/2010	Bill		York Insurance Services Group, Inc-CA	Inv#500107912	9,122.41
12/15/2010	Bill		York Insurance Services Group, Inc-CA	Inv#500107961	2,249.46
12/15/2010	Bill		York Insurance Services Group, Inc-CA	Inv#500107960	2,007.67
12/15/2010	Bill		City of Yreka	Lexipol	2,000.00
12/17/2010	Transfer			12-1-2010 to 12-15-2010	-25,301.70
12/17/2010	Transfer			12-1-2010 to 12-15-2010	-17,234.07
12/31/2010	Bill Payment (Check)	2121	PARMA		-100.00
12/31/2010	Deposit				771.97
01/03/2011	Deposit				824.99
01/04/2011	Transfer			12-16-2010 to 12-31-2010	-18,576.60
01/04/2011	Transfer			12-16-2010 to 12-31-2010	-13,419.89
01/05/2011	Bill		Risk Management Solutions		2,760.00
01/14/2011	Bill		York Insurance Services Group, Inc-CA	Inv#500108084	2,268.21
01/14/2011	Bill		York Insurance Services Group, Inc-CA	Inv#500108083	1,501.79
01/14/2011	Bill		York Insurance Services Group, Inc-CA	Inv#500003546	7,665.00
01/14/2011	Bill		York Insurance Services Group, Inc-CA	Inv#500003549	9,152.04
01/18/2011	Transfer			1-1-2011 to 1-15-2011	-22,186.06
01/18/2011	Transfer			1-1-2011 to 1-15-2011	-2,360.57

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PORTFOLIO CHARACTERISTICS

Average Duration	2.47
Average Coupon	3.37 %
Average Purchase YTM	2.71 %
Average Market YTM	0.66 %
Average S&P Rating	AAA
Average Final Maturity	2.66 yrs
Average Life	2.53 yrs

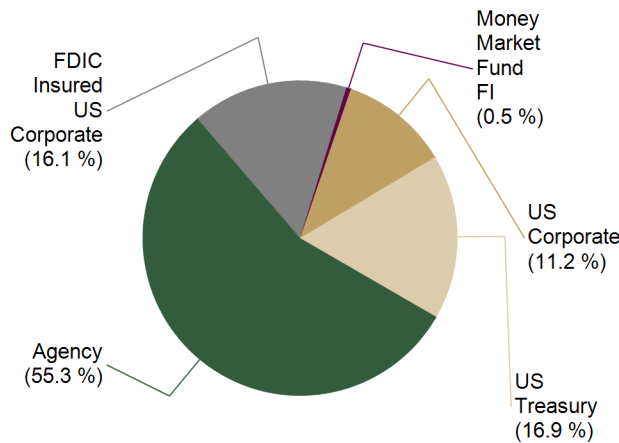
ACCOUNT SUMMARY

	Beg. Values as of 9/30/10	End Values as of 10/31/10
Market Value	10,222,058	10,276,955
Accrued Interest	87,243	84,525
Total Market Value	10,309,301	10,361,480
Income Earned	23,039	22,223
Cont/WD		-1,030
Par	9,683,887	9,668,144
Book Value	9,798,746	9,826,826
Cost Value	9,875,195	9,899,044

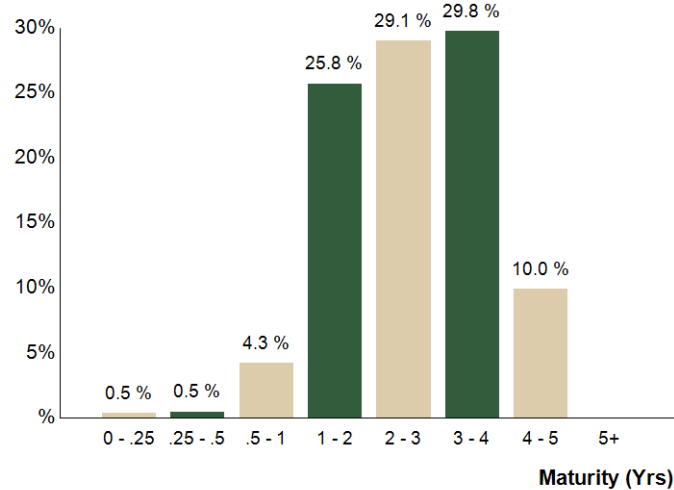
TOP ISSUERS

Issuer	% Portfolio
Government of United States	16.9 %
Federal National Mortgage Assoc	16.1 %
Federal Home Loan Bank	11.9 %
Federal Farm Credit Bank	11.8 %
Federal Home Loan Mortgage Corp	10.7 %
Tennessee Valley Authority	4.8 %
JP Morgan FDIC Insured	3.0 %
PNC Funding FDIC Insured	2.9 %
Total	78.1 %

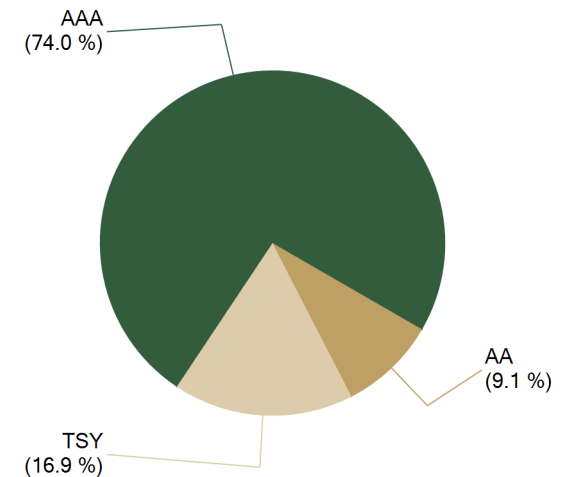
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 10/31/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006
					3 Yrs	5 Yrs	3/31/2006	
Small Cities Organized Risk Effort	0.52 %	1.18 %	4.82 %	4.59 %	5.89 %	N/A	5.92 %	30.17 %
1-5 yr Govt	0.37 %	1.05 %	4.46 %	4.19 %	5.34 %	N/A	5.53 %	27.97 %
1-5 Year Govt/A Rated or better Corporate	0.43 %	1.28 %	4.96 %	4.81 %	5.34 %	N/A	5.53 %	27.95 %



PORTFOLIO CHARACTERISTICS

Average Duration	2.40
Average Coupon	3.36 %
Average Purchase YTM	2.70 %
Average Market YTM	0.85 %
Average S&P Rating	AAA
Average Final Maturity	2.57 yrs
Average Life	2.48 yrs

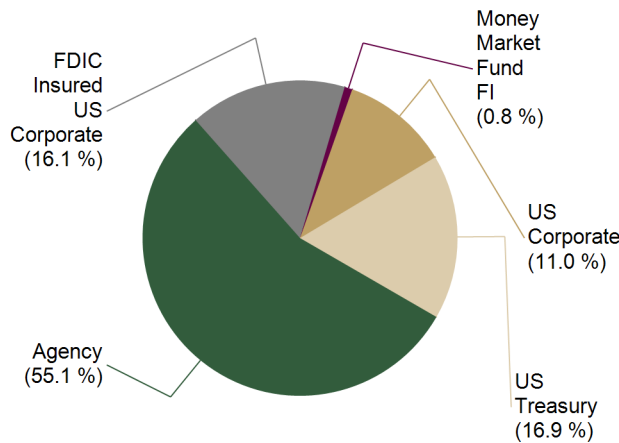
ACCOUNT SUMMARY

	Beg. Values as of 10/31/10	End Values as of 11/30/10
Market Value	10,276,955	10,239,155
Accrued Interest	84,525	76,266
Total Market Value	10,361,480	10,315,422
Income Earned	22,223	22,213
Cont/WD		-1,034
Par	9,668,144	9,702,498
Book Value	9,826,826	9,856,264
Cost Value	9,899,044	9,933,398

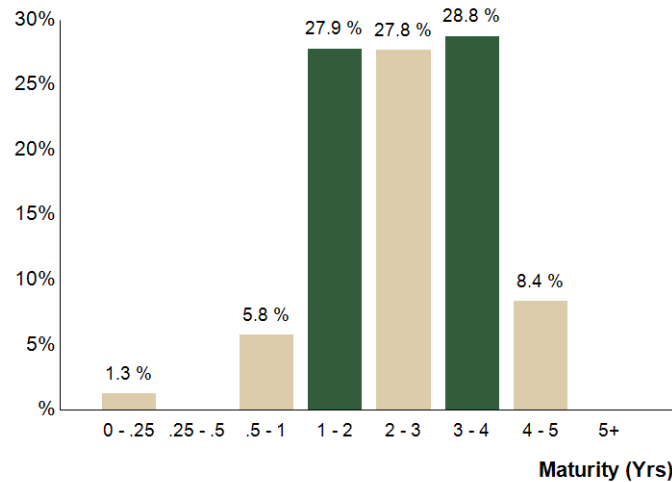
TOP ISSUERS

Issuer	% Portfolio
Government of United States	16.9 %
Federal National Mortgage Assoc	16.1 %
Federal Home Loan Bank	11.8 %
Federal Farm Credit Bank	11.8 %
Federal Home Loan Mortgage Corp	10.7 %
Tennessee Valley Authority	4.8 %
JP Morgan FDIC Insured	3.0 %
PNC Funding FDIC Insured	2.9 %
	77.9 %

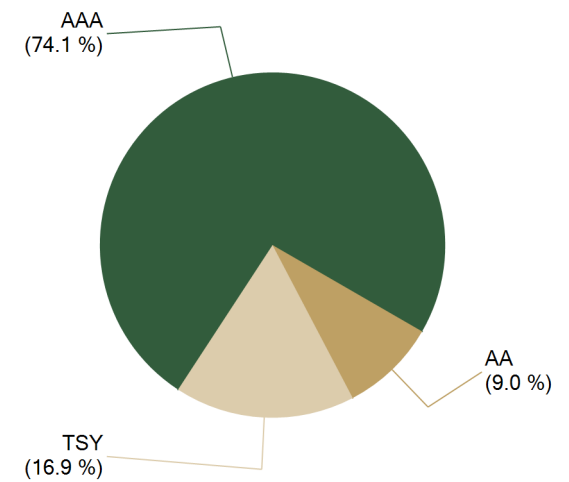
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006
					3 Yrs	5 Yrs	3/31/2006	
Small Cities Organized Risk Effort	-0.43 %	0.35 %	4.36 %	3.24 %	5.17 %	N/A	5.71 %	29.60 %
1-5 yr Govt	-0.38 %	0.25 %	4.07 %	2.86 %	4.52 %	N/A	5.34 %	27.49 %
1-5 Year Govt/A Rated or better Corporate	-0.43 %	0.34 %	4.51 %	3.39 %	4.55 %	N/A	5.33 %	27.41 %



PORTFOLIO CHARACTERISTICS

Average Duration	2.26
Average Coupon	3.27 %
Average Purchase YTM	2.60 %
Average Market YTM	1.00 %
Average S&P Rating	AAA
Average Final Maturity	2.39 yrs
Average Life	2.37 yrs

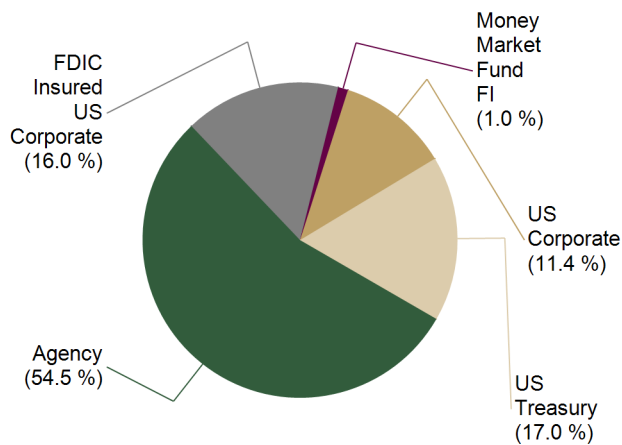
ACCOUNT SUMMARY

	Beg. Values as of 11/30/10	End Values as of 12/31/10
Market Value	10,239,155	10,196,194
Accrued Interest	76,266	65,443
Total Market Value	10,315,422	10,261,638
Income Earned	22,213	22,144
Cont/WD		-1,034
Par	9,702,498	9,755,946
Book Value	9,856,264	9,907,161
Cost Value	9,933,398	9,989,321

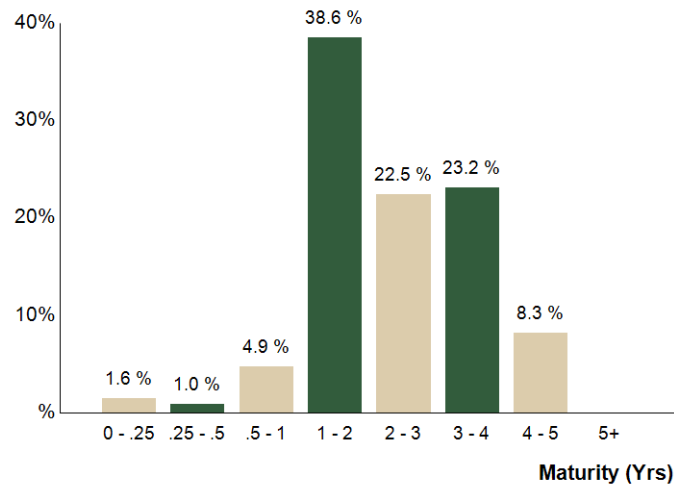
TOP ISSUERS

Issuer	% Portfolio
Government of United States	17.0 %
Federal National Mortgage Assoc	16.5 %
Federal Home Loan Bank	13.7 %
Federal Farm Credit Bank	11.7 %
Federal Home Loan Mortgage Corp	7.8 %
Tennessee Valley Authority	4.8 %
JP Morgan FDIC Insured	3.0 %
PNC Funding FDIC Insured	2.9 %
Total	77.4 %

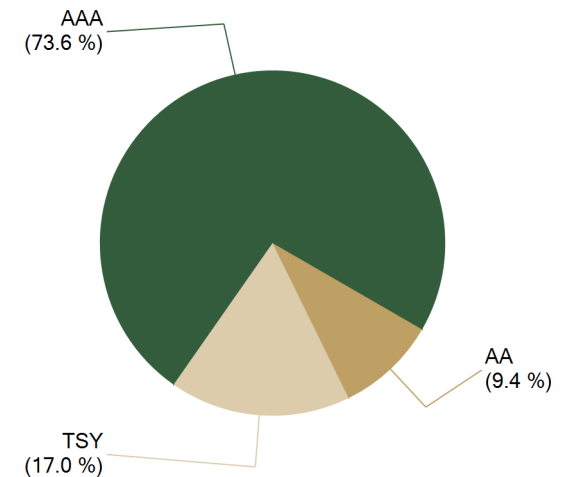
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006
					3 Yrs	5 Yrs	3/31/2006	
Small Cities Organized Risk Effort	-0.51 %	-0.43 %	3.83 %	3.83 %	4.85 %	N/A	5.50 %	28.94 %
1-5 yr Govt	-0.58 %	-0.59 %	3.46 %	3.46 %	4.20 %	N/A	5.12 %	26.75 %
1-5 Year Govt/A Rated or better Corporate	-0.59 %	-0.59 %	3.90 %	3.90 %	4.25 %	N/A	5.10 %	26.66 %



Holdings Report

As of 12/31/10

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	Term (yrs) Duration
AGENCY									
31331VSK3	FFCB Note 4.875% Due 2/18/2011	55,000.00	Various 3.04 %	57,823.84 55,126.35	100.56 0.55 %	55,309.37 990.57	0.55 % 183.02	Aaa AAA	0.13 0.13
3133XRCW8	FHLB Note 3.375% Due 6/24/2011	100,000.00	06/09/2008 3.77 %	98,880.00 99,823.96	101.41 0.44 %	101,406.30 65.63	0.99 % 1,582.34	Aaa AAA	0.48 0.48
31331VJ80	FFCB Note 5.375% Due 7/18/2011	225,000.00	12/12/2007 3.92 %	235,895.18 226,642.99	102.72 0.40 %	231,117.30 5,475.78	2.31 % 4,474.31	Aaa AAA	0.55 0.53
31359MZ30	FNMA Note 5% Due 10/15/2011	100,000.00	02/06/2008 3.05 %	106,746.50 101,438.52	103.59 0.43 %	103,593.80 1,055.56	1.02 % 2,155.28	Aaa AAA	0.79 0.78
3133XHPH9	FHLB Note 4.875% Due 11/18/2011	150,000.00	05/07/2008 3.41 %	157,239.45 151,802.84	103.88 0.46 %	155,812.50 873.44	1.53 % 4,009.66	Aaa AAA	0.88 0.87
31398ABX9	FNMA Note 4.875% Due 5/18/2012	50,000.00	Various 3.57 %	52,520.75 50,832.62	105.97 0.53 %	52,984.40 291.14	0.52 % 2,151.78	Aaa AAA	1.38 1.34
880591DT6	Tennessee Valley Authority Note 6.79% Due 5/23/2012	215,000.00	Various 4.10 %	235,881.16 222,357.82	108.54 0.63 %	233,354.77 1,540.95	2.29 % 10,996.95	Aaa AAA	1.39 1.34
3133XYWB7	FHLB Note 0.875% Due 8/22/2012	205,000.00	12/22/2010 0.67 %	205,686.75 205,681.06	100.50 0.57 %	206,025.00 642.76	2.01 % 343.94	Aaa AAA	1.64 1.62
3133XML66	FHLB Note 4.625% Due 10/10/2012	125,000.00	05/30/2008 3.92 %	128,470.00 126,413.30	107.16 0.57 %	133,945.38 1,300.78	1.32 % 7,532.08	Aaa AAA	1.78 1.71
31398A4T6	FNMA Note 0.5% Due 10/30/2012	205,000.00	12/22/2010 0.73 %	204,145.97 204,152.31	99.75 0.64 %	204,487.50 173.68	1.99 % 335.19	Aaa AAA	1.83 1.82
3133XQU34	FHLB Note 3.625% Due 5/29/2013	200,000.00	06/04/2008 3.93 %	197,247.00 198,669.66	106.56 0.87 %	213,125.00 644.44	2.08 % 14,455.34	Aaa AAA	2.41 2.32
31339X2M5	FHLB Note 3.875% Due 6/14/2013	200,000.00	Various 3.82 %	200,403.10 200,220.81	107.13 0.93 %	214,250.00 365.98	2.09 % 14,029.19	Aaa AAA	2.45 2.35
3137EABM0	FHLMC Note 3.75% Due 6/28/2013	100,000.00	07/02/2008 4.18 %	98,060.70 99,031.95	107.10 0.87 %	107,095.20 31.25	1.04 % 8,063.25	Aaa AAA	2.49 2.39
31398ASD5	FNMA Note 3.875% Due 7/12/2013	200,000.00	Various 3.74 %	201,173.60 200,631.23	107.41 0.91 %	214,812.60 3,638.20	2.13 % 14,181.37	Aaa AAA	2.53 2.39
3134A4TZ7	FHLMC Note 4.5% Due 7/15/2013	115,000.00	11/05/2008 3.68 %	119,039.95 117,190.28	108.94 0.93 %	125,278.13 2,386.25	1.24 % 8,087.85	Aaa AAA	2.54 2.38
880591DW9	Tennessee Valley Authority Note 4.75% Due 8/1/2013	230,000.00	Various 3.23 %	242,426.00 238,387.73	109.51 1.01 %	251,877.83 4,552.08	2.50 % 13,490.10	Aaa AAA	2.59 2.41
31331JJ38	FFCB Callable Note 1X 3/23/11 1.1% Due 9/23/2013	105,000.00	09/13/2010 1.10 %	105,000.00 105,000.00	99.88 1.15 %	104,868.75 314.42	1.03 % (131.25)	Aaa AAA	2.73 1.94
31398A4A7	FNMA Callable Note 1X 9/27/11 1.2% Due 9/27/2013	205,000.00	09/10/2010 1.20 %	205,000.00 205,000.00	99.81 1.27 %	204,615.63 642.33	2.00 % (384.37)	Aaa AAA	2.74 2.32
31331GCS6	FFCB Note 3.875% Due 10/7/2013	60,000.00	09/21/2010 0.92 %	65,300.40 64,818.55	107.78 1.02 %	64,668.78 542.50	0.64 % (149.77)	Aaa AAA	2.77 2.62
3133XSAE8	FHLB Note 3.625% Due 10/18/2013	250,000.00	02/25/2009 2.87 %	258,142.75 254,904.87	106.78 1.15 %	266,953.25 1,837.67	2.62 % 12,048.38	Aaa AAA	2.80 2.66



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	Term (yrs) Duration
AGENCY									
3134G1PP3	FHLMC Callable Note 1X 8/18/11 1.4% Due 11/18/2013	110,000.00	08/18/2010 0.98 %	110,456.50 110,287.19	100.24 1.02 %	110,260.81 568.94	1.08 % (26.38)	Aaa AAA	0.63 2.27
31398AUJ9	FNMA Note 2.875% Due 12/11/2013	100,000.00	03/03/2009 2.50 %	101,696.10 101,046.07	105.13 1.10 %	105,125.00 159.72	1.03 % 4,078.93	Aaa AAA	2.95 2.83
3137EABX6	FHLMC Note 2.5% Due 1/7/2014	35,000.00	02/04/2009 2.73 %	34,625.96 34,770.62	104.00 1.15 %	36,400.88 422.92	0.36 % 1,630.26	Aaa AAA	3.02 2.88
31398AVZ2	FNMA Note 2.75% Due 3/13/2014	95,000.00	11/10/2009 2.32 %	96,665.83 96,231.95	104.53 1.30 %	99,304.74 783.75	0.98 % 3,072.79	Aaa AAA	3.20 3.05
31331GTJ8	FFCB Note 2.625% Due 4/17/2014	205,000.00	10/05/2010 1.02 %	216,410.30 215,640.17	104.34 1.27 %	213,904.79 1,106.15	2.10 % (1,735.38)	Aaa AAA	3.30 3.15
3137EACB3	FHLMC Note 2.5% Due 4/23/2014	150,000.00	07/16/2010 1.48 %	155,568.75 154,895.96	103.61 1.38 %	155,412.00 708.33	1.52 % 516.04	Aaa AAA	3.31 3.17
31398AXJ6	FNMA Note 2.5% Due 5/15/2014	300,000.00	Various 2.41 %	301,178.80 300,873.08	103.75 1.36 %	311,250.00 958.34	3.04 % 10,376.92	Aaa AAA	3.37 3.23
31331JQA4	FFCB Note 1.9% Due 6/2/2014	260,000.00	06/08/2010 1.96 %	259,368.20 259,455.84	101.91 1.33 %	264,956.38 397.94	2.59 % 5,500.54	Aaa AAA	3.42 3.30
3133X7FK5	FHLB Note 5.25% Due 6/18/2014	100,000.00	01/08/2010 2.57 %	111,171.90 108,722.22	113.50 1.25 %	113,500.00 189.58	1.11 % 4,777.78	Aaa AAA	3.47 3.21
31331GL80	FFCB Note 3% Due 9/22/2014	245,000.00	Various 2.48 %	250,683.60 249,427.56	105.38 1.51 %	258,168.75 2,021.25	2.54 % 8,741.19	Aaa AAA	3.73 3.50
3137EACH0	FHLMC Note 2.875% Due 2/9/2015	250,000.00	Various 2.28 %	256,160.83 255,703.43	104.13 1.83 %	260,312.50 2,835.07	2.56 % 4,609.07	Aaa AAA	4.11 3.83
31398AU34	FNMA Note 2.375% Due 7/28/2015	275,000.00	08/27/2010 1.73 %	283,288.50 282,715.29	101.41 2.05 %	278,867.33 2,775.78	2.74 % (3,847.96)	Aaa AAA	4.58 4.28
3136FPEQ6	FNMA Callable Note 1X 9/9/11 1.85% Due 9/9/2015	105,000.00	09/16/2010 1.89 %	104,816.25 104,826.96	97.97 2.31 %	102,867.24 604.33	1.01 % (1,959.72)	Aaa AAA	4.69 4.02
Total Agency		5,325,000.00	2.54 %	5,457,174.62 5,402,723.19	1.09 %	5,555,911.91 40,897.51	54.54 % 153,188.72	Aaa AAA	2.61 2.49
FDIC INSURED US CORPORATE									
91160HAA5	US Bancorp FDIC Guaranteed Note 2.25% Due 3/13/2012	160,000.00	03/10/2009 2.25 %	159,980.80 159,992.34	102.03 0.55 %	163,244.16 1,080.00	1.60 % 3,251.82	Aaa AAA	1.20 1.18
38146FAA9	Goldman Sachs FDIC Guaranteed Note 3.25% Due 6/15/2012	280,000.00	Various 2.69 %	284,814.50 282,179.79	103.81 0.62 %	290,666.60 404.44	2.84 % 8,486.81	Aaa AAA	1.46 1.43
949744AC0	Wells Fargo & Company FDIC Guaranteed Note 2.125% Due 6/15/2012	290,000.00	Various 2.03 %	290,859.44 290,399.81	102.30 0.54 %	296,666.82 273.89	2.89 % 6,267.01	Aaa AAA	1.46 1.44
06050BAA9	Bank of America Corp FDIC Guaranteed Note 3.125% Due 6/15/2012	280,000.00	Various 1.97 %	290,365.50 284,544.39	103.57 0.66 %	290,000.48 388.89	2.83 % 5,456.09	Aaa AAA	1.46 1.43



Holdings Report

As of 12/31/10

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	Term (yrs) Duration
FDIC INSURED US CORPORATE									
69351CAC7	PNC Funding Corp FDIC Guaranteed Note 2.3% Due 6/22/2012	290,000.00	08/31/2009 1.73 %	294,515.30 292,374.61	102.55 0.56 %	297,383.70 166.76	2.90 % 5,009.09	Aaa AAA	1.48 1.45
481247AM6	JP Morgan Chase FDIC Guaranteed Note 2.125% Due 12/26/2012	295,000.00	04/22/2009 2.04 %	295,914.50 295,495.15	102.75 0.73 %	303,124.89 87.07	2.95 % 7,629.74	Aaa AAA	1.99 1.95
Total FDIC Insured US Corporate		1,595,000.00	2.10 %	1,616,450.04 1,604,986.09	0.61 %	1,641,086.65 2,401.05	16.02 % 36,100.56	Aaa AAA	1.53 1.51
MONEY MARKET FUND FI									
431114503	Highmark Treasury Money Market Fund	105,946.38	Various 0.01 %	105,946.38 105,946.38	1.00 0.01 %	105,946.38 0.00	1.03 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		105,946.38	0.01 %	105,946.38 105,946.38	0.01 %	105,946.38 0.00	1.03 % 0.00	Aaa AAA	0.00 0.00
US CORPORATE									
931142CL5	Wal-Mart Stores Note 4.25% Due 4/15/2013	45,000.00	12/14/2010 1.16 %	48,179.25 48,123.15	107.44 0.96 %	48,346.20 403.75	0.48 % 223.05	Aa2 AA	2.29 2.18
166751AH0	ChevronTexaco Corp Note 3.95% Due 3/3/2014	140,000.00	Various 2.75 %	146,704.15 144,990.99	106.76 1.75 %	149,458.55 1,812.61	1.47 % 4,467.56	Aa1 AA	3.17 2.96
36962G4C5	General Electric Capital Corp Note 5.9% Due 5/13/2014	180,000.00	Various 3.84 %	194,130.60 191,334.21	110.68 2.57 %	199,216.63 1,416.00	1.96 % 7,882.42	Aa2 AA+	3.37 3.06
931142CQ4	Wal-Mart Stores Note 3.2% Due 5/15/2014	150,000.00	03/03/2010 2.29 %	155,436.00 154,372.98	104.59 1.79 %	156,889.65 613.33	1.53 % 2,516.67	Aa2 AA	3.37 3.19
594918AB0	Microsoft Note 2.95% Due 6/1/2014	200,000.00	02/01/2010 2.42 %	204,324.00 203,417.00	104.10 1.71 %	208,195.40 491.67	2.03 % 4,778.40	Aaa AAA	3.42 3.24
742718DA4	Procter & Gamble Co Note 4.95% Due 8/15/2014	180,000.00	09/29/2010 1.30 %	204,706.80 203,148.40	111.08 1.78 %	199,949.94 3,366.00	1.98 % (3,198.46)	Aa3 AA-	3.62 3.29
084670AV0	Berkshire Hathaway Note 3.2% Due 2/11/2015	195,000.00	Various 2.76 %	198,471.25 198,259.68	103.19 2.38 %	201,216.60 2,426.67	1.98 % 2,956.92	Aa2 AA+	4.12 3.80
Total US Corporate		1,090,000.00	2.49 %	1,151,952.05 1,143,646.41	1.97 %	1,163,272.97 10,530.03	11.44 % 19,626.56	Aa2 AA+	3.48 3.23
US TREASURY									
912828GK0	US Treasury Note 4.625% Due 2/29/2012	155,000.00	Various 3.55 %	161,073.95 156,796.86	104.89 0.40 %	162,586.48 2,435.79	1.61 % 5,789.62	TSY TSY	1.16 1.13
912828GQ7	US Treasury Note 4.5% Due 4/30/2012	400,000.00	05/30/2007 4.83 %	394,250.00 398,447.24	105.50 0.35 %	422,015.60 3,082.87	4.14 % 23,568.36	TSY TSY	1.33 1.30
912828HE3	US Treasury Note 4.25% Due 9/30/2012	120,000.00	10/04/2007 4.20 %	120,253.13 120,088.64	106.54 0.49 %	127,842.24 1,303.02	1.26 % 7,753.60	TSY TSY	1.75 1.68



Holdings Report

As of 12/31/10

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	Term (yrs) Duration
US TREASURY									
912828HG8	US Treasury Note 3.875% Due 10/31/2012	350,000.00	12/06/2007 3.40 %	357,396.48 352,764.38	106.09 0.53 %	371,314.30 2,322.86	3.64 % 18,549.92	TSY TSY	1.84 1.77
912828HK9	US Treasury Note 3.375% Due 11/30/2012	365,000.00	Various 3.25 %	367,036.33 365,791.83	105.40 0.54 %	384,704.16 1,082.97	3.76 % 18,912.33	TSY TSY	1.92 1.86
912828HV5	US Treasury Note 2.5% Due 3/31/2013	125,000.00	01/06/2010 1.69 %	128,154.72 127,194.12	104.09 0.66 %	130,117.25 798.42	1.28 % 2,923.13	TSY TSY	2.25 2.18
912828JQ4	US Treasury Note 2.75% Due 10/31/2013	125,000.00	05/10/2010 1.65 %	129,633.79 128,775.68	105.12 0.91 %	131,396.50 588.74	1.29 % 2,620.82	TSY TSY	2.84 2.72
Total US Treasury		1,640,000.00	3.52 %	1,657,798.40 1,649,858.75	0.51 %	1,729,976.53 11,614.67	16.97 % 80,117.78	TSY TSY	1.77 1.71
TOTAL PORTFOLIO		9,755,946.38	2.60 %	9,989,321.49 9,907,160.82	1.00 %	10,196,194.44 65,443.26	100.00 % 289,033.62	Aaa AAA	2.37 2.26
TOTAL MARKET VALUE PLUS ACCRUED						10,261,637.70			



Small Cities Organized Risk Effort
Joint Powers Authority
October 31, 2010

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



Small Cities Organized Risk Effort
Joint Powers Authority
November 30, 2010

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



Small Cities Organized Risk Effort
Joint Powers Authority
December 31, 2010

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



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/01/2010	431114503	1.26	Highmark Treasury Money Market Fund	1.000	0.01 %	1.26	0.00	1.26	0.00
Purchase	10/04/2010	084670AV0	50,000.00	Berkshire Hathaway Note 3.2% Due 2/11/2015	106.184	1.72 %	53,092.00	235.56	53,327.56	0.00
Purchase	10/04/2010	36962G4C5	45,000.00	General Electric Capital Corp Note 5.9% Due 5/13/2014	113.185	2.09 %	50,933.25	1,039.87	51,973.12	0.00
Purchase	10/04/2010	742718DA4	180,000.00	Procter & Gamble Co Note 4.95% Due 8/15/2014	113.726	1.30 %	204,706.80	1,212.75	205,919.55	0.00
Purchase	10/05/2010	3137EACH0	75,000.00	FHLMC Note 2.875% Due 2/9/2015	106.539	1.32 %	79,904.33	335.42	80,239.75	0.00
Purchase	10/06/2010	31331GTJ8	205,000.00	FFCB Note 2.625% Due 4/17/2014	105.566	1.02 %	216,410.30	2,526.20	218,936.50	0.00
Purchase	10/06/2010	431114503	225,181.00	Highmark Treasury Money Market Fund	1.000	0.01 %	225,181.00	0.00	225,181.00	0.00
Purchase	10/07/2010	431114503	1,162.50	Highmark Treasury Money Market Fund	1.000	0.01 %	1,162.50	0.00	1,162.50	0.00
Purchase	10/10/2010	431114503	2,890.63	Highmark Treasury Money Market Fund	1.000	0.01 %	2,890.63	0.00	2,890.63	0.00
Purchase	10/15/2010	431114503	2,500.00	Highmark Treasury Money Market Fund	1.000	0.01 %	2,500.00	0.00	2,500.00	0.00
Purchase	10/17/2010	431114503	2,690.63	Highmark Treasury Money Market Fund	1.000	0.01 %	2,690.63	0.00	2,690.63	0.00
Purchase	10/18/2010	431114503	4,531.25	Highmark Treasury Money Market Fund	1.000	0.01 %	4,531.25	0.00	4,531.25	0.00
Purchase	10/23/2010	431114503	1,875.00	Highmark Treasury Money Market Fund	1.000	0.01 %	1,875.00	0.00	1,875.00	0.00
Purchase	10/31/2010	431114503	17,500.00	Highmark Treasury Money Market Fund	1.000	0.01 %	17,500.00	0.00	17,500.00	0.00
	Subtotal		813,332.27				863,378.95	5,349.80	868,728.75	0.00
Short Sale	10/06/2010	431114503	-218,936.50	Highmark Treasury Money Market Fund	1.000		-218,936.50	0.00	-218,936.50	0.00
	Subtotal		-218,936.50				-218,936.50	0.00	-218,936.50	0.00
TOTAL ACQUISITIONS			594,395.77				644,442.45	5,349.80	649,792.25	0.00
DISPOSITIONS										
Closing Purchase	10/06/2010	431114503	-218,936.50	Highmark Treasury Money Market Fund	1.000		-218,936.50	0.00	-218,936.50	0.00
	Subtotal		-218,936.50				-218,936.50	0.00	-218,936.50	0.00
Sale	10/04/2010	431114503	311,220.23	Highmark Treasury Money Market Fund	1.000	0.01 %	311,220.23	0.00	311,220.23	0.00
Sale	10/05/2010	3133XRCW8	75,000.00	FHLB Note 3.375% Due 6/24/2011	102.189	0.33 %	76,641.68	710.16	77,351.84	1,840.49
Sale	10/05/2010	431114503	2,887.91	Highmark Treasury Money Market Fund	1.000	0.01 %	2,887.91	0.00	2,887.91	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	10/06/2010	31331VSK3	220,000.00	FFCB Note 4.875% Due 2/18/2011	101.705	0.22 %	223,751.00	1,430.00	225,181.00	2,329.65
Sale	10/06/2010	431114503	218,936.50	Highmark Treasury Money Market Fund	1.000	0.01 %	218,936.50	0.00	218,936.50	0.00
		Subtotal	828,044.64				833,437.32	2,140.16	835,577.48	4,170.14
Security Withdrawal	10/20/2010	431114503	1,030.00	Highmark Treasury Money Market Fund	1.000		1,030.00	0.00	1,030.00	0.00
		Subtotal	1,030.00				1,030.00	0.00	1,030.00	0.00
TOTAL DISPOSITIONS			610,138.14				615,530.82	2,140.16	617,670.98	4,170.14
OTHER TRANSACTIONS										
Interest	10/07/2010	31331GCS6	60,000.00	FFCB Note 3.875% Due 10/7/2013	0.000		1,162.50	0.00	1,162.50	0.00
Interest	10/10/2010	3133XML66	125,000.00	FHLB Note 4.625% Due 10/10/2012	0.000		2,890.63	0.00	2,890.63	0.00
Interest	10/15/2010	31359MZ30	100,000.00	FNMA Note 5% Due 10/15/2011	0.000		2,500.00	0.00	2,500.00	0.00
Interest	10/17/2010	31331GTJ8	205,000.00	FFCB Note 2.625% Due 4/17/2014	0.000		2,690.63	0.00	2,690.63	0.00
Interest	10/18/2010	3133XSAE8	250,000.00	FHLB Note 3.625% Due 10/18/2013	0.000		4,531.25	0.00	4,531.25	0.00
Interest	10/23/2010	3137EACB3	150,000.00	FHLMC Note 2.5% Due 4/23/2014	0.000		1,875.00	0.00	1,875.00	0.00
Interest	10/31/2010	912828GQ7	400,000.00	US Treasury Note 4.5% Due 4/30/2012	0.000		9,000.00	0.00	9,000.00	0.00
Interest	10/31/2010	912828HG8	350,000.00	US Treasury Note 3.875% Due 10/31/2012	0.000		6,781.25	0.00	6,781.25	0.00
Interest	10/31/2010	912828JQ4	125,000.00	US Treasury Note 2.75% Due 10/31/2013	0.000		1,718.75	0.00	1,718.75	0.00
		Subtotal	1,765,000.00				33,150.01	0.00	33,150.01	0.00
Dividend	10/01/2010	431114503	12,666.47	Highmark Treasury Money Market Fund	0.000		1.26	0.00	1.26	0.00
		Subtotal	12,666.47				1.26	0.00	1.26	0.00
TOTAL OTHER TRANSACTIONS			1,777,666.47				33,151.27	0.00	33,151.27	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/01/2010	431114503	0.45	Highmark Treasury Money Market Fund	1.000	0.01 %	0.45	0.00	0.45	0.00
Purchase	11/13/2010	431114503	5,310.00	Highmark Treasury Money Market Fund	1.000	0.01 %	5,310.00	0.00	5,310.00	0.00
Purchase	11/15/2010	431114503	6,150.00	Highmark Treasury Money Market Fund	1.000	0.01 %	6,150.00	0.00	6,150.00	0.00
Purchase	11/18/2010	431114503	4,875.00	Highmark Treasury Money Market Fund	1.000	0.01 %	4,875.00	0.00	4,875.00	0.00
Purchase	11/20/2010	431114503	1,968.75	Highmark Treasury Money Market Fund	1.000	0.01 %	1,968.75	0.00	1,968.75	0.00
Purchase	11/23/2010	431114503	7,299.25	Highmark Treasury Money Market Fund	1.000	0.01 %	7,299.25	0.00	7,299.25	0.00
Purchase	11/29/2010	431114503	3,625.00	Highmark Treasury Money Market Fund	1.000	0.01 %	3,625.00	0.00	3,625.00	0.00
Purchase	11/30/2010	431114503	6,159.38	Highmark Treasury Money Market Fund	1.000	0.01 %	6,159.38	0.00	6,159.38	0.00
	Subtotal		35,387.83				35,387.83	0.00	35,387.83	0.00
Security Contribution	11/09/2010	431114503	875.00	Highmark Treasury Money Market Fund	1.000		875.00	0.00	875.00	0.00
	Subtotal		875.00				875.00	0.00	875.00	0.00
TOTAL ACQUISITIONS			36,262.83				36,262.83	0.00	36,262.83	0.00
DISPOSITIONS										
Security Withdrawal	11/04/2010	431114503	1,034.00	Highmark Treasury Money Market Fund	1.000		1,034.00	0.00	1,034.00	0.00
Security Withdrawal	11/09/2010	431114503	875.00	Highmark Treasury Money Market Fund	1.000		875.00	0.00	875.00	0.00
	Subtotal		1,909.00				1,909.00	0.00	1,909.00	0.00
TOTAL DISPOSITIONS			1,909.00				1,909.00	0.00	1,909.00	0.00
OTHER TRANSACTIONS										
Interest	11/13/2010	36962G4C5	180,000.00	General Electric Capital Corp Note 5.9% Due 5/13/2014	0.000		5,310.00	0.00	5,310.00	0.00
Interest	11/15/2010	31398AXJ6	300,000.00	FNMA Note 2.5% Due 5/15/2014	0.000		3,750.00	0.00	3,750.00	0.00
Interest	11/15/2010	931142CQ4	150,000.00	Wal-Mart Stores Note 3.2% Due 5/15/2014	0.000		2,400.00	0.00	2,400.00	0.00
Interest	11/18/2010	3133XHPH9	150,000.00	FHLB Note 4.875% Due 11/18/2011	0.000		3,656.25	0.00	3,656.25	0.00
Interest	11/18/2010	31398ABX9	50,000.00	FNMA Note 4.875% Due 5/18/2012	0.000		1,218.75	0.00	1,218.75	0.00



Transaction Ledger

10/31/10 Thru 11/30/10

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	11/20/2010	31398AZV7	150,000.00	FNMA Note 2.625% Due 11/20/2014	0.000		1,968.75	0.00	1,968.75	0.00
Interest	11/23/2010	880591DT6	215,000.00	Tennessee Valley Authority Note 6.79% Due 5/23/2012	0.000		7,299.25	0.00	7,299.25	0.00
Interest	11/29/2010	3133XQU34	200,000.00	FHLB Note 3.625% Due 5/29/2013	0.000		3,625.00	0.00	3,625.00	0.00
Interest	11/30/2010	912828HK9	365,000.00	US Treasury Note 3.375% Due 11/30/2012	0.000		6,159.38	0.00	6,159.38	0.00
	Subtotal		1,760,000.00				35,387.38	0.00	35,387.38	0.00
Dividend	11/01/2010	431114503	48,144.33	Highmark Treasury Money Market Fund	0.000		0.45	0.00	0.45	0.00
	Subtotal		48,144.33				0.45	0.00	0.45	0.00
TOTAL OTHER TRANSACTIONS			1,808,144.33				35,387.83	0.00	35,387.83	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/01/2010	431114503	2,950.00	Highmark Treasury Money Market Fund	1.000	0.01 %	2,950.00	0.00	2,950.00	0.00
Purchase	12/01/2010	431114503	0.48	Highmark Treasury Money Market Fund	1.000	0.01 %	0.48	0.00	0.48	0.00
Purchase	12/02/2010	431114503	2,470.00	Highmark Treasury Money Market Fund	1.000	0.01 %	2,470.00	0.00	2,470.00	0.00
Purchase	12/11/2010	431114503	1,437.50	Highmark Treasury Money Market Fund	1.000	0.01 %	1,437.50	0.00	1,437.50	0.00
Purchase	12/14/2010	431114503	3,875.00	Highmark Treasury Money Market Fund	1.000	0.01 %	3,875.00	0.00	3,875.00	0.00
Purchase	12/15/2010	431114503	12,006.25	Highmark Treasury Money Market Fund	1.000	0.01 %	12,006.25	0.00	12,006.25	0.00
Purchase	12/17/2010	931142CL5	45,000.00	Wal-Mart Stores Note 4.25% Due 4/15/2013	107.065	1.16 %	48,179.25	329.37	48,508.62	0.00
Purchase	12/18/2010	431114503	2,625.00	Highmark Treasury Money Market Fund	1.000	0.01 %	2,625.00	0.00	2,625.00	0.00
Purchase	12/22/2010	431114503	3,335.00	Highmark Treasury Money Market Fund	1.000	0.01 %	3,335.00	0.00	3,335.00	0.00
Purchase	12/24/2010	431114503	1,687.50	Highmark Treasury Money Market Fund	1.000	0.01 %	1,687.50	0.00	1,687.50	0.00
Purchase	12/26/2010	431114503	3,134.38	Highmark Treasury Money Market Fund	1.000	0.01 %	3,134.38	0.00	3,134.38	0.00
Purchase	12/27/2010	3133XYWB7	205,000.00	FHLB Note 0.875% Due 8/22/2012	100.335	0.67 %	205,686.75	622.83	206,309.58	0.00
Purchase	12/27/2010	31398A4T6	205,000.00	FNMA Note 0.5% Due 10/30/2012	99.583	0.73 %	204,145.97	162.29	204,308.26	0.00
Purchase	12/27/2010	431114503	37,594.73	Highmark Treasury Money Market Fund	1.000	0.01 %	37,594.73	0.00	37,594.73	0.00
Purchase	12/28/2010	431114503	1,875.00	Highmark Treasury Money Market Fund	1.000	0.01 %	1,875.00	0.00	1,875.00	0.00
Subtotal			527,990.84				531,002.81	1,114.49	532,117.30	0.00
TOTAL ACQUISITIONS			527,990.84				531,002.81	1,114.49	532,117.30	0.00
DISPOSITIONS										
Sale	12/17/2010	431114503	48,508.62	Highmark Treasury Money Market Fund	1.000	0.01 %	48,508.62	0.00	48,508.62	0.00
Sale	12/27/2010	3137EACD9	275,000.00	FHLMC Note 3% Due 7/28/2014	105.145	1.52 %	289,149.30	3,414.58	292,563.88	14,045.54
Sale	12/27/2010	31398AZV7	150,000.00	FNMA Note 2.625% Due 11/20/2014	103.496	1.69 %	155,244.00	404.69	155,648.69	4,918.98
Subtotal			473,508.62				492,901.92	3,819.27	496,721.19	18,964.52
Security Withdrawal	12/03/2010	431114503	1,034.00	Highmark Treasury Money Market Fund	1.000		1,034.00	0.00	1,034.00	0.00
Subtotal			1,034.00				1,034.00	0.00	1,034.00	0.00



Transaction Ledger

11/30/10 Thru 12/31/10

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
TOTAL DISPOSITIONS			474,542.62				493,935.92	3,819.27	497,755.19	18,964.52
OTHER TRANSACTIONS										
Interest	12/01/2010	594918AB0	200,000.00	Microsoft Note 2.95% Due 6/1/2014	0.000		2,950.00	0.00	2,950.00	0.00
Interest	12/02/2010	31331JQA4	260,000.00	FFCB Note 1.9% Due 6/2/2014	0.000		2,470.00	0.00	2,470.00	0.00
Interest	12/11/2010	31398AUJ9	100,000.00	FNMA Note 2.875% Due 12/11/2013	0.000		1,437.50	0.00	1,437.50	0.00
Interest	12/14/2010	31339X2M5	200,000.00	FHLB Note 3.875% Due 6/14/2013	0.000		3,875.00	0.00	3,875.00	0.00
Interest	12/15/2010	06050BAA9	280,000.00	Bank of America Corp FDIC Guaranteed Note 3.125% Due 6/15/2012	0.000		4,375.00	0.00	4,375.00	0.00
Interest	12/15/2010	38146FAA9	280,000.00	Goldman Sachs FDIC Guaranteed Note 3.25% Due 6/15/2012	0.000		4,550.00	0.00	4,550.00	0.00
Interest	12/15/2010	949744AC0	290,000.00	Wells Fargo & Company FDIC Guaranteed Note 2.125% Due 6/15/2012	0.000		3,081.25	0.00	3,081.25	0.00
Interest	12/18/2010	3133X7FK5	100,000.00	FHLB Note 5.25% Due 6/18/2014	0.000		2,625.00	0.00	2,625.00	0.00
Interest	12/22/2010	69351CAC7	290,000.00	PNC Funding Corp FDIC Guaranteed Note 2.3% Due 6/22/2012	0.000		3,335.00	0.00	3,335.00	0.00
Interest	12/24/2010	3133XRCW8	100,000.00	FHLB Note 3.375% Due 6/24/2011	0.000		1,687.50	0.00	1,687.50	0.00
Interest	12/26/2010	481247AM6	295,000.00	JP Morgan Chase FDIC Guaranteed Note 2.125% Due 12/26/2012	0.000		3,134.38	0.00	3,134.38	0.00
Interest	12/28/2010	3137EABM0	100,000.00	FHLMC Note 3.75% Due 6/28/2013	0.000		1,875.00	0.00	1,875.00	0.00
	Subtotal		2,495,000.00				35,395.63	0.00	35,395.63	0.00
Dividend	12/01/2010	431114503	85,448.16	Highmark Treasury Money Market Fund	0.000		0.48	0.00	0.48	0.00
	Subtotal		85,448.16				0.48	0.00	0.48	0.00
TOTAL OTHER TRANSACTIONS			2,580,448.16				35,396.11	0.00	35,396.11	0.00



PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	0.55 %
Average Purchase YTM	0.55 %
Average Market YTM	0.55 %
Average S&P Rating	NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

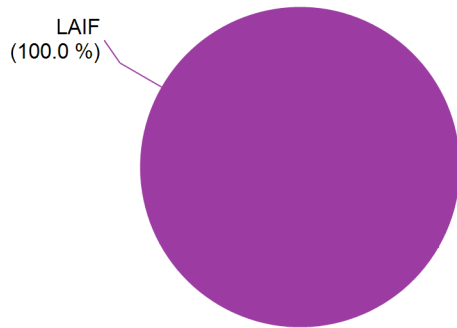
ACCOUNT SUMMARY

	Beg. Values as of 9/30/10	End Values as of 10/31/10
Market Value	2,470,742	2,473,933
Accrued Interest	3,186	1,007
Total Market Value	2,473,929	2,474,941
Income Earned	1,019	1,012
Cont/WD		0
Par	2,470,742	2,473,933
Book Value	2,470,742	2,473,933
Cost Value	2,470,742	2,473,933

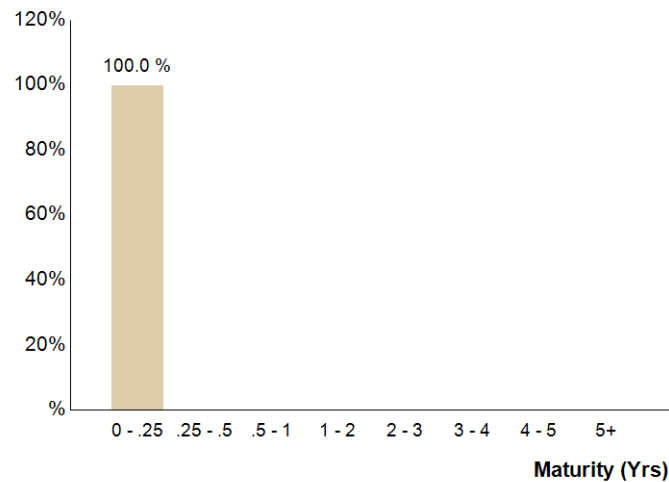
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

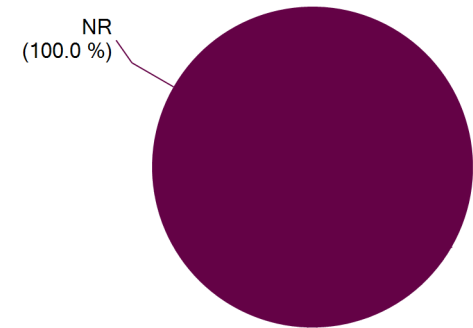
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 10/31/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/2006
					3 Yrs	5 Yrs	12/31/2006	
SCORE LAIF Account	0.04 %	0.13 %	0.45 %	0.55 %	1.88 %	N/A	2.84 %	11.34 %



PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	0.55 %
Average Purchase YTM	0.55 %
Average Market YTM	0.55 %
Average S&P Rating	NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

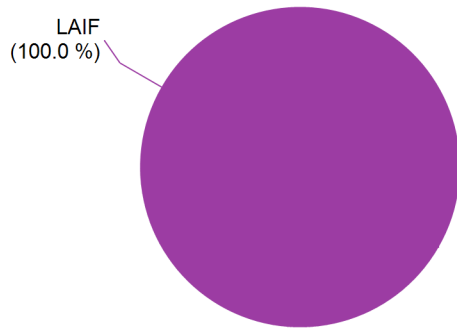
ACCOUNT SUMMARY

	Beg. Values as of 10/31/10	End Values as of 11/30/10
Market Value	2,473,933	2,473,933
Accrued Interest	1,007	1,937
Total Market Value	2,474,941	2,475,870
Income Earned	1,012	930
Cont/WD		0
Par	2,473,933	2,473,933
Book Value	2,473,933	2,473,933
Cost Value	2,473,933	2,473,933

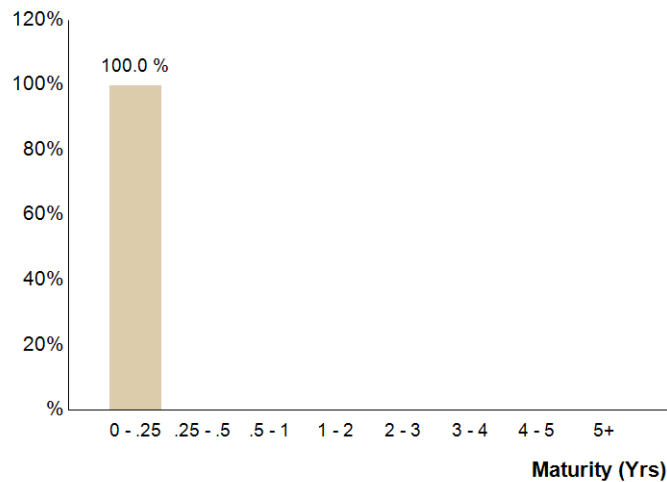
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

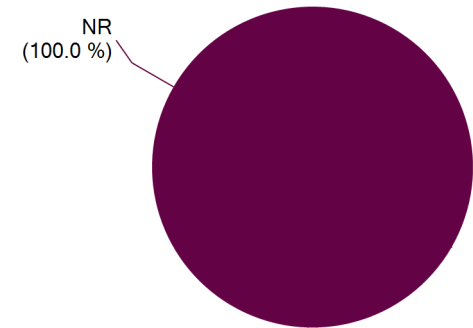
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/2006
					3 Yrs	5 Yrs	12/31/2006	
SCORE LAIF Account	0.04 %	0.12 %	0.48 %	0.53 %	1.76 %	N/A	2.79 %	11.38 %



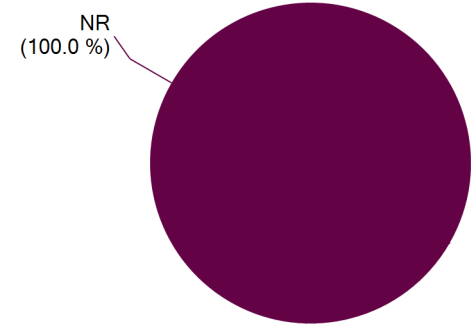
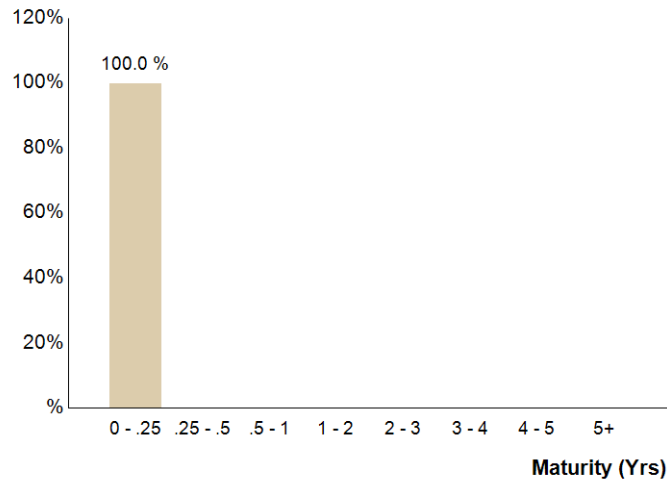
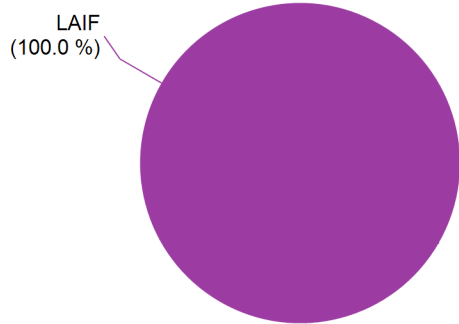
PORTFOLIO CHARACTERISTICS	ACCOUNT SUMMARY	TOP ISSUERS
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Average Duration	0.00
Average Coupon	0.55 %
Average Purchase YTM	0.55 %
Average Market YTM	0.55 %
Average S&P Rating	NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

	Beg. Values as of 11/30/10	End Values as of 12/31/10
Market Value	2,473,933	2,473,933
Accrued Interest	1,937	2,875
Total Market Value	2,475,870	2,476,809
Income Earned	930	938
Cont/WD		0
Par	2,473,933	2,473,933
Book Value	2,473,933	2,473,933
Cost Value	2,473,933	2,473,933

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

SECTOR ALLOCATION	MATURITY DISTRIBUTION	CREDIT QUALITY
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PERFORMANCE REVIEW								
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Total Rate of Return As of 12/31/2010	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/2006
					3 Yrs	5 Yrs	12/31/2006	
SCORE LAIF Account	0.04 %	0.12 %	0.52 %	0.52 %	1.63 %	N/A	2.74 %	11.42 %

York Insurance Services
Bill Review

Invoice Cycle Date 11/1/2010

December 2010

Savings Summary

Billed Charges	Bill Rev Reduction	Prior Allowance	Bill Rev Allowance	PPO Reduction	Final Allowance	Bill Review Cost	PPO Cost	Total Cost
\$40,089.93	\$24,488.53	\$0.00	\$16,792.41	\$499.15	\$16,792.41	\$934.50	\$74.89	\$1,009.39



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

December 16, 2010

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

Subject: City of Crescent City – Notice of Intent to Withdraw from SCORE Effective June 30, 2011

Dear President Carroll and SCORE Board of Directors:

The City of Crescent City pursuant to Article XXI, Withdrawal, is providing written notification of the potential withdrawal from one or more insurance programs provided by SCORE. The City of Crescent City is in the process of obtaining insurance quotes for various programs from other insurance sources.

The City of Crescent City has not made a final determination to withdraw but is reviewing its options for insurance coverage starting July 1, 2011. The City is aware that six month's written notice is required for the intent to withdraw. The City is also aware that once the Authority (SCORE) has received the Notice of Intent to Withdraw, the City may rescind its intent to withdraw with approval by the Board of Directors of the Authority.

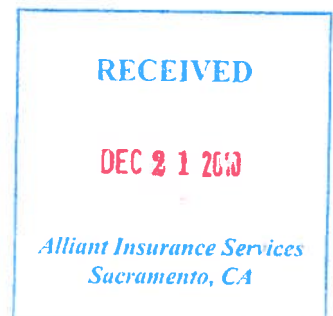
The City is currently seeking other options for insurance due to the current economic situation and is determining if there is a cost savings by securing insurance from another source. The City may determine that SCORE is the most economically viable and efficient means to provide insurance, but the City feels the need to verify that information through our current due diligence in evaluating other options.

Additionally, the City would like to know what additional steps are needed regarding the potential withdrawal and the Banking Layer owed or due to the City of Crescent City. The City is aware that its obligations to the JPA may continue after withdrawal based on ongoing litigation or claims.

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

Sincerely,

Rod B. Butler
City Manager



CITY of WILLIAMS

810 "E" STREET

POST OFFICE BOX 310

WILLIAMS, CALIFORNIA 95987

PHONE: (530) 473-5389 • FACSIMILE: (530) 473-2445

December 21, 2010

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

RE: Cancellation of City of Williams Insurance Policies with SCORE

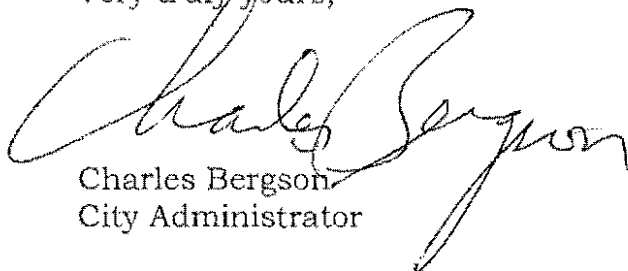
Dear Ms. Adams,

The City of Williams has enjoyed the services of the Small Cities Organized Risk Effort (SCORE) for the past several years. The City has reviewed its insurance needs and is electing to change insurance providers.

Accordingly, the City notifies SCORE that it will be terminating its membership effective June 30, 2011.

The City wishes to thank you SCORE for its years of service.

Very truly yours,



Charles Bergson
City Administrator

cc: Roger Carroll, President SCORE

CB/MC



**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

Accredited with Excellence from the California Association of Joint Powers Authorities

BOARD OF DIRECTORS MEETING

**December 16, 2010 – 9:00 A.M.
3252 Constitution Drive
Livermore, CA 94551**

(925) 837-0667

Draft Minutes

I. CALL TO ORDER:

President Handy called the meeting to order at 9:14 a.m.

II. ROLL CALL

PRESENT

- | | |
|--------------------------------------|---|
| 1) Darrell Handy, <i>Alameda</i> | 9) Robyn Kain, <i>Richmond</i> |
| 2) Jessica Henry, <i>Chico</i> | 10) Stacey Haney, <i>Roseville</i> |
| 3) Bill Henderson, <i>Livermore</i> | 11) Mary Ann Perini, <i>San Leandro</i> |
| 4) Kimberly, Greer, <i>Fairfield</i> | 12) Eric Davis, <i>San Rafael</i> |
| 5) Janet Hamilton, <i>Lodi</i> | 13) Lynn Margolis, <i>Santa Rosa</i> |
| 6) Dixon Coulter, <i>NCCSIF</i> | 14) Roger Carroll, <i>SCORE</i> |
| 7) Ron Blanquie, <i>Petaluma</i> | 15) Kathleen Williams, <i>Stockton</i> |
| 8) Chris Carmona, <i>Redding</i> | 16) Anthony Giles, <i>Sunnyvale</i> |

ABSENT

Fremont, Vacaville, REMIF, Vallejo, YCPARMIA

OTHERS PRESENT

- | | |
|---|--------------------------------------|
| 17) Craig Bowlus, <i>Aon</i> | 23) David Clovis, <i>CJPRMA</i> |
| 18) Robert Lowe, <i>Aon</i> | 24) Craig Schweikhard, <i>CJPRMA</i> |
| 19) Mujtaba Dattoo, <i>Aon/ARM Tech</i> | 25) Lola Deem, <i>CJPRMA</i> |
| 20) Marylin Kelly, <i>Alliant</i> | 26) Saima Kumar, <i>CJPRMA</i> |

- 21) Susan Adams, *Alliant*
- 22) Marty Cassell, *Chandler Asset Management*
- 29) Pat Clark, *Marsh*

- 27) Byrne Conley, *Gibbons & Conley*
- 28) Brain Cooney, *Marsh*

III. PRESENTATIONS

- How to read an actuarial report – *Mujtaba Dato, (Aon Global Risk Consulting/ARM Teach)*
- Presentation by broker – *Craig Bowlus & Robert Lowe (Aon Risk Solutions)*

IV. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS

V. COMMUNICATIONS

- A. Board Members
- B. General Manager/Secretary
- C. Next Scheduled Meetings: Executive Committee (01/20/2011)
Board of Directors (03/17/2011)

VI. APPROVAL OF MINUTES

A motion by Director Handy, seconded by Director Giles, to approve the minutes of the October 20th & 21st, 2010 Board of Director's meeting, passed unanimously.

VII. CONSENT CALENDAR

1. Financial Reports of CJPRMA for the periods ending July 31, August 31 and September 30, 2010
2. Additional Covered Party Certificates Approved by the General Manager
3. Notification of New Claims Received
4. Notification of Claims Closed
5. New Board Members/Alternates
6. Business Calendar for 2011

A motion by Director Coulter, seconded by Director Kain, to approve the consent calendar, passed unanimously.

VIII. ACTION CALENDER

6. Report from the Investment Manager

Marty Cassell, of Chandler Asset Management, was present to discuss the CJPRMA investment portfolio and investment strategy. The assets are held in CJPRMA's bank custody account managed by the Bank of New York.

The investment program is divided into two parts. The Loss Payment Account is utilized to provide funds for operating expenses and the payment of losses. The Loss Payment Account invests in high grade securities with a maximum maturity of 5 years. The Long Term Growth Account is utilized to provide long term asset growth in order to offset inflation. The maturity range of its investments is generally from five to a maximum of ten years.

Mr. Cassell stated that as of November 30, 2010, the Loss Payment Account was valued at \$3,978,332. This was a decrease of \$999,663 from its valuation of \$4,977,995 on March 31, 2010. During the last eight months, portfolio activity for the Loss Payment Account consisted of the withdrawal of \$1.05 million and a series of rebalancing transactions in order to maintain the portfolio's desired structure and duration target. Newly purchased securities included Treasury, Agency, FDIC Insured Corporate, and Corporates with maturities ranging from December 2010 to September 2013. He explained that Chandler continued to emphasize longer Agency and Corporate bond holdings in order to take advantage of the relatively stable financial markets.

As of November 30, 2010, the Long Term Growth Account was valued at \$96,142,239. This was an increase of \$8,994,425 from its valuation of \$87,147,814 on March 31, 2010. During the time period reviewed, portfolio activity in the Long Term Account consisted of several rebalancing transactions to maintain the portfolio's duration target and desired portfolio structure. Newly purchased securities included Treasuries and Agencies with maturities ranging from August 2015 through March 2020. The investments in both accounts comply with CJPRMA's investment policy. Marty Cassell, of Chandler Asset Management, will be present to discuss the portfolio and our investment strategy. In addition, he will be providing an update on economic factors that have had a direct impact on the investments.

7. Annual Approval of the Revised Investment Policy

Financial Advisor Lola Deem, stated that the investment policy requires to be reviewed and adopted annually by the Board of Directors at a public meeting. This year she has asked Marty Cassell of Chandler Asset Management to review our current policy and make recommendations. He has proposed changes to clarify language in the policy and has also made recommendations to the permitted investments.

The change to the “Permitted Investments/Deposit” table on Page 102 includes the addition of:

1. Mortgage backed, collateralized mortgage obligations (CMO’s) securities – these are currently permitted derivative securities per the investment policy, but don’t appear on the table.
2. CA Local Agency Notes and Notes issued by any State in the US – these notes are permitted by State Code and would be effective tools to use in the portfolio. These investments would require a minimum “A” rating and would have a maximum maturity of five years.

All other recommended changes to the policy are for language clarification. She also mentioned that the recommended revisions to the investment policy have been reviewed by Treasurer Roger Carroll.

A motion by Director Henderson, seconded by Director Williams, to approve the revised investment policy, passed unanimously.

8. 2010 Actuarial Study

Mr. Mujtaba Dattoo of Aon Global Risk Consulting/ARM Tech, conducted the 2010 actuarial study. Mr. Dattoo gave an explanation of the methodology used to complete the actuarial study and determine the proposed rates for the coming year

He stated that this year, the value of estimated outstanding losses increased \$4.7 million (10.3%) to \$49.98 million. This was the result of an increase of \$7.2 million in case reserves.

He also compared the ratio of net equity to SIR, it should be noted that the organization could sustain approximately 9.9 losses equal to the amount of its full retained limit (\$4.5 million) under the current reinsurance program. This represents a strong financial position.

The actuarially recommended redistribution for 2010 is \$6,325,296. After deductions for negative net equity adjustments, the proposed net amount being returned to the members is \$5,858,080. This is an increase of \$1,137,480 (24.1%) from 2009.

The funding rate being proposed for PY 11/12 is \$0.761/\$100 of payroll. This is a slight decrease from the previous year of \$0.763. The proposed rate is estimated to generate a gross liability premium for the program year of \$11,702,424.

The estimated net premium for FY 11/12 is \$8,523,350 this is a decrease of \$90,888 (1.06%) from the previous year.

A motion by Director Giles, seconded by Director Blanquie, to approve (1) the 2010 actuarial study, (2) the proposed funding for 2011/2012, and (3) the proposed redistribution plan, passed unanimously.

9. General Manager's Goals & Objectives 2010 -2011

General Manager David Clovis stated that at the May 2009 Annual meeting the board adopted guidelines for the Executive Compensation Committee in evaluating the general manager. This policy requires the general manager to prepare annually a set of goals and objectives and present a draft form of the goals and objectives to the Executive Committee for review and approval. A new set of General Manager's Goals and Objectives for 2010-2011 were presented to the Executive Committee at the November 15th meeting. He said that the Executive Committee proposed some minor modifications to the document and approved the document unanimously.

The general manager explained that goals and objectives have been re-formatted from the previous document submitted by the previous general manager. The goals and objectives identify key performance areas and identify the intended outcomes. The general manager will continue to update the Board of Directors and Executive Committee on the goals and the outcomes during the year. The section on outcomes identifies the intent of the goal but does not include a detailed task description as in the prior document. The general manager and Executive Committee agree that this document is created to provide the direction to the general manager and is driven directly from the Mission Statement and the approved Strategic Plan.

Pursuant to the policy adopted by the Board of Directors, the General Manager Goals and Objectives for 2010-2011 were presented to the Board of Directors for review and approval.

A motion by Director Carmona, seconded by Director Henry, to approve the General Manager's Goals and Objectives for 2010-2011, passed unanimously.

10. Risk Management Issues

Director Margolies brought forth a question about hosting training classes for workplace investigation. She wanted to know if there are policies on how to effectively run a workplace investigation. Marilyn Kelly from Alliant suggested looking into Bickmore Risk Services, Jackson Lewis LLP and Liebert Cassidy Whitmore to conduct training.

The general manager reported to the board that he would bring forth training on Robert's Rule of Order and the Brown Act for a future meeting date.

The general manager discussed social networking in the workplace. He suggested conducting training and bringing forth a set of policies in order.

IX. CLOSED SESSION

1. Government Code Section 54956.9 (a)

Conference with Legal Counsel - Pending Litigation

Name of Case: Vanderheiden v. City of Alameda

Court: Alameda County Superior Court

Case No.: RG 06283619

2. Government Code Section 54956.9 (a)

Conference with Legal Counsel - Pending Litigation

Name of Case: Avery v. City of Roseville

Court: Superior Court of California, County of Placer

Case No.: SCV 24149

3. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Pending Litigation

Name of Case: Hayes v. City of Woodland (YCPARMIA)

Court: Superior Court of California – County of Yolo

Case No.: PM08-52

4. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Pending Litigation

Name of Case: Gonzalez-Fuentes v. City of Petaluma

Court: Superior Court of California – County of Sonoma

Case No.: SCV-245373

5. Government Code Section 54956.9 (a)

Conference with Legal Counsel – Pending Litigation

Name of Case: Karim v. City of Pomona

Court: Los Angeles County Superior Court – East District – Pomona North

Case No.: KC 047449J

6. Government Code Section 54956.8

Real Property Transaction; Closed Meeting With Negotiator

Conference with real property negotiators.

Property: 3252 Constitution Drive, Livermore, CA 94551

Agency Negotiator: David Clovis, CJPRMA

Negotiating Party: Tri-Valley Learning Corporation

Under Negotiation: Price and Terms of Payment

X. ACTION ON CLOSED SESSION ITEMS

- None

XI. ADJOURNMENT

Director Handy adjourn the meeting at 3:43 p.m.

SUMMARY OF ACTION ITEMS

LOCAL AGENCY WORKERS' COMPENSATION EXCESS JOINT POWERS AUTHORITY (LAWCX)

Below is a summary of action items from the November 17, 2009, LAWCX Board of Directors' meeting:

ACTION ITEMS

- The LAWCX Board approved the following consent calendar items:
 - a) Summary of Actions Items and Minutes from the June 9, 2009, Board of Directors' Meeting;
 - b) JPA Performance Reports as of June 30, 2009;
 - c) Internal Financial Statement as of June 30, 2009;
 - d) Treasurer's Reports as of June 30, 2009, and September 30, 2009;
 - e) Annual Calculation of Target Equity Ratios;
 - f) Actuarial Update of the Excess Workers' Compensation Program and Liabilities as of June 30, 2009;
 - g) E-mail Notice Regarding the Almaraz/Guzman II & Ogilvie II Decisions;
 - h) E-mail Notice Regarding the Air Ambulance Lawsuit;
 - i) Sample Agreement Regarding Loaning of Employees (Special Employment Situations); and
 - j) Assignment of Administrator Position.

- By approving item J of the Consent Calendar above, the Board has approved Ms. Karen Thesing, Bickmore Risk Services and Consulting (BRS), to replace Ms. Jeanette Workman as the Manager for LAWCX. A Resolution of Appreciation for Honorable Service to LAWCX was presented for Board approval to formally express the Board's appreciation of Ms. Workman's service to LAWCX. The Board approved the resolution.

- The Board moved to approve the Investment Policy as presented and directed staff to recertify the policy through the Association of Public Treasurers of the United States and Canada (APT US & C) in the Spring of 2010.

- The Board moved to accept the audited financial statements as of June 30, 2009, provided by Sampson & Sampson.

- The 2009 LAWCX Actuarial Study and rating setting for 2010/11 were presented by BRS. Below is a comparison of the 2010/11 recommended rates at the 80% confidence level:

RATE COMPARISON @ THE 80% (DISCOUNTED) CONFIDENCE LEVEL							
		2009/10		2010/2011		% INCREASE/DECREASE	
Layer	Payroll Class>>>	Safety	Non-Safety	Safety	Non-Safety	Safety	Non-Safety
\$150k to \$250k Layer		0.822	0.414	0.871	0.443	6%	7%
\$250k to \$350k Layer		0.327	0.166	0.355	0.180	9%	8%
\$350k to \$500k Layer		0.263	0.132	0.285	0.144	8%	9%
\$500k to \$1M Layer		0.251	0.126	0.273	0.139	9%	10%
\$1M to \$2M Layer		0.110	0.055	0.120	0.061	9%	11%
		BLENDED RATE		BLENDED RATE		% INCREASE/DECREASE	
\$2M to \$5M Layer		0.047		0.048		2%	

The Board moved to adopt rates as proposed by the actuary for the 2010/11 program year at the 80% confidence level. However, because the rates have increased substantially, the Board directed staff to present to the Executive Committee in January 2010 two versions of the budget, with one version showing the rates at the 80% confidence level, and the other version showing the 2009/10 rates, which equates to approximately a 75% confidence level. If the Executive Committee and Board feels that it is more appropriate to fund at a lower confidence level once the budgets have been distributed for review, the Board would ratify its decision at the June 2010 Board meeting.

- At the June 2009 Board meeting, the Board approved renewing a Risk Control contract with BRS for another year in the amount of \$147,000. The Pool Administrative Services contract has been expanded to include an

addendum for the risk control services. The Board moved to ratify Amendment No. 2 as proposed to the LAWCX/BRS Pool Administrative Service contract to include risk control services.

- The Board approved the nomination of Mr. Douglas Fry, FASIS, to serve as the Executive Committee Member-At-Large for the remaining term ending June 30, 2010.
- Staff was directed to bring the following matters to the Executive Committee for further consideration:
 - Decreasing the number of Board meetings from two meetings a year to one meeting a year;
 - Holding virtual instead of in-person meetings; and
 - Evaluate whether it is prudent for LAWCX to establish a policy recommending that members have appropriate funding set aside of 3 times their self-insured retention.

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

MEETING OF THE BOARD OF DIRECTORS
November 17, 2009

A meeting of the Board of Directors of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) was held at the Hyatt Regency, in Sacramento, California.

DIRECTORS PRESENT: Darrell Handy, City of Alameda
Dan Eeds, ABAG Risk Shared Pool
Stuart Schillinger, President, BCJPIA
Katherine Casenave, CCCTA
Leon Compton, CSJVRMA
Jeff Cardell, Past President, City of Clovis
Jace Schwarm, City of Encinitas
Douglas Fry, FASIS
LeeAnn McPhillips, City of Gilroy (*joined meeting during
discussion of agenda item 6.C.*)
Bill Henderson, Treasurer, City of Livermore
Janet Hamilton, City of Lodi
Steven Negro, MCLAIA
Joanne Rennie, Vice President, PARSAC
Scott Ellerbrock, PERMA
Lisa Achen, City of Roseville
Clark Cashmore, City of Santa Maria
Ted Marconi, SCORE
Celeste Garret, City of Vacaville
Ray Waletzko, VCJPA
Dolores Gascon, City of Vista

ALTERNATES PRESENT: Greg Applegate, CSJVRMA
Dean Gualco, City of Lodi
Robert Galvan, MBASIA
Rosa Kindred-Winzer, City of Merced
Kin Ong, City of Placentia/PARSAC
Jeanette Derobertis, City of Roseville
Louise Keniston, City of San Leandro
Jodene Dunphy, City of Santee
Joanne Rennie, City of South Lake Tahoe

DIRECTORS ABSENT: Robert Sousa, City of Benicia
Leslie Suelter, City of Coronado
Rumi Portillo, Town of Los Gatos
Deneen Proctor, City of Merced

Kent Rice, MBASIA
Brian Stott, City of Morgan Hill
Sandy Abe, City of Newark
Stephen Pischel, City of Placentia
Justinian Caire, City of San Leandro
Rita Freeman, City of Santee
Michelle Beckwith, City of South Lake Tahoe
Herb Lester, City of Suisun City
Harry Maurer, City of Vallejo

ALTERNATES ABSENT: Teresa Highsmith, City of Alameda
Marcus Beverly, ABAG Risk Shared Pool
Beth Pollard, BCJPIA
Lisa Rettig, CCCTA
Robert Ford, City of Clovis
Jim Lynch, City of Coronado
Vacant, City of Encinitas
Howard Wood, FASIS
Vacant, Gilroy
Ed Foust, City of Livermore
Steven Conway, City of Los Gatos
Sidney Reade, MCLAIA
Tina Reza, Morgan Hill
Candice Basnight, City of Newark
Michael Caton, PERMA
Lynda Snodgrass, City of Santa Maria
Brian Meek, SCORE
Ron Anderson, City of Suisun City
Jessica Bowes, City of Vacaville
Rob Stout, City of Vallejo
Jerry Davis, VCJPA
Nancy Hoffman, City of Vista

OTHERS PRESENT: Debra Morales, City of Merced
Jeanette Workman, Manager
Karen Thesing, Bickmore Risk Services & Consulting
Tammy Vitali, Claims Manager
IaSee Her, Recording Secretary
Sandy Favis, Administrative Analyst
Mary Beth O'Connell, Risk Control Manager
John Alltop, Actuary
Brian Kelley, FASIS & VCJPA Administrator
Adrienne Beatty, BCJPIA Assistant Administrator

Rob Kramer, BCJPIA Administrator
Gerry Preciado, Bickmore Risk Services & Consulting
Susan Adams, Alliant Insurance Services, Inc.
Mike Simmons, Alliant Insurance Services, Inc.
Julianne Broyles, California Advocates, Inc.
Carlos Oblites, Public Financial Management, Inc.

1. CALL TO ORDER

The meeting was called to order at 9:05 a.m. by President Stuart Schillinger.

2. INTRODUCTIONS

Introductions took place of those present. A majority of the members were present constituting a quorum.

3. PUBLIC COMMENTS

None.

4. APPROVAL OF AGENDA AS POSTED OR AMENDED

Ray Waletzko moved to approve the agenda as posted. Seconded by Darrell Handy. The motion passed unanimously.

5. CONSENT CALENDAR

Jeff Cardell moved for Board approval of the following: A. Summary of Actions Items and Minutes from the June 9, 2009, Board of Directors' Meeting; B. JPA Performance Reports as of June 30, 2009; C. Internal Financial Statement as of June 30, 2009; D. Treasurer's Reports as of June 30, 2009, and September 30, 2009; E. Annual Calculation of Target Equity Ratios; F. Actuarial Update of the Excess Workers' Compensation Program and Liabilities as of June 30, 2009; G. E-mail Notice Regarding the Almarez/Guzman II & Ogilvie II Decisions; H. E-mail Notice Regarding the Air Ambulance Lawsuit; I. Sample Agreement Regarding Loaning of Employees (Special Employment Situations); and J. Assignment of Administrator Position. Seconded by Bill Henderson. The motion passed unanimously.

Mr. Stuart Schillinger, President, noted that the Board has approved appointing Ms. Karen Thesing as the new manager of LAWCX and Ms. Jeanette Workman is no longer the manager of LAWCX.

6. PRESENTATIONS

A. Resolution of Appreciation for Honorable Service to LAWCX

The Board expressed their gratitude to Ms. Workman for her service as the manager for LAWCX for the past thirteen years. The Board also expressed that Ms. Workman always made them feel welcome and a part of a group. The Board presented Ms. Workman with a gift and certificate of appreciation.

Bill Henderson moved for Board approval of the Resolution of Appreciation for Honorable Service to LAWCX for Ms. Jeanette Workman. Seconded by Jace Schwarm. The motion passed unanimously.

B. Annual Review of LAWCX

Ms. Karen Thesing, Manager, presented an overview of LAWCX's operation and current status. During the presentation, Ms. Thesing highlighted the following:

- The LAWCX mission statement has been revised effective June 9, 2009, to the following: "Our mission is to provide our members with an investment in a stable, long term, collaboratively managed and adaptable organization to ensure that workers' compensation coverage is available and affordable.";
- Since 2005, LAWCX has received CAJPA's Accreditation With Excellence. LAWCX received a Re-Accreditation with excellence which is effective June 28, 2009 through June 28, 2011; and
- LAWCX has achieved its goal of collecting \$5 million in five years to fund the \$2 million to \$5 million pool layer.

Ms. Tammy Vitali, Claims Manager, presented a claims overview of LAWCX. During the presentation, Ms. Vitali highlighted the following:

- 347 claims are being monitored with total incurred amount over 50% of members' self-insured retention (SIR).
- LAWCX requires that immediate notice be provided if the following eight types of accidents occur:
 - 1) A fatality;
 - 2) an amputation of a major extremity;
 - 3) any serious head injury (including skull fracture or loss of sight of either or both eyes);
 - 4) any injury to the spinal cord;

- 5) any second or third degree burn of 25% or more of the body;
- 6) any accident which causes serious injury to two or more employees;
- 7) any disability of more than one year or when it appears reasonably likely that there will be disability for more than one year; and
- 8) fraudulent claims.

C. Legislative Update

Ms. Julianne Broyles, California Advocates, presented an overview on the legislative branch and an update on the various Assembly and State bills that are moving through the legislature.

7. FINANCIAL MATTERS

A. Discussion and Update Regarding the Investment Portfolio

Ms. Thesing, introduced Mr. Carlos Oblites, Public Financial Management (PFM). PFM is LAWCX's investment management services provider. Mr. Oblites reviewed current market conditions and LAWCX's portfolio with the Board, highlighting the following:

- LAWCX's portfolio is well diversified;
- The portfolio has excellent credit quality; 98% of the portfolio is invested in U.S. treasuries or securities in S&P's highest two ratings categories.
- The portfolio has earned a total return of 7.99% over the past year.

B. Annual Review of Investment Policy and Recertification through APT US & C

Ms. Thesing reported that staff, the LAWCX Treasurer, and PFM have reviewed the Investment Policy and it is in compliance with all current applicable California Government Code Statutes regulating the investment of public funds. Ms. Thesing reported that in 2007, LAWCX began an additional review process and became certified through the Association of Public Treasurers of the United States and Canada (APT US & C); the certification expires in the Spring of 2010. Ms. Thesing noted that APT US & C recommends recertification every three years and the cost is \$300 for 2010.

It was noted that the policy has been amended to conform to the standards set by APT US & C in the event the Board wishes to continue the certification.

Bill Henderson moved for Board approval of the Investment Policy as presented and directed staff to recertify the policy through the APT US & C in the Spring of 2010. Seconded by Jace Schwarm. The motion passed unanimously.

C. Audited Financial Statements as of June 30, 2009

Prior to the meeting, the Board received the draft audited financial statements as of June 30, 2009, prepared by LAWCX's auditor, Sampson & Sampson. Mr. Bill Patterson, Sampson & Sampson, reviewed the audited financials with the Board, and stated the LAWCX submitted financial statements conform to generally accepted accounting principles.

Mr. Patterson noted an unqualified opinion has been issued, meaning it is a clean opinion; the financial statements fairly present the financial position and results of the operations of LAWCX. During the course of the audit, the internal controls were reviewed and no weaknesses were noted.

Joanne Rennie moved to accept the audited financial statements as of June 30, 2009, as presented. Seconded by Jace Schwarm. The motion passed unanimously.

D. 2009 Actuarial Study and Rate Setting for the 2010/2011 Program Year

Mr. John Alltop, Actuary, presented the 2009 LAWCX actuarial study and rate setting for the 2010/11 program year. A comparison of rates between the 2009/10 and 2010/11 program years was reviewed.

If LAWCX continues to fund at the 80% confidence level, the actual percentage changes are as follows:

RATE COMPARISON @ THE 80% (DISCOUNTED) CONFIDENCE LEVEL							
		2009/10		2010/2011		% INCREASE/DECREASE	
Layer	Payroll Class>>>	Safety	Non-Safety	Safety	Non-Safety	Safety	Non-Safety
	\$150k to \$250k Layer	0.822	0.414	0.871	0.443	6%	7%
	\$250k to \$350k Layer	0.327	0.166	0.355	0.180	9%	8%
	\$350k to \$500k Layer	0.263	0.132	0.285	0.144	8%	9%
	\$500k to \$1M Layer	0.251	0.126	0.273	0.139	9%	10%
	\$1M to \$2M Layer	0.110	0.055	0.120	0.061	9%	11%
		BLENDED RATE		BLENDED RATE		% INCREASE/DECREASE	
	\$2M to \$5M Layer	0.047		0.048		2%	

It was questioned whether LAWCX should consider funding at a lower confidence level as the rates have increased. Concerns were expressed that as members continue to grapple with a bad economy, the increased pool rates would financially burden the members. Discussion ensued, in which it was pointed out that there are other components to a member's premium other than the pool rates. In order for members to fully evaluate the actual cost to them, any other operational costs, such as the administration and excess rates, also need to be computed. Furthermore, the members will not have to fund for the \$2 million to \$5 million pool layer in the upcoming year, and therefore that cost will no

longer be factored, which will impact the final premium as well. Staff noted a preliminary budget which includes all the variables (known or projected) is reviewed each year in January by the Executive Committee and then distributed to the members to assist with their budgeting purposes. It was recommended different versions of the budget can be presented to show the impacts of various confidence levels, and then the Executive Committee could make a recommendation to the Board.

Joanne Rennie moved to direct staff to provide the Executive Committee with two versions of the budget for review in January 2010, with one version showing the pool rate at an 80% confidence level and one with the 2009/10 rates, which equates to approximately a 75% confidence level. Seconded by Lisa Achen.

Before a vote was taken, further discussion ensued in which it was expressed that because the Board does not meet again until June 2010, and in order to ensure that members would budget sufficiently, that at this meeting, the Board approve the rates at the 80% confidence level as recommended by staff. Staff would still be asked to prepare two versions of the budget for the Executive Committee's review. Should any changes be necessary once the members have had the opportunity to review the two budgets, the Board could ratify any changes at their meeting in June 2010.

At this time Ms. Rennie withdrew the initial motion. Seconded by Lisa Achen.

Jace Schwarm moved to adopt rates as proposed by the actuary for the 2010/2011 program year at the 80% confidence level. Seconded by Bill Henderson. The motion passed unanimously.

8. WORKERS' COMPENSATION MATTERS

A. Status of 2009 Compliance Survey Results

Ms. Vitali presented the status of the 2009 Compliance Survey, noting that at the time of the agenda mailing, staff was working with the Cities of Benicia, Morgan Hill, and Placentia to resolve non-compliance matters. Subsequent to the agenda mailing, staff was able to resolve some of the compliance issues, and is currently working with the city of Morgan Hill to obtain the required information. Any further action that is required will be reported to the Executive Committee in January 2010.

9. RISK CONTROL MATTERS

A. Risk Control Manager's Report

Ms. Mary Beth O'Connell, Risk Control Manager, provided a report on current happenings in risk control as follows:

- The 12 standalone members whose average frequency rate per \$1 million in payroll exceeds the LAWCX average frequency rate are participating in risk assessments. Ms. O'Connell reported she has completed five quick checks for the 12 standalone members.
- Bickmore Risk Services & Consulting (BRS) has rolled out the free streaming videos to their risk control clients. The streaming video service is available on demand, 24 hours a day, 7 days a week through the "Members Only" section of the LAWCX website. Ms. O'Connell recommended that each member register on the LAWCX website individually in order to access the streaming video service. Ms. O'Connell clarified that the new streaming video service does not log the training videos that are viewed and recommended that the streaming videos be viewed in group trainings.
- BRS is offering several free risk control webinars in 2010 and staff will notify members of the upcoming dates.
- Based on a utilization report provided by Target Safety, there are currently 60 pool or standalone LAWCX members using PreventionLink, with a total of 1,065 registered users. Ms. O'Connell explained that fire districts and municipal fire departments are the primary registered users of PreventionLink with 98% of the total courses being completed by fire districts and municipal fire departments.

10. ADMINISTRATIVE MATTERS

A. Ratify Board Action Regarding the Risk Control Contract

At the June 2009, Board meeting the Board approved renewing a risk control contract with BRS for another year in the amount of \$147,000. Ms. Thesing reported that the Pool Administrative Services contract has been expanded to include an addendum for the risk control services, and formal action is required to ratify the amendment.

Jeff Cardell moved to ratify Amendment No. 2 as proposed to the LAWCX/BRS Pool Administrative Services contract. Seconded by Joanne Rennie. The motion passed unanimously.

B. BRS Environmental Sensitivity Initiatives

Prior to the meeting, the Board received a report on various BRS environmental sensitivity initiatives. The Board acknowledged the report with no follow up questions.

Discussion, however, ensued regarding whether LAWCX should conduct more virtual instead of in-person meetings. It was expressed that as some members are struggling with

furloughs and layoffs it may be more productive for Board members to meet virtually in order to save time traveling to a meeting. It was noted that staff will further research the availability and cost of the technology to hold virtual meetings and will report back to the Executive Committee for further evaluation.

11. SPECIAL ELECTIONS

A. Nomination and Election of Executive Committee Member-At-Large

It was noted that there is currently a vacancy on the Executive Committee for the remaining term ending June 2010. Mr. Schillinger reported the Executive Committee meets quarterly and handles those operational and governing responsibilities not reserved exclusively for the Board, and staff can provide a training on LAWCX matters to orient any new committee members to their role within the Executive Committee. Mr. Schillinger reported that Mr. Douglas Fry, FASIS, has expressed interest in the position.

Jace Schwarm moved to nominate Douglas Fry, FASIS, to serve as the Executive Committee Member-At-Large for the remaining term ending June 30, 2010. Seconded by Robert Galvan. The motion passed unanimously.

It was noted that more "Member-At-Large" vacancies will become available at the next Board meeting in June 2010.

Discussion ensued, in which the Board directed the Executive Committee to evaluate reducing the number of Board meetings from two meetings to one each year. It was acknowledged this matter will be addressed by the Executive Committee.

12. TRAINING

One of LAWCX's goals is to conduct training at every Board meeting on issues related to workers' compensation. Mr. Gerry Preciado, BRS, presented an overview on furloughs and layoffs and their impact on workers' compensation programs.

13. CLOSING COMMENTS

A. Board

Mr. Bill Henderson questioned whether it would be prudent for LAWCX to consider establishing a policy recommending that members have appropriate funding set aside of 3 times their SIR. Members are responsible for paying claims up to their SIR; however, because of the economy, there is a concern that members may not have the actual funding

set aside to cover up to their SIR, as GASB requires the liability to be booked but not actually funded for government entities. Additionally, Mr. Henderson noted that even if an entity has the proper funding set aside, that funding is often being utilized for other services as it is not "mandated" to maintain that funding, and in this economy, governments are using whatever funds they can access to pay for expenses. Mr. Henderson's concern is that should members become financially insolvent and unable to pay their claims expenses because of inappropriate funding, this will impact LAWCX. Mr. Henderson proposed that by LAWCX recommending funding requirements of 3 times a member's SIR, members would need to have the funding levels in place and, therefore, would protect the interest of LAWCX.

It was noted this matter can be further evaluated at the Executive Committee level and any further directives will be brought back to the Board.

B. Staff

Ms. Thesing reported that all the PowerPoint presentations will be available through the "Members Only" section of the LAWCX website.

14. ADJOURNMENT

Adjourned by majority consensus at 1:45 p.m.



IaSee Her, Recording Secretary

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE BOARD OF DIRECTORS
MEETING OF NOVEMBER 8, 2010**

A regular meeting of the Board of Directors of ERMA was held on November 8, 2010, at the offices of Bickmore Risk Services, Sacramento, CA.

BOARD MEMBERS PRESENT: Jake O'Malley, President, MPA
Scott Ellerbrock, Vice President, PERMA
Craig Downs, Treasurer, VCJPA
Debbie Stutsman, BCJPIA
Dave Elias, CSJVRMA
Judy Hayes, Contra Costa County Housing Authority
John Gillison, PARSAC

BOARD MEMBERS ABSENT: Florice Lewis, Oakland Housing Authority
Jim Murphy, SCORE

ALTERNATE MEMBERS PRESENT: Joe Kriskovich, MPA
Dan Weakley, BCJPIA
Cary Keaten, CSJVRMA
Artesia Dupree, Oakland Housing Authority
Joanne Rennie, PARSAC

OTHERS PRESENT: Karen Thesing, Executive Director
Chrissy Mack, Board Secretary
Ruth Graf-Urasaki, Litigation Manager
Rebecca Lane, Assistant Litigation Manager
Nancy Broadhurst, Finance Manager
Charlotte Hemker-Smith, Legal Counsel
Nancy Broadhurst, Finance Manager
Rob Kramer, Bickmore Risk Services, BCJPIA
Adrienne Beatty, BCJPIA
Jeanette Workman, CSJVRMA
Brian Kelley, VCJPA
Michael Christian, Jackson Lewis
Scott Tiedemann, Liebert Cassidy & Whitmore
Susan Adams, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services
Bill Patterson, Sampson, Sampson & Partners, LLC
(left after item 6.A.)
Julian Brewer, in2vate *(joined for item 8.B.)*

1. CALL TO ORDER

The November 8, 2010, Board of Directors' meeting was called to order at 10:31 a.m. by President Jake O'Malley.

2. INTRODUCTIONS

Introductions took place. A majority of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Craig Downs moved to approve the agenda as posted. Seconded by Judy Hayes. Motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Clarification was requested regarding agenda item 7.B., Draft Renewal Contract Between ERMA and Bickmore Risk Services (BRS), in the June 21, 2010 minutes. With regards to the BRS' contract fees if a member withdraws or a new member joins, Ms. Thesing stated the intent is if a member withdraws, the reduction to BRS' contract fee would be calculated in the same manner as if a new member joins and BRS' contract fee is increased.

Craig Downs moved to approve/accept the following items: A) Minutes of June 21, 2010, Board of Directors Meeting and Summary of Action Items; B) General Warrants from June 1, 2010, through October 15, 2010; C) Claims Payments from June 1, 2010 through October 15, 2010; D) Petty Cash Statement from June 1, 2010, through October 15, 2010; E) Treasurer's Reports Dated June 30, 2010, and September 30, 2010; F) Internal Financial Statements for the Quarter Ended September 30, 2010; G) Investment Performance Review as of June 30, 2010; and H) Usage Report from TargetSafety for 2009/10 Program Year. Seconded by Dave Elias. Motion passed unanimously.

6. FINANCIAL MATTERS

A. Draft Audited Financial Statements for the Year Ended June 30, 2010

Prior to the meeting, the Board received the draft Audited Financial Statements for the Year Ended June 30, 2010. Mr. Bill Patterson, Sampson, Sampson & Partners, LLC was present at the meeting and briefly reviewed the report with the Board. Mr. Patterson noted ERMA has received an unqualified opinion, which reflects ERMA's financial statements conform to generally accepted accounting principles.

It was noted that the audited financial statements reflect a balance in LAIF of \$4 million while the internal financial statements as of September 30, 2010, reflect a balance of \$7 million. As the investment return with LAIF is currently low, it was questioned why ERMA is maintaining such a large balance in LAIF. Ms. Broadhurst explained the amount invested in LAIF increased due to receipt of the members' deposit premiums. The amount invested in LAIF will reduce as claim payments are made. However, she can discuss with the Treasurer whether there are funds that can be transferred from LAIF to the investment portfolio which will provide a better rate of return.

Craig Downs moved to receive and file the Audited Financial Statements for the Year Ended June 30, 2010. Seconded by Scott Ellerbrock. Motion passed unanimously.

B. Financial Status Report for the Program Year Ended June 30, 2010

Prior to the meeting, the Board received the Internal Financial Statements and the JPA Performance Report as of June 30, 2010. It was noted that a detailed review of these documents takes place each year in November. Ms. Nancy Broadhurst, Finance Manager, first reviewed the financial statements and noted the internal financial statements match the financial audit. Ms. Broadhurst further noted 80% of the capital fund has been allocated to the 2004/05 program year and 20% has been allocated to the 2004/05 through 2009/10 program years per the Board's previous direction. Mr. Broadhurst informed the Board there are two years that remain in a deficit position; however, the overall program had a \$2.2 million surplus as of June 30th which has now increased to \$2.6 million as of September 30th.

Ms. Broadhurst next reviewed the JPA Performance Report and noted ERMA has always maintained a healthy cash flow. Mr. Broadhurst also noted the claims reserves and claims expenses have been very consistent between the last four program years. Ms. Broadhurst informed the Board ERMA had a \$1.6 million increase in retained earnings in the 2009/10 program year.

John Gillison moved to approve the Internal Financial Statements for the Year Ended June 30, 2010, and the JPA Performance Report as of June 30, 2010. Seconded by Judy Hayes. Motion passed unanimously.

7. COVERAGE MATTERS

A. Resolution Regarding Retroactivity of 2010-11 Definition of "Occurrence" in Memorandum of Coverage

Ms. Ruth Graf-Urasaki, Litigation Manger, informed the Board that at the meeting in April, the Board approved a change to the definition of Occurrence in the Memorandum of Coverage (MOC) effective July 1, 2010. The change amended the definition to apply to the "first act" as opposed to the "last act" as in previous MOCs. The change was made with the intent to provide more stability within the program and end the need to change a claim from one program year to the next if a claimant added additional acts to a claim. Ms. Graf-Urasaki explained that a dilemma arose with this change because if the "first act" alleged in the claim is in a prior program year, and staff used that first act to determine that the earlier year's MOC should apply, that earlier MOC states that the "last act" will determine the date of the occurrence. In that case, the claim may then fall into another year's MOC. In the same claim, if the occurrence is based on the "last act" and moved to the 2010/11 program year, then the "first act" definition would apply. This would mean the claim would be covered under the prior year's MOC.

Ms. Graf-Urasaki stated she reviewed this issue with ERMA's Legal Counsel, Ms. Charlotte Hemker-Smith. They agreed the Board should adopt a policy stating the change to the definition of occurrence effective July 1, 2010, where the "first act" determines the program year will be made retroactive and applies to all claims reported after July 1, 2010. Prior to the meeting, the Board received a draft resolution reflecting that when a new claim is reported and the "first act" is in an earlier program year, the claim will be assigned to that program year. All of the provisions of that program year's MOC will apply except for the definition of occurrence. Ms. Hemker-Smith further explained that if the resolution is adopted, when ERMA receives a claim, the date of the first act will be determined, and the claim will apply in the coverage year of that first act regardless of the definition of occurrence in that coverage year.

Ms. Hemker-Smith made a correction to the draft resolution, noting that under the definition of occurrence in the MOC, there are three paragraphs; however, only two of the paragraphs refer to the date of occurrence in the definition. Therefore, the resolution, which lists the definition of occurrence per the MOC, only reflects two of the paragraphs and this must be indicated by a series of asterisks between the two paragraphs.

Ms. Hemker-Smith noted another issue arose regarding whether changing the definition of occurrence from last act to first act will affect ERMA's excess reinsurance coverage that was purchased from 1999/00 through 2004/05. Ms. Hemker-Smith suggested that any claims received be submitted to the excess reinsurer for a determination. Mr. Mike Simmons,

Alliant Insurance Services, noted that since ERMA purchased reinsurance, and reinsurance follows form with ERMA's MOC, it is unlikely the reinsurer would accept a claim based on the first act.

Prior to the meeting, the Board also received a sample acknowledgement letter that will be sent to a member acknowledging receipt of a claim and explaining provisions of the resolution.

Scott Ellerbrock moved to adopt the Resolution of the Board of Directors Regarding Retroactivity of 2010-11 Definition of "Occurrence" in the Memorandum of Coverage. Seconded by Craig Downs. Motion passed unanimously.

B. Approval of City of Dos Palos (CSJVRMA) for Membership

Ms. Thesing informed the Board that the City of Dos Palos has applied for membership in ERMA as an underlying member of Central San Joaquin Valley Risk Management Authority (CSJVRMA). The Underwriting Committee met in October and reviewed the City's application, quotation, and loss analysis. The Underwriting Committee is recommending to the Board that the City of Dos Palos be accepted for membership at their requested self-insured retention (SIR) of \$25,000. Prior to the meeting, the Board received Dos Palos' target loss analysis. Clarification was requested regarding the date their membership would be effective. Ms. Thesing responded the date can be November 15th or December 1st, depending upon the desire of the Board.

John Gillison moved to approve the City of Dos Palos for membership in ERMA, as an underlying member of CSJVRMA, at a \$25,000 SIR effective December 1, 2010. Seconded by Scott Ellerbrock. Motion passed unanimously.

8. TRAINING/LOSS PREVENTION MATTERS

A. Target Performance Recommendations for 2010/11

In order to comply with Amended Resolution 2-2007, each year staff reviews the members' loss performance. If a member's loss ratio, injury frequency rate, and/or severity rate meet the targets set forth in the resolution, they may be subject to further evaluation, including a comprehensive risk appraisal. Ms. Graf-Urasaki informed the Board that in accordance with the Board's previous direction, while the resolution sets forth that the oldest three of the last five years of data is to be analyzed, staff has analyzed data for the last five program years (2004/05 through 2008/09) to determine the recommendations for 2010/11 and forward.

Prior to the meeting, the Board received a summary of the 2010/11 target ratio analysis, which included notes from the Litigation Manager by member. The analysis reflected the number of program years the ratios were exceeded, whether the claim(s) underlying the calculations were financially significant, and whether the frequency of claims or other factors indicated that a risk appraisal would benefit the member. Ms. Graf-Urasaki noted her review

was subjective, and she took into consideration other factors besides the members' loss ratio, frequency, and severity rates in determining which entities should receive a risk appraisal. Ms. Graf-Urasaki informed the Board that based on all of the information she analyzed, she is recommending that the cities of Coalinga (PARSAC), Delano (CSJVRMA), and Hughson (CSJVRMA) undergo risk appraisals during the 2010/11 program year. While other entities exceeded some of the parameters, in reviewing their programs on a subjective basis, she did not believe the other entities were in need of a risk appraisal in 2010/11. It was questioned whether the three entities recommended for risk appraisals have been notified. Ms. Graf-Urasaki stated she has had contact with Coalinga and Delano, but not Hughson. The Board discussed the target ratio calculation summary with Ms. Graf-Urasaki and her recommendations. It was suggested that for those entities that exceeded the targets but are not being recommended for a risk appraisal, Ms. Graf-Urasaki monitor those entities in the event the need for a risk appraisal should arise. Ms. Graf-Urasaki responded that she will indeed monitor those entities.

The Board thanked staff for the newly revised chart noting it is much easier to read and understand.

Judy Hayes moved to approve risk appraisals for the cities of Coalinga, Delano, and Hughson in the 2010/11 program year. Seconded by Artesia Dupree. Motion passed unanimously.

B. in2vate Web Based Training Update

Mr. Julian Brewer with in2vate joined the meeting via teleconference to review the online training platform now available to the members. Members can access training for AB1825 and AB1234 as well as weekly training bulletins. Mr. Brewer noted there has been a positive response to the in2vate program, and he reviewed the participation statistics with the Board. Mr. Brewer noted that members can utilize the online database to track any training in which their employees participate in addition to the online training through in2vate.

9. ADMINISTRATIVE MATTERS

A. Amended Records Retention Policy

Prior to the meeting, the Board received a draft resolution establishing a records retention policy. Ms. Thesing explained that Bickmore Risk Services (BRS) prepared a draft model policy for use by its clients, and ERMA's resolution was prepared based on this model. Ms. Thesing noted the model policy was developed utilizing CAJPA standards and the assistance of various legal counsels including Ms. Hemker-Smith. If adopted, the draft records retention policy would amend ERMA's current records retention policy.

Ms. Thesing informed the Board that in December ERMA staff will be sorting through ERMA's stored files and purging those that can be destroyed per the draft resolution if it is adopted.

Scott Ellerbrock moved to adopt the resolution of the Board of Directors establishing a records retention policy. Seconded by John Gillison. Motion passed unanimously.

B. Eleventh Annual Workshop

Prior to the meeting, the Board received a draft agenda for ERMA's eleventh annual workshop scheduled for February 17, 2011, with a Board meeting following on February 18th. Ms. Thesing reviewed the draft agenda with the Board and noted the Board previously decided a facilitator was unnecessary. It was suggested that under "Governance" an agenda item be added to allow for a discussion of ERMA's structure and whether it is moving towards becoming more of a primary pool vs. maintaining the "pool of pools" philosophy. Ms. Graf-Urasaki stated staff will be inviting two attorneys from ERMA's attorney panel outside of Jackson Lewis and Liebert Cassidy Whitmore to make a presentation. It was noted representatives from Jackson Lewis and Liebert Cassidy Whitmore will still be invited to attend. It was questioned whether time will be allowed on the 18th, prior to the Board meeting, to allow for a wrap-up of the Annual Workshop. Staff indicated this can be added.

It was questioned whether there will be a Coverage Committee meeting prior to the Annual Workshop. It was noted the Coverage Committee will meet prior to the April Board meeting, not prior to the Annual Workshop.

10. CLAIMS MATTERS

A. Review of Monthly Loss Run

Prior to the meeting, the Board received a sample loss run. Ms. Graf-Urasaki informed the Board that some changes have been made to the loss run over the last several months; therefore, staff felt it important to provide an educational overview of the document. Ms. Graf-Urasaki reviewed the sample and noted that both she and the Assistant Litigation Manager, Ms. Rebecca Lane, review the claims reserves on a monthly basis.

It was reported that ERMA sends the loss run to the member JPA and the individual members of ERMA. It has been left as the responsibility of the JPAs to disseminate the information to their underlying members. It was discussed that when a JPA sends the loss information to an underlying member, they must remove all of the other JPA members' loss information. It was questioned whether ERMA could provide the loss runs separated by

member for the JPAs. Ms. Lane stated there is a significant amount of time spent to format the loss run, and if it were separated by member, the formatting would need to be done for each member's document. It was agreed ERMA should continue to send one loss run to the JPAs.

B. Closed Session

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 12:35 p.m. to discuss the following claims for the payment of employment practices liability incurred by the joint powers authority:

- Michelle Barber v. City of Crescent City
- Michael Booker et. al. v. City of Richmond/Richmond/ERMA Arbitration
- Ray Warren v. City of Barstow

C. Report from Closed Session

The Board reconvened to open session at 1:10 p.m., and it was reported settlement authority was granted on the matters in closed session.

11. CLOSING COMMENTS

A. Board

None.

B. Staff

None.

12. ADJOURNMENT

The meeting adjourned at 1:15 p.m. by general consent.



Chrissy Mack, Board Secretary

SCORE

SCORE Service Calendar

AS – Alliant Insurance Service Staff

PA – Program Administrator

CA – Claims Auditor

FA – Financial Auditor

York – York Insurance Services Group Staff

BD – Board of Directors

RM – Risk Management

FC – Finance Committee

GA – Gilbert Associates

Date	Activity	Responsible Party	Date Completed	Status/Notes
January 2011				
1/1/11	Obtain Electronic Loss Runs from York for both WC & Liability	AS	1/4	
1/1/11	Send out PEPIP Renewal information	AS	1/4	
1/1/11	Invite Amada G to demonstrate PreventionLink	AS	12/20	
1/1/11	Request agenda items from vendors	AS	12/29	Due Date Jan 14 th
1/5/11	Alliant Staff Jan Agenda Review	AS	1/5	CCALL Mike, Susan, Joyce.
1/10/11	Collect Crime Program 7/1 Renewal Apps from Members and submit to ACIP	AS	1/10	ACIP will Market.
1/15/11	Request RSVP for Jan Mtg	AS	1/4	
1/15/11	Collect DE/6 Reports as of 12/31/10	AS		Currently obtaining
1/15/11	Begin draft of next FY Budget	PA		Draft Budget Started
1/20/11	Alliant Staff Final Agenda Review	AS	1/20	Conference Call Mike, Susan, Joyce
1/20/11	Confirmation of venue for Jan Meeting	AS	1/20	
1/21/11	Post/Distribute Jan Agenda	AS	1/21	Via SCORE website
(mtg)	January Board Mtg – Gaia Anderson Hotel	BD	1/28	
(mtg)	Quarterly Financials as of 12/31/10 / Draft	GA	1/28	
(mtg)	Equity Distribution Plan and Rate Stabilization Plan Finalization	AS/PA	1/20	
1/31/11	Forward all DE/6 to CJPRMA (Saima Kumar)	AS		
1/31/11	Submit loss runs to Actuary for studies in WC & Liability	PA	1/20	

Date	Activity	Responsible Party	Date Completed	Status/Notes
February 2011				
2/1/11	Collect PEPPIP Renewal Apps from Members and Submit to AUS	AS		
2/6/11	PARMA Conference	PA		2/6-2/9,2011
2/8/11	Review To Do List from January Board Mtg	AS		
2/11/11	Draft Minutes	AS		
March 2011				
3/2/11	Request updates for March Agenda	AS		
3/2/11	Workers' Compensation Claims Audit (from LAWCX)			Susan to look over. Every other year.
3/11/11	Request RSVP to members for March Mtg	AS		
3/15/11	Continue Work Draft Budget for next Fiscal Year (Review and incorporate LAWCX, ERMA, CJPRMA, & PEPPIP draft numbers into budget). Continue Fiscal Year Budget, Vendor Contracts, Target Equity Policy, Investment Policy & Internal Controls Guidelines, Conflict of Interest Code, Election of Officers (even years)	PA		PA began in Feb PA began in Feb
3/15/11	Collect drafts of WC & Liability Actuarial Studies for March Meeting	AS		
3/15/11	Collect Form 700s for Members	SF Office		Currently obtaining
3/15/11	Review and Submit Crime Program Proposals to members	AS		
3/18/11	Send notification March Board Agenda to Members	AS		
3/18/11	Finalize # of attendees March Meeting	AS		
3/18/11	Confirmation of meeting venue	AS		
(mtg)	Discuss venue for October mtg	AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
March 2011				
(mtg)	Conflict of Interest Code (every even numbered year)	AS	n/a	
(mtg)	Approval of Investment Policy	AS		Annual
3/31/11	Send List of Renewal Certificates to Members	AS		
April 2011				
4/01/11	Collect DE/6 Reports as of 03/31/11	AS		
4/01/11	Payment for Treasurer's Bond	AS		
4/10/11	Review To Do List form Board Mtg	AS		
4/10/11	Research Oct mtg venue	AS		
4/15/11	CJPRMA Certificate Renewal List	AS		
4/15/11	Finalize and Email March Board draft mtg minutes	AS		
4/15/11	SCORE Certificate Renewal List Due	AS		
4/20/11	CAJPA Accreditation	AS		
4/20/11	Actual to Budget Assessments (CYE 12/31)	AS		After Audit is approved
4/20/11	Begin Agendas for June Board Mtg	AS		
4/20/11	Submit CJPRMA Certificate Renewal List to CJPRMA	AS		
4/20/11	Complete and Submit LAWCX Compliance Survey	AS		
	Submit Pollution Program Renewal Apps to Members (every 3 years) Expires 2012	AS	n/a	
4/20/11	File Audited Financial Statements w/ Secretary of State, Sacramento County and Members	GA/AS		Will file after Board approval
4/29/11	Update Draft Budget with changes from March Mtg	PA		
				79

Date	Activity	Responsible Party	Date Completed	Status/Notes
May 2011				
5/13/11	Obtain PEPiP Renewal Proposals	AS		
5/13/11	Obtain Quarter Financials as of 03/31/10	AS/GA		
5/17/11	Obtain Final Actuarial Reports for WC & Liability for June Mtg	AS		
5/25/11	Finalize WC & Liability MOCs and Dec Pages for June Mtg	AS		
5/25/11	Request agenda items from Vendors	AS		
5/25/11	Send RSVP Requests to members	AS		
June 2011				
6/01/11	Follow up on October Meeting Contracts	AS		
6/15/11	Bind orders for PEPiP Program	AS		
6/20/11	Certificates of Insurance	AS		
(mtg)	SCORE MOCs and Dec Pages – Signed	AS/Roger		
(mtg)	Fiscal year Budget, Vendor Contracts, MOCs, Program Renewals, Financial Audit, Actuarial Studies, Target Equity Policy, Service Calendar, Liability Claims Auditor Contract, Treasurer’s Authority, any amendments to Gov’t Docs, etc	AS/PA		
(mtg)	Resolution for mtg dates	BD		
(mtg)	Adoption of the Budget	BD		
(mtg)	Quarterly Financials as of 03/31/11	AS/GA		
(mtg)	CAJPA Conference	BD		
(mtg)	Approval of WC & Liability MOC	BD		
(mtg)	Discuss and determine Oct Training Day topics	AS/PA		
(mtg)	Investment Authority Approval (annually)	AS		
(mtg)	Approval of PEPiP Proposal	BD		
06/28/11	Binder for Crime Program	AS		
06/28/11	Invoice for Broker Fee, Treasurer’s Bond	AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
July 2011				
7/1/11	Review To Do List from Board Mtg	AS		
7/8/11	Finalize and Email June Board draft mtg minutes	AS		
7/15/11	Begin Agenda for August Board Mtg	AS		
7/15/11	Follow up w/ Board President regarding items that need signatures	AS		
7/15/11	Finalize DE/6 Collection for 06/30/11	AS		
7/20/11	Copy and Mail all signature items to members	AS		
7/29/11	Follow up on payments for ERMA, LAWCX, PEPPI, CJPRMA, etc.	AS		On going
07/29/11	Follow up w/ ACIP members regarding premium payments	AS		
7/29/10	Complete and Submit LAWCX Compliance Report	AS/PA		
7/29/10	Follow up regarding Member deposit premium payments	AS		
August 2011				
8/1/11	Submit LAWCX renewal apps to members in Worker's Compensation	AS		
8/04/11	Request agenda items from vendors for August Board Mtg	AS		
8/12/11	Send RSVP Requests to members	AS		
8/13/11	LAWCX Actual Payroll Audit by Class Code	AS		
8/13/11	Submit Fiscal Year Financial Information to Auditor	AS		On going

Date	Activity	Responsible Party	Date Completed	Status/Notes
August 2011				
8/13/11	Begin Public Self/Insurers Report with State	AS/York		
8/18/11	Begin Strategic Planning Agenda	AS		
(mtg)	Quarterly Financials as of June 30, 2011	GA		
(mtg)	CAJPA Conference	AS		
(mtg)	October Training Day and Board Mtg location	AS		
September 2011				
9/16/11	Finalize and Email August Board draft mtg minutes	AS		
9/2/11	Review To Do List from August Board Mtg	AS		
9/6/11	CAJPA Conference	PA/BD		9/6-9/2011
9/14/11	Begin Agenda for October	AS		
9/14/11	Send RSVP Requests to Members	AS		
9/14/11	File Public Self/Insurers Annual Report with State	AS		
9/14/11	Request Agenda items from vendors for October Board mtg	AS		
October 2011				
10/1/11	Request DE/6 Payroll	AS		
	File Controllers Report with State	GA		
(mtg)	ACI Quarterly Utilization Reports: July 1, 2011 – September 30, 2011	AS		
(mtg)	RFP for Liability Claims Audit (to present at March 2012 Mtg)	AS/BD		For 2012
(mtg)	RFP for Workers' Compensation Claims Audit (to present at March 2012 Mtg)	AS/BD		For 2012
(mtg)	PARMA Conference (Agenda Item)	AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
October 2011				
(mtg)	Quarterly Financials as of 9/30/11			
10/28/11	Forward all DE/6 to CJPRMA (Saima Kumar)	AS		
10/28/11	Finalize and Email October Board draft mtg minutes	AS		
November 2011				
11/1/11	Follow up with LAWCX regarding WC Claims Audit (Paid for by LAWCX)	AS		
11/2/11	Review To Do List from October Board Mtg	AS		
11/16/11	Send out Renewal items for Property and Crime	AS		
December 2011				
12/01/11	Send PEPPI Policy and Post on SCORE website	AS		
12/21/11	Request agenda items from Vendors for Jan Board mtg	AS		

10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Utilization Summary and Cost-Benefit Analysis

**SCORE**

October 1, 2010 - December 31, 2010

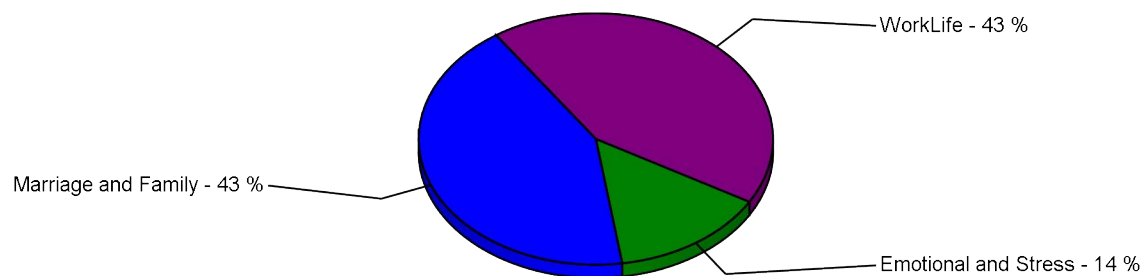
Utilization Rate:

7.9%**Overall Utilization**

There were 7 new contacts. 4 were referred by a Family Member, 2 were referred by Human Resources, 1 was referred by Poster or Brochure.

The presenting problems were: Family / Child, Financial, Legal, Marital / Relationship and Work Stress.

1 new contact was for a Family Member and 6 new contacts were for a Self.



10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Work/Life Utilization

In this time period there were 4 case(s) that were opened: 25.0 % of the cases were Financial Counseling, 50.0 % of the cases were Legal Counseling, 25.0 % of the cases were Eldercare Referral.

Legal Counseling was the most utilized with 2 cases.

This year marks a 58% annual increase in work/life requests compared to 2009. While workloads and workplace pressures have increased in today's tough economic climate, employees have leaned on ACI's work/life services for resources, support and assistance for a variety of personal and family needs. Requests for legal and financial assistance continue to top the list of most utilized work/life benefits, and assistance with childcare and housing needs falls close behind. By providing access to professional assistance in all areas of personal life, ACI is pleased to help busy employees feel more focused, more productive, and less stressed. ACI continues to evaluate employee needs, and respond with enhanced service delivery and program offerings to maximize employee productivity both on and off the job.

Training

ACI Specialty Benefits offers state-of-the art trainings with over 40 exciting topics to choose from. ACI's trainings are designed to enhance professional development for employees of all levels, and are specifically tailored to meet the diverse needs of any organization.

Newsletters

ACI provided the following HealthY-mails this quarter: 7 Deadly Sins of Divorce; The Multi-Minding Trap; Holiday Greetings from ACI Specialty Benefits.

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

Utilization Hours

Management Training and Employee Wellness Seminars:	0
Employee Assistance Counseling:	6
Consultation: Work/Life & Concierge	7
Consultation: Employee Consultation	0
Consultation: Supervisor, Management and Outside Consultants	33
Total Program Hours this Period:	46

Utilization Comments

Helping people in crisis is ACI's theme for fourth quarter utilization. For the past few months, ACI Specialty Benefits clinicians have responded to an extreme increase in elevated crisis calls, meaning callers expressing suicidal threats, personal danger, and other critical situations. ACI clinicians have been handling up to five crisis calls per day, compared to a normal average of one per week. While this unsettling trend can be partly attributed to a combination of high stress levels, seasonal affective disorder (SAD) and continued economic strain, it serves as an important wake up call for managers and supervisors to be prepared. ACI Specialty Benefits is available to consult with managers and supervisors on creating strong crisis prevention programs, recognizing troubled employees, and referring to appropriate professional resources. To better understand how ACI provides immediate intervention in critical circumstances, here is a recent example from ACI clinician Alexandra Donnelly, LCSW who helped a manager dealing with an employee in crisis:

I received a phone call from an HR Supervisor who wanted direction on handling a suicidal employee. The employee left a voicemail stating "I probably won't be in to work tomorrow because I am going to kill myself." The supervisor called the employee immediately and was relieved to find the employee alive. The supervisor persuaded the employee to come to the worksite, but didn't know what to do at that point.

The supervisor called ACI and I spoke with the employee immediately. After deescalating the emotional response, the employee agreed to get professional help. Upon follow-up with the supervisor, the employee was transported to the ER and was placed on a 5150 hold due to active suicidal ideation. As a result of the trauma of this situation, the supervisor requested to see an EAP counselor to help deal with feelings around this incident. Both the supervisor and the employee received successful resolution from the EAP.

From providing prompt crisis intervention to helping employees better manage daily life issues, ACI is always willing to go the extra mile in giving clients and employees the resources and support needed to make life work better. As a testament to these efforts, ACI Specialty Benefits is featured in Business Insurance magazine's annual Top Ten EAP list for another consecutive year. ACI thanks you, our valued clients, for your continued trust and confidence and for helping make this exciting achievement possible year after year.

SCORE Utilization Rate for the Period 10/1/2010 to 12/31/2010 was 7.9 %

This decreased from the previous period Utilization which was 11.3 %

10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

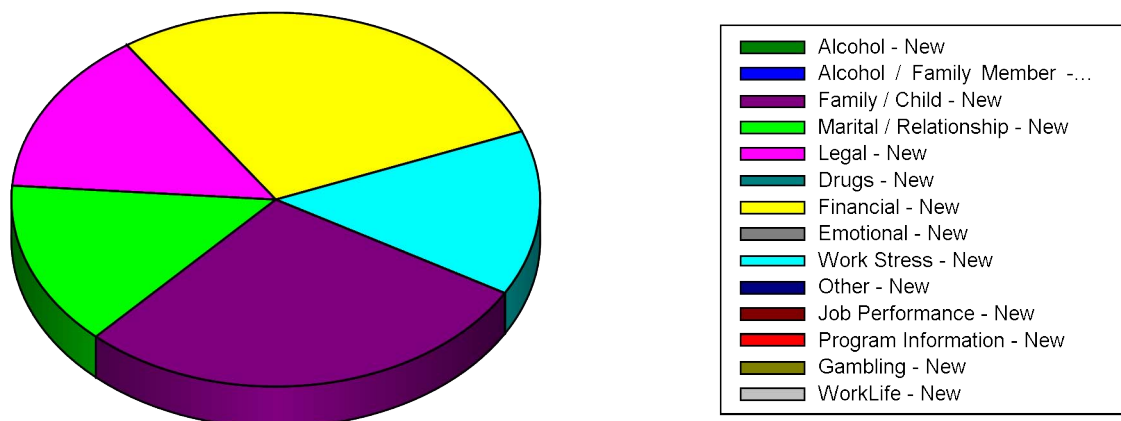
Primary issue for assessment

Referral Made	New	Previous Quarter	Year To Date
Alcohol	0	0	0
Alcohol / Family Member	0	0	0
Family / Child	2	1	7
Marital / Relationship	1	4	6
Legal	1	3	5
Drugs	0	0	1
Financial	2	1	5
Emotional	0	0	4
Work Stress	1	1	3
Other	0	0	0
Job Performance	0	0	0
Program Information	0	0	3
Gambling	0	0	0
WorkLife	0	0	0

Comments from ACI

As indicated in the pie chart, the highest categories of utilization for this quarter were Family / Child and Financial. Approximately 67% of unscheduled absences are due to family issues or other personal issues. ACI's Child and Eldercare benefits can assist with the everyday needs involved with caring for children or elderly family members. ACI's Work/life services offer resources, support and save time. In a study conducted by The Journal of Marital and Family Therapy, over half of couples and family members who attended counseling reported improvement in functioning at work; 73.7% indicated improvement in children's behavior; and 58.7% showed improvement in children's school performance.

The American Bar Association states that during a 12-month period, more than half the employees in a typical workforce will experience a legal or financial issue involving "life events" such as marriage, birth, illness, renting an apartment, buying or refinancing a home, using credit cards or purchasing a car. Additionally, 75% of the workforce state they do not feel good about their finances; 54% of the workforce worries about their debt; 35% of the workforce rate their financial stress from high to extreme; 33% of the workforce state their money worries hamper job performance; and workers with financial problems waste 24 hours per month on lost productivity. Contact ACI today to find out more about financial information and resources.

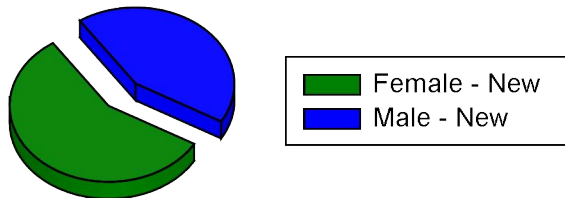


10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

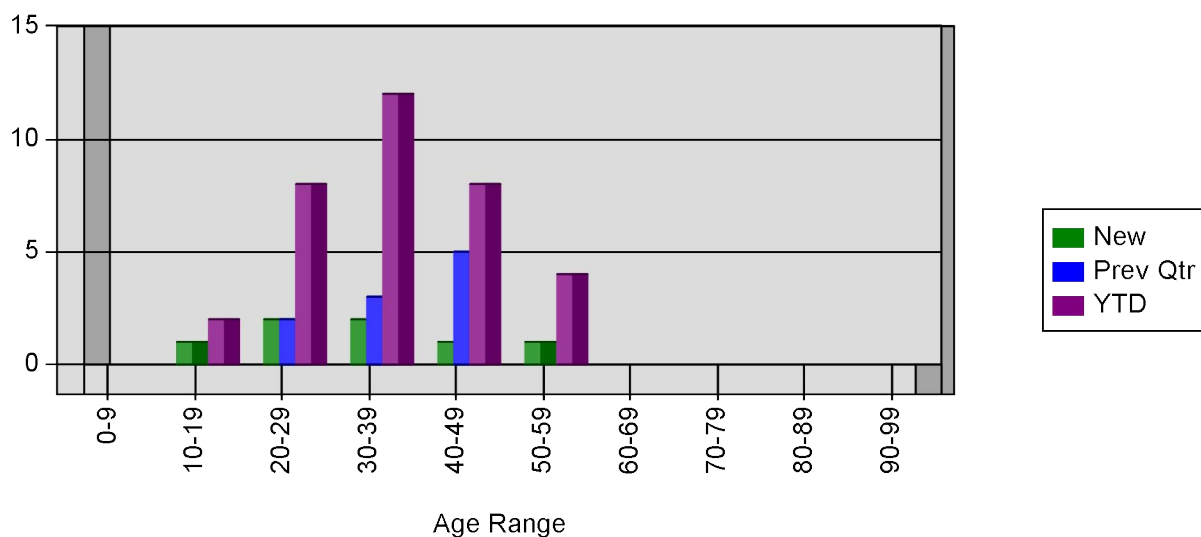
Demographic data

Gender	New	Previous Quarter	Year To Date
Female	4	3	18
Male	3	7	16



Age Range	New	Previous Quarter	Year To Date
0-9	0	0	0
10-19	1	0	2
20-29	2	2	8
30-39	2	3	12
40-49	1	5	8
50-59	1	0	4
60-69	0	0	0
70-79	0	0	0
80-89	0	0	0
90-99	0	0	0

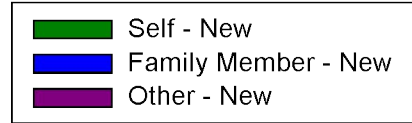
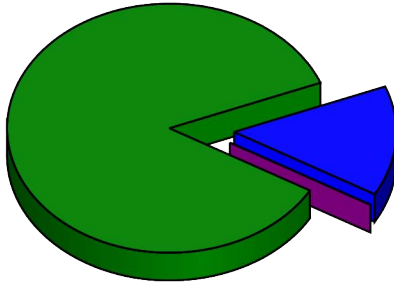
Age Range of Employee/Family Member



10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Who is initiating Contact with ACI	New	Previous Quarter	Year To Date
Self	6	9	30
Family Member	1	1	4
Other	0	0	0

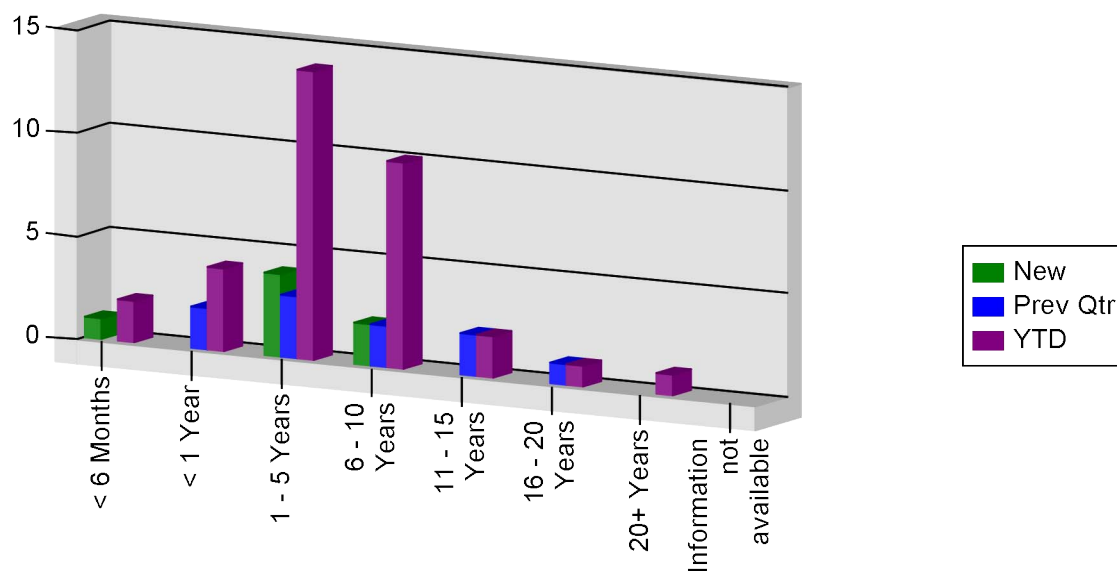


10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Employment data

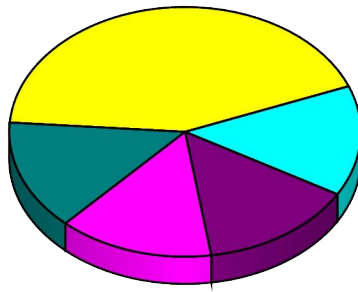
Length of Service	New	Previous Quarter	Year To Date
< 6 Months	1	0	2
< 1 Year	0	2	4
1 - 5 Years	4	3	14
6 - 10 Years	2	2	10
11 - 15 Years	0	2	2
16 - 20 Years	0	1	1
20+ Years	0	0	1
Information not available	0	0	0



Job Category	New	Previous Quarter	Year To Date
Management	0	1	2
Supervisor	0	0	1
Professional	1	2	14
Technical	0	4	4
Clerical	1	1	5
Production	1	0	1
Service	3	1	4
Sales	0	0	0
Labor/Unskilled	1	1	3
Other	0	0	0

10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report



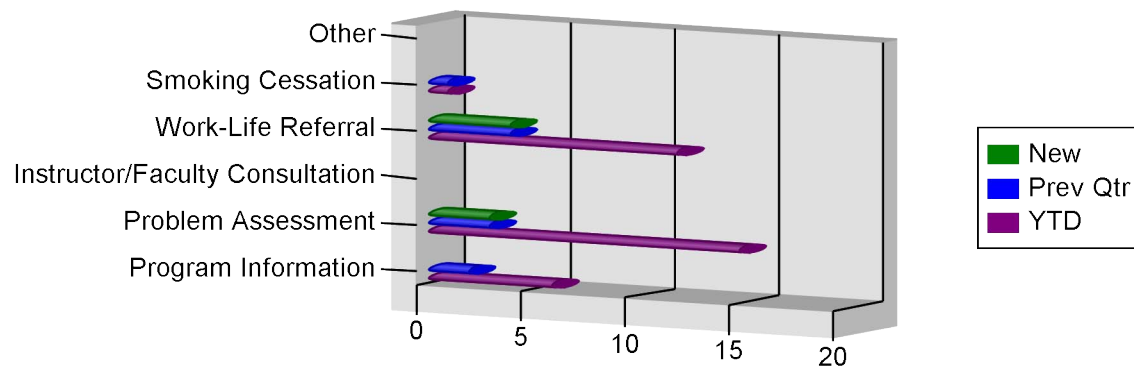
- Management
- Supervisor
- Professional
- Technical
- Clerical
- Production
- Service
- Sales
- Labor/Unskilled
- Other

10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

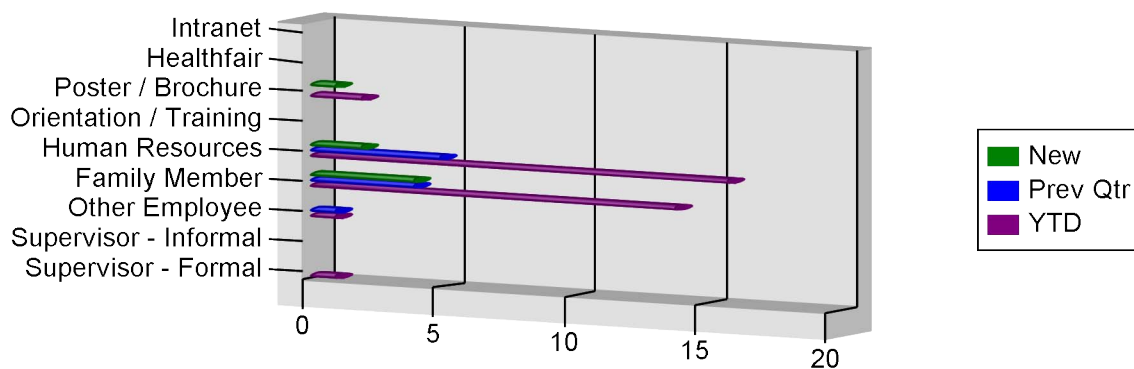
Reason for contact

Reason for Contact	New	Previous Quarter	Year To Date
Program Information	0	2	6
Problem Assessment	3	3	15
Instructor/Faculty Consultation	0	0	0
Work-Life Referral	4	4	12
Smoking Cessation	0	1	1
Other	0	0	0



Referral Source

Referral Source	New	Previous Quarter	Year To Date
Supervisor - Formal	0	0	1
Supervisor - Informal	0	0	0
Other Employee	0	1	1
Family Member	4	4	14
Human Resources	2	5	16
Orientation / Training	0	0	0
Poster / Brochure	1	0	2
Healthfair	0	0	0
Intranet	0	0	0

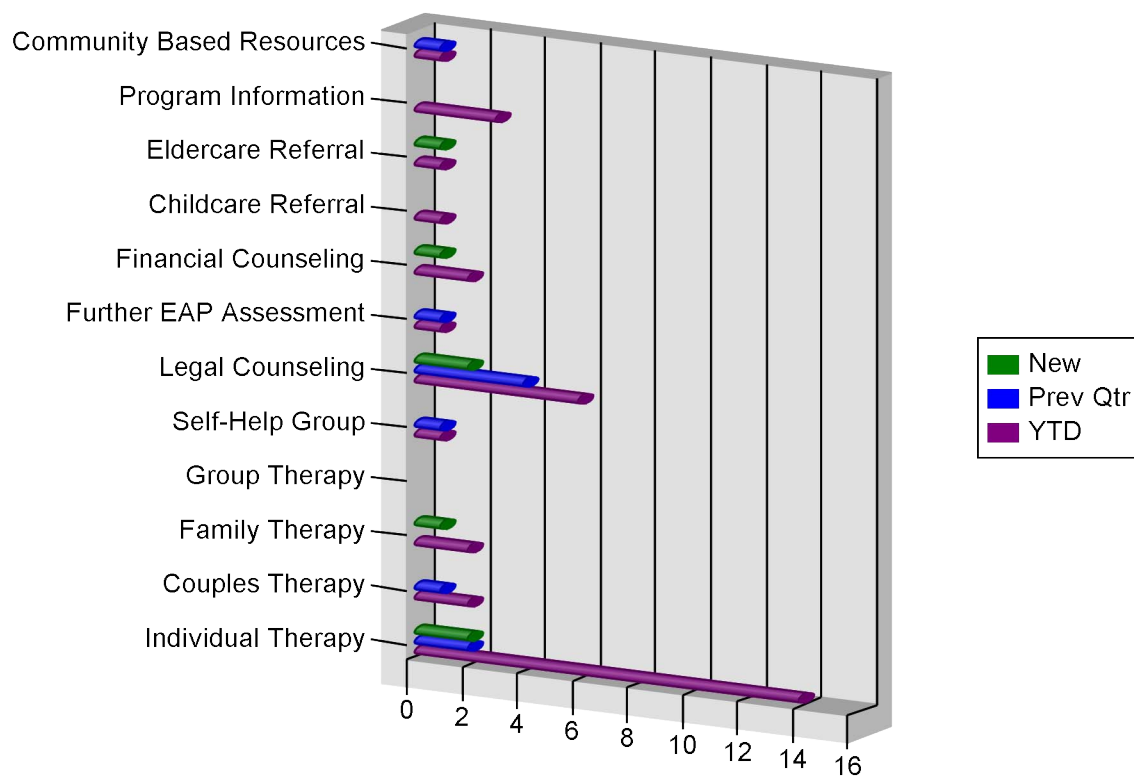


10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Type of Referral Made

Referral Made	New	Previous Quarter	Year To Date
Individual Therapy	2	2	14
Couples Therapy	0	1	2
Family Therapy	1	0	2
Group Therapy	0	0	0
Self-Help Group	0	1	1
Legal Counseling	2	4	6
Further EAP Assessment	0	1	1
Financial Counseling	1	0	2
Childcare Referral	0	0	1
Eldercare Referral	1	0	1
Program Information	0	0	3
Community Based Resources	0	1	1

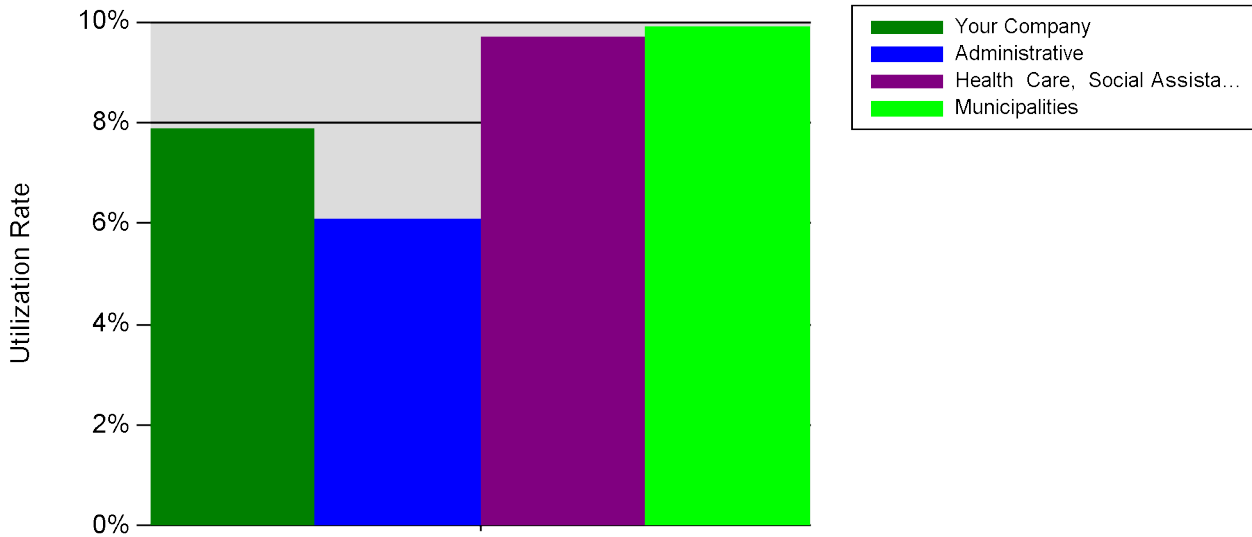


10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report

Comparison by Industry

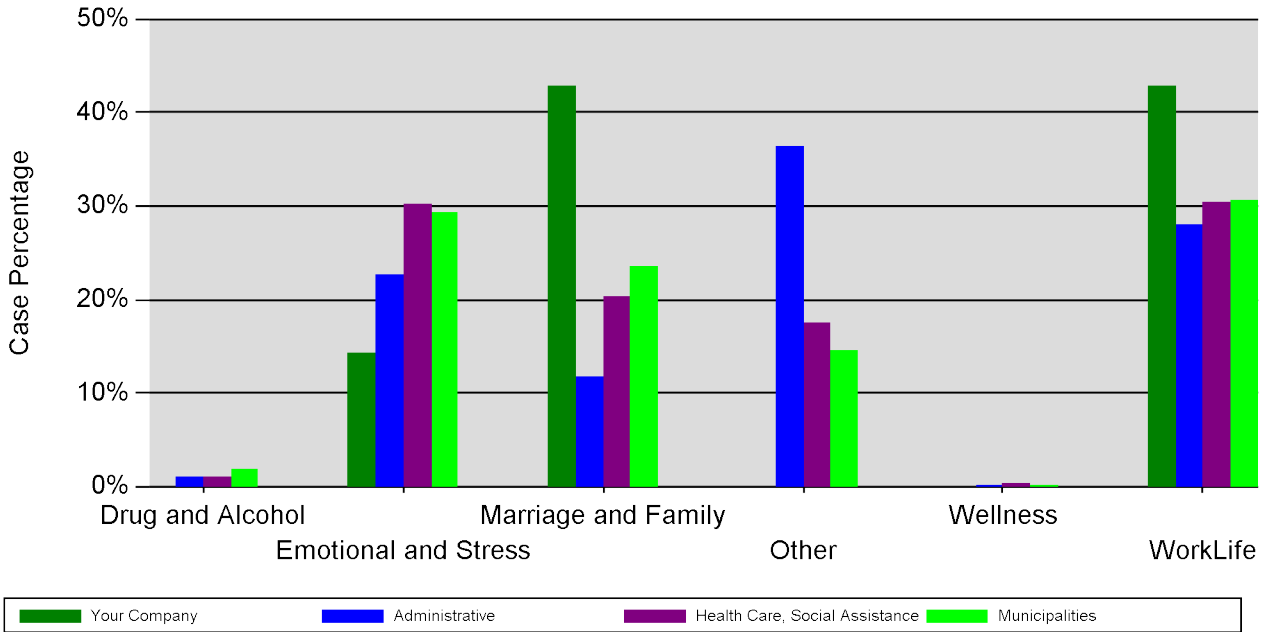
	Utilization Rate
Your Company	7.9%
Administrative	6.1%
Health Care, Social Assistance	9.7%
Municipalities	9.9%



	Work/Life	Drug and Alcohol	Emotional and Stress	Marriage and Family	Wellness	Other
Your Company	42.9%	0.0%	14.3%	42.9%	0.0%	0.0%
Administrative	28.1%	1.0%	22.7%	11.7%	0.1%	36.5%
Health Care, Social Assistance	30.4%	1.1%	30.3%	20.4%	0.3%	17.6%
Municipalities	30.6%	1.8%	29.3%	23.5%	0.2%	14.6%

10/1/2010 - 12/31/2010

Employee Assistance Program Utilization Report



**Q4 2010 Utilization for SCORE
(breakdown by city)**

Cities	EE Count	No. of Contacts	Individual City Utilization %
City of Biggs	9	0	0.0%
City of Colfax	1	0	0.0%
City of Dorris	12	0	0.0%
City of Dunsmuir	10	0	0.0%
City of Etna	46	2	17.4%
City of Isleton	5	0	0.0%
City of Loyalton	5	0	0.0%
City of Mount Shasta	34	3	35.4%
City of Portola	11	2	72.9%
City of Shasta Lake	45	0	0.0%
City of Susanville	62	0	0.0%
City of Weed	30	0	0.0%
City of Williams	35	0	0.0%
City of Yreka	52	0	0.0%
Town of Loomis	10	0	0.0%
Q4 2010 (9/1/10-12/31/10)	367	7	Overall Utilization % total = 7.7%

What is Employee Assistance?

When managing a high-pressure job, it's not easy to deal with the demands of family and everyday life. Today's fast-paced lifestyles may make pressures and concerns seem overwhelming. Finding the time to deal with these issues may seem impossible. To address these challenges, turn to ACI EAP for personalized solutions.

The EAP is a confidential, prepaid, results-oriented service with resources designed to address everyday problems. These resources include: assessment, referral, and brief sessions with a qualified mental health professional. The EAP is designed to help employees and family members better manage life stress, overcome challenges, and enhance quality of life.

The EAP is **free**,
confidential,
easy to use,
and available to
all **family members**.

This Program is For You!

www.acispecialtybenefits.com



“ My ACI EAP counselor showed me new ways to deal with my everyday problems. Today I'm very happy, love my job, and am so grateful that the EAP was there when I needed it. ”

*Renee M.
Atlanta, GA*



800.932.0034
eap@acispecialtybenefits.com
www.acispecialtybenefits.com



employee assistance

**Confidential
professional service
for employees and
family members**



Conquer Life Challenges

The EAP is designed to help with any concern or problem affecting behavioral health, well-being, or even job performance. Typical issues may include, but are not limited to:

Relationship Issues

- Marital issues
- Family issues
- Single life
- Parenting
- Blended families
- Conflict-resolution

Legal/Financial

- Legal resources
- Financial planning
- Legal referrals
- Bankruptcy
- Credit problems
- Foreclosure

Emotional Well-being

- Depression
- Managing stress
- Coping with grief
- Managing anxiety
- Addictive disorders
- Healthy attitudes

Workplace Challenges

- Managing change
- Dealing with conflict
- Co-worker relationships
- Supervisory concerns
- Balancing work/life
- Time management



Specific benefits may vary depending on the corporate plan selected.

Services are Free

EAP services have been prepaid by your employer and are free to you. ACI or the Human Resources department can explain the specific benefit your company has selected.

Should you need help beyond the EAP, you may be referred to community and other resources. Health insurance may cover some of these costs. The EAP provider will work with you to make sure the referral is affordable and meets your needs.

Your privacy is guaranteed. ACI works in accordance with state and federal regulations including HIPAA to ensure strict confidentiality.

“ Because of the EAP, I was able to get through the workday without feeling so hopeless. The financial counselor gave me great advice to get back on my feet and work toward a better life. ”

*-Gary P.
Norfolk, VA*

EAP is Easy to Use

Simply call ACI EAP at (800) 932-0034 to speak with a professional service provider face-to-face, by phone, email, or even text! You will be asked to briefly describe your concerns so that you and the provider can develop a plan that works best for you. This plan may include assessment, brief sessions, and/or referral to other helpful resources. All contact with the EAP is strictly confidential.



For help with everyday problems

For help and information:
Contact ACI
800.932.0034
Text to 858.ACI.2094
eap@acispecialtybenefits.com



Is life moving too fast?

We're Here For You

For caring and confidential help for
personal and family problems, call:

(800) 932-0034



ACI
SPECIALTY
BENEFITS

Agenda Item F.2

Alliant Update

Information Item

Issue: Ms. Susan Adams will address the Board on Alliant matters.

Recommendation: None

Fiscal Impact: None

Background: This time is reserved for Ms. Adams to report to the Board on Alliant matters.

Attachments: CSAC EIA Symposium Invite

2011 CSAC EIA

Healthcare Symposium

Save the Date



As our country slowly emerges from the recession, public agencies continue to struggle with revenue shortfalls and budget deficits. With limited funds to cover healthcare cost increases or provide additional benefits, many employers are looking for ways to save money and reinforce the value of employee benefits they currently offer.

Join CSAC EIA and the employee benefits experts at Alliant Insurance Services for EIA's Annual Healthcare Symposium for an update on healthcare reform and to learn about the different strategies for maximizing the value of your employee benefits program during these challenging times.

Symposium Agenda

Topics to be covered during this informative, **half-day symposium** include:

- Healthcare reform action items 2011 through 2014
- Empowering employees to be accountable for their health
- Strategies for tough economic times

Symposium Registration

No Cost to Attend

To register for the Symposium, click on the location of your choice under "SYMPOSIUM DATES & LOCATIONS" below. A browser window will open for that event; follow instructions to register.

You may also register for the Symposium at the CSAC EIA web site:

- Go to the CSAC EIA web site at www.csac-eia.org
- Point to the "Meetings" tab at the top of the page
- Click on "Calendar"
- Scroll to and click on the Symposium for which you want to register
- Follow instructions to register



SYMPOSIUM DATES & LOCATIONS

Northern California

- Rancho Cordova | February 3

Sacramento Marriott Rancho Cordova
11211 Point East Drive
Rancho Cordova | (916) 638-1100

- Pleasanton | February 4

Hilton Pleasanton at the Club
7050 Johnson Drive
Pleasanton | (925) 463-8000

Southern California

- Pasadena | February 16

Hilton Pasadena
168 South Los Robles Avenue
Pasadena | (626) 577-1000

- Anaheim | February 17

Sheraton Anaheim
900 South Disneyland Drive
Anaheim | (714) 778-1700

About CSAC Excess Insurance Authority

The CSAC Excess Insurance Authority (EIA) is a member-directed joint powers authority (JPA) comprised of California public agencies dedicated to controlling losses and providing risk management and employee benefits solutions.

About Alliant Insurance Services

Alliant Insurance Services is the largest public entity brokerage firm in California, providing consulting and brokerage services and employee benefits solutions to counties, cities, and special districts statewide.



All Symposiums held from 10 a.m. to 2:30 p.m. with lunch provided.

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Agenda Item F.3

SCORE Resource Contact Guide

Information Item

Issue: Staff has created a Resource Contact Guide to help the members know who to contact in regards to SCORE resources – i.e., staff, York, etc.

Recommendation: None

Fiscal Impact: None

Background: Alliant Staff created the SCORE Resource Contact Guide to help direct the members who needs to be contacted in regards to any matters pertaining to SCORE. The Resource Contact Guide includes a brief summary of duties of each Staff and will be updated as Staff information changes.

Attachment: SCORE Resource Contact Guide

SCORE RESOURCE CONTACT GUIDE

January 2011

PROGRAM ADMINISTRATOR Alliant Insurance Services, Inc. 1792 Tribute Road, Suite 450, Sacramento, CA 95815 www.alliantinsurance.com Main: (916) 643-2700 Fax: (916) 643-2750			CLAIMS ADMINISTRATOR / LOSS CONTROL York Insurance Services Group, Inc. www.yorkisg.com P.O. Box 491749 Redding, CA 96049-1749 Main: (530) 223-2574 Fax: (530) 223-2679			P.O. Box 619058 Roseville, CA 95661-9058 Main: (916) 960-0900 Fax: (916) 783-0334		
SUBJECT	MAIN CONTACT	SUBJECT	MAIN CONTACT					
ADMINISTRATIVE ISSUES – program budget/funding, financial analysis, coordination w/ financial auditor/JPA accountant	Susan Adams Joyce Flores	ADMINISTRATIVE ISSUES – annual contracts for services	Tom Baber					
SUPERVISORAL ISSUES – project supervision, program analysis, consultant oversight	Susan Adams Mike Simmons	SUPERVISORAL ISSUES – claims administration management, oversight of safety & loss control services	Tom Baber					
RISK MANAGEMENT ISSUES – Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review	Susan Adams Jack Kastorff	CLAIMS ISSUES – LIABILITY <ul style="list-style-type: none"> ◦ Biggs, Live Oak, Loyaltan, Portola, Williams ◦ Colfax, Loomis ◦ Isleton ◦ Crescent City, Dunsmuir, Dorris, Etna, Ft. Jones, Montague, Mt. Shasta, Rio Dell, Shasta Lake, Susanville, Weed, Yreka 	Shawn Millar Craig Wheaton John Tucker Cameron Dewey					
JPA MANAGEMENT ISSUES – meeting agendas, development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance	Susan Adams Joyce Flores	CLAIMS ISSUES – WORKERS’ COMPENSATION	Bonnie Markuson Ben Burg					
COVERAGE 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	Susan Adams Kim Carter	SAFETY/LOSS PREVENTION – Development & implementation of safety programs, on-site assistance, hotline services	Jack Kastorff					
DAY TO DAY SERVICES - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs	Kim Carter Susan Adams Joyce Flores	Tom Baber (916) 746-8834 Craig Wheaton (916) 960-0988 Ben Burg (916) 960-0946 Cameron Dewey (530) 248-1414 Bonnie Markuson (530) 223-2574 Jack Kastorff (916) 783-0100 Shawn Millar (530) 230-3703 John Tucker (209) 320-0804	Tom.Baber@yorkisg.com Craig.Wheaton@yorkisg.com Ben.Burg@yorkisg.com Cameron.Dewey@yorkisg.com Bonnie.Markuson@yorkisg.com Jack.Kastorff@yorkisg.com Shawn.Millar@yorkisg.com John.Tucker@yorkisg.com					
CLAIMS ISSUES - PROPERTY	Diana Amezcua	EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA) Bickmore Risk Services 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833 Main: (916) 244-1100 Fax: (916) 244-1199 www.ermajpa.org Karen Thesing – Kthesing@brsrisk.com						
Susan Adams (916) 203-1541 Joyce Flores (916) 643-2712 Mike Simmons (925) 708-3374 Kim Carter (916) 643-2717 Diana Amezcua (949) 660-5985	sadams@alliantinsurance.com jflores@alliantinsurance.com msimmons@alliantinsurance.com kcarter@alliantinsurance.com damezcua@alliantinsurance.com	LOCAL AGENCY WORKERS’ COMPENSATION EXCESS, JPA (LAWCX) Bickmore Risk Services 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833 Main: (916) 244-1100 Fax: (916) 244-1199 www.lawcx.org Karen Thesing – Kthesing@brsrisk.com						
ACCOUNTING SERVICES Gilbert Associates, Inc. 2880 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833 Main: (916) 646-6464 Fax: (916) 929-6836 www.gilbertcpa.com Kevin Wong – Kswong@gilbertcpa.com			TARGETSAFETY 10805 Rancho Bernardo Road, Suite 200, San Diego, CA 92127 Main: (800) 840-8046 Fax: (858) 487-8762 www.targetsafety.com Amanda Goad – amadag@targetsafety.com					
EMPLOYEE ASSISTANCE PROGRAM ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240, San Diego, CA 92121 Main: (858) 452-1254 Fax: (858) 452-7819 www.acieap.com Tori Barr – Tbarr@acieap.com								

Agenda Item G.1

Quarterly Financial Statements for Quarter Ending December 31, 2010

Action Item

Issue: Each quarter the Board of Directors should review and approve the quarterly financials for accuracy.

Recommendation: Approval of the financial statements as presented.

Fiscal Impact: TBD

Background: Gilbert Associates are unable to attend the meeting; however, Mr. Kevin Wong has provided a copy of the Draft Quarterly Financials as of December 31, 2010 for Board review and approval. Staff will answer questions the Board may have in regards to the draft financials

Attachments: To be distributed at the meeting

Agenda Item G.2

Annual Audited Financial Reports for Year Ending June 30, 2009

Action Item

Issue: SCORE's financial audits for year ending June 30, 2009 should be reviewed and approved.

Recommendation: Should the Board agree that the Financial Audit are accurate, the Program Administrator recommends approval of the June 30, 2009 Financial Audit.

Fiscal Impact: None

Background: At the December 14, 2010 SCORE webinar, the Board approved the JPA's unaudited Financial Statements as of June 30, 2009. The approved unaudited financials were forwarded to MAZE and Associates, SCORE's financial auditor.

Ms. Katherine Yuen of MAZE and Associates will be at the meeting to present SCORE's financial audits for year ending June 30, 2009 and answer any questions the Board may have.

Attachments: To be distributed at the meeting

EQUITY DISTRIBUTION AND RATE STABILIZATION PLAN PRESENTATION

SCORE

December 14, 2010

GOALS



Determine Equity Distribution plan and
future rate funding levels while
maintaining financial stability of SCORE.

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OUTLINE



➤ EQUITY DISTRIBUTION

- ✓ Available Assets to Outstanding Liabilities
- ✓ Historical Funding
- ✓ Actual losses experience/actuarial projections
- ✓ Prospective Equity recommendations
- ✓ Historical Dividend distributions

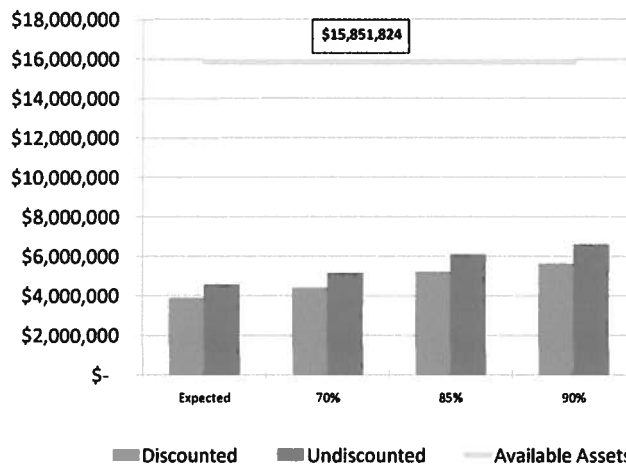
➤ RATE STABILIZATION

- ✓ Confidence Levels comparison
- ✓ Historical rates and funding
- ✓ Rate Reduction Savings Exhibits 1-3
- ✓ Determine future funding levels

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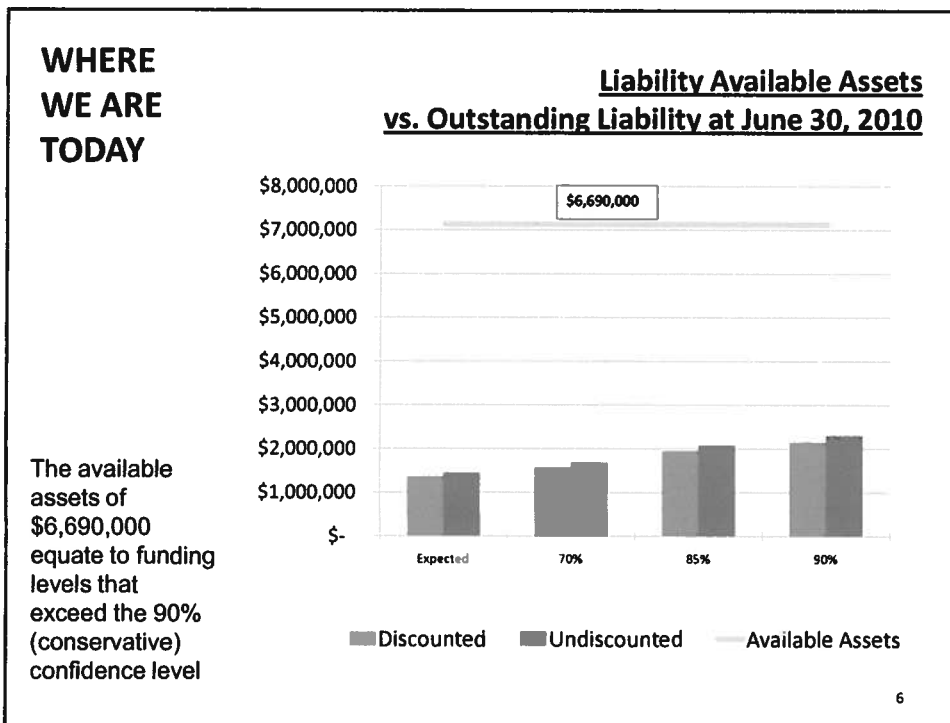
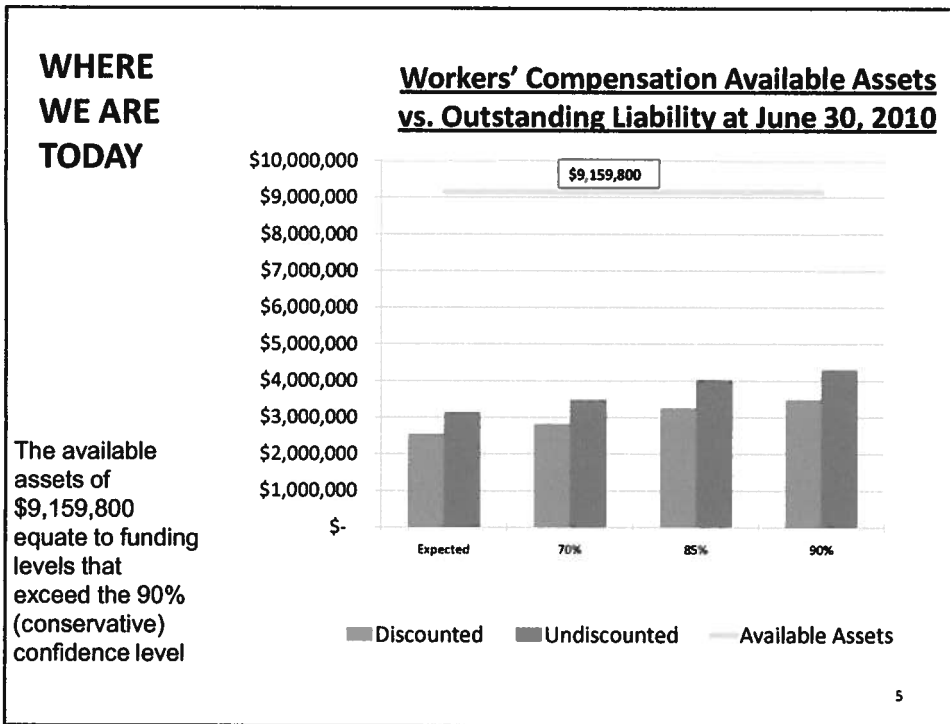
WHERE WE ARE TODAY

Combined Funds Available Assets vs. Outstanding Liability at June 30, 2010



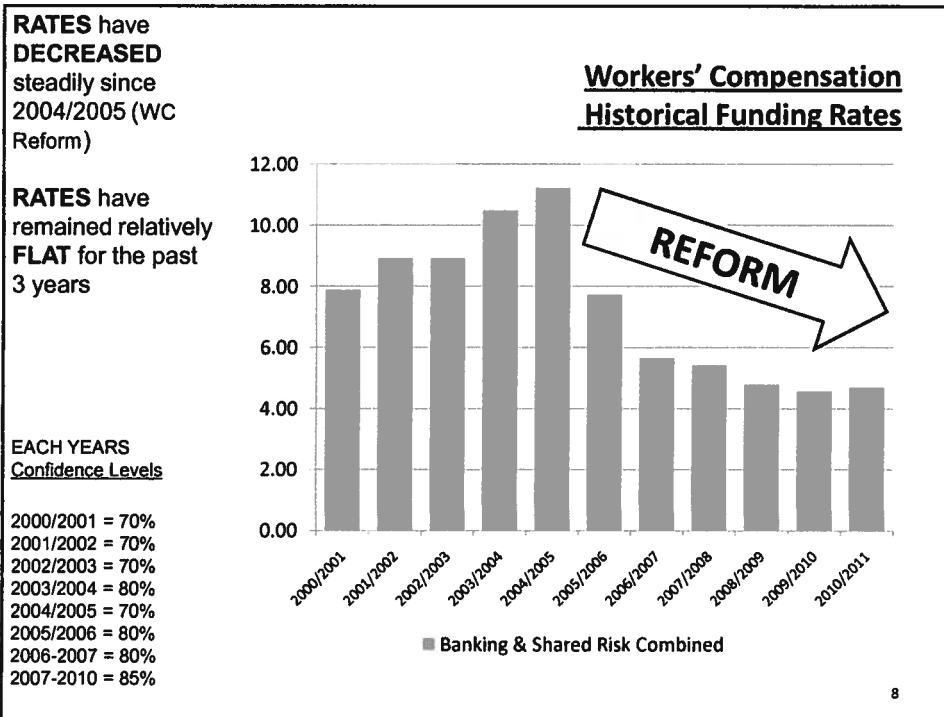
The available assets of \$15,851,824 equate to funding levels that exceed the 90% (conservative) confidence level

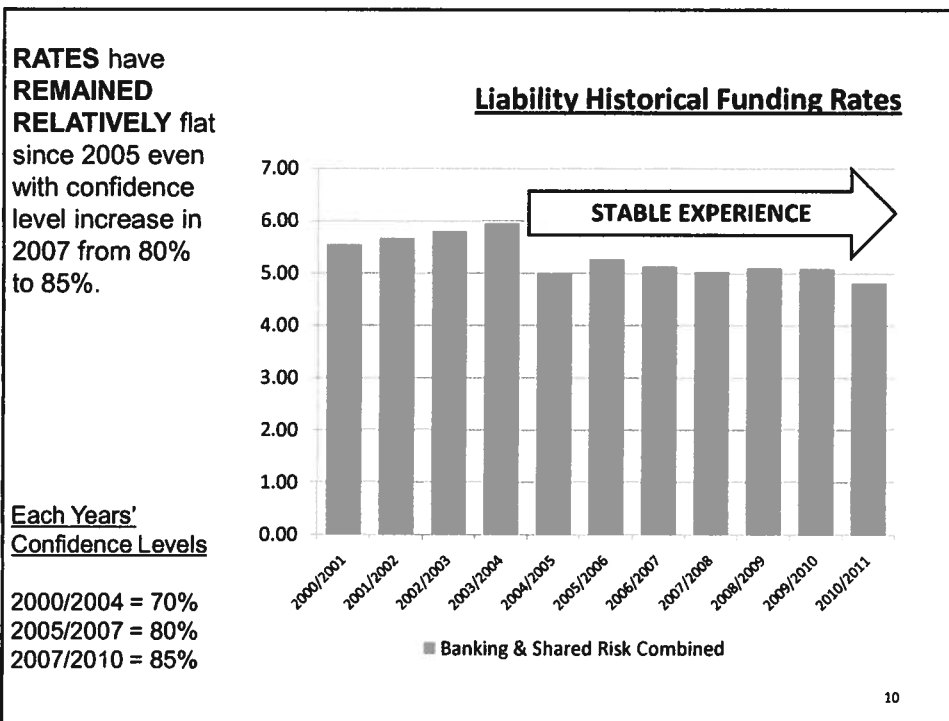
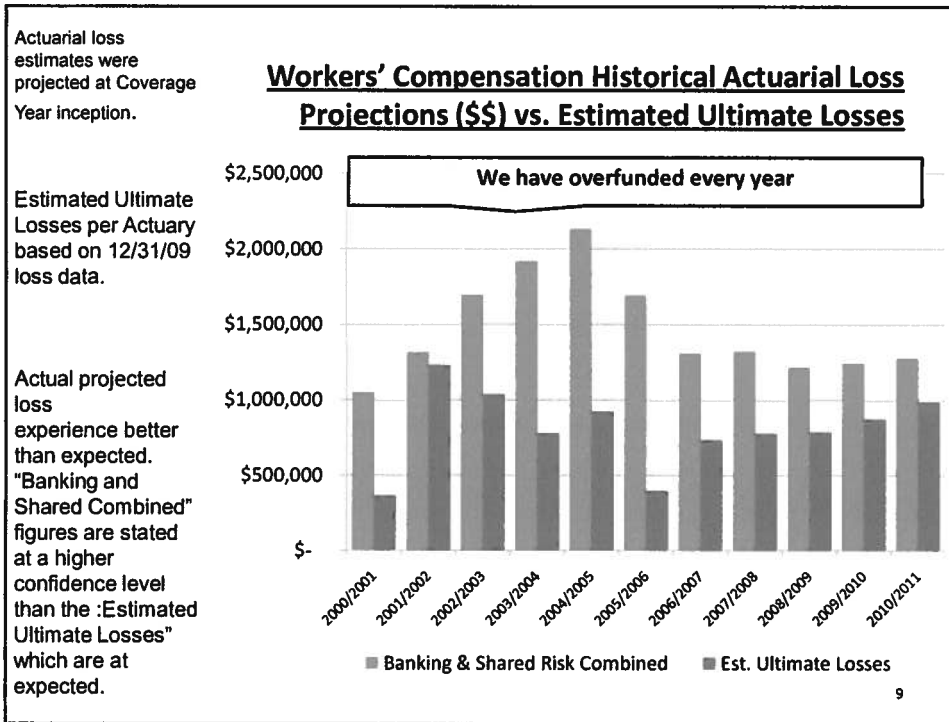
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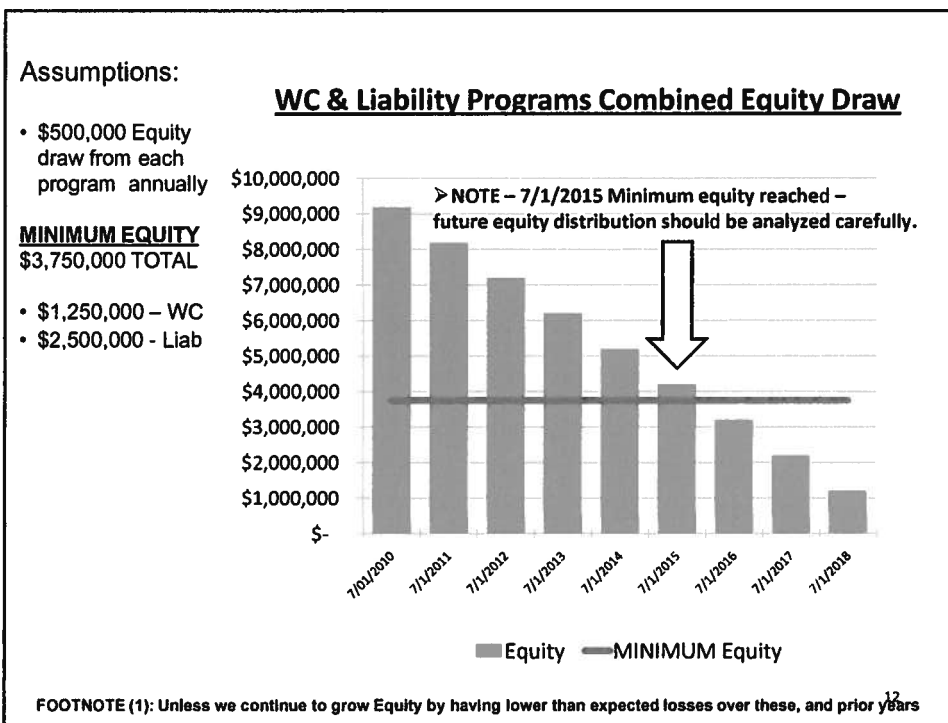
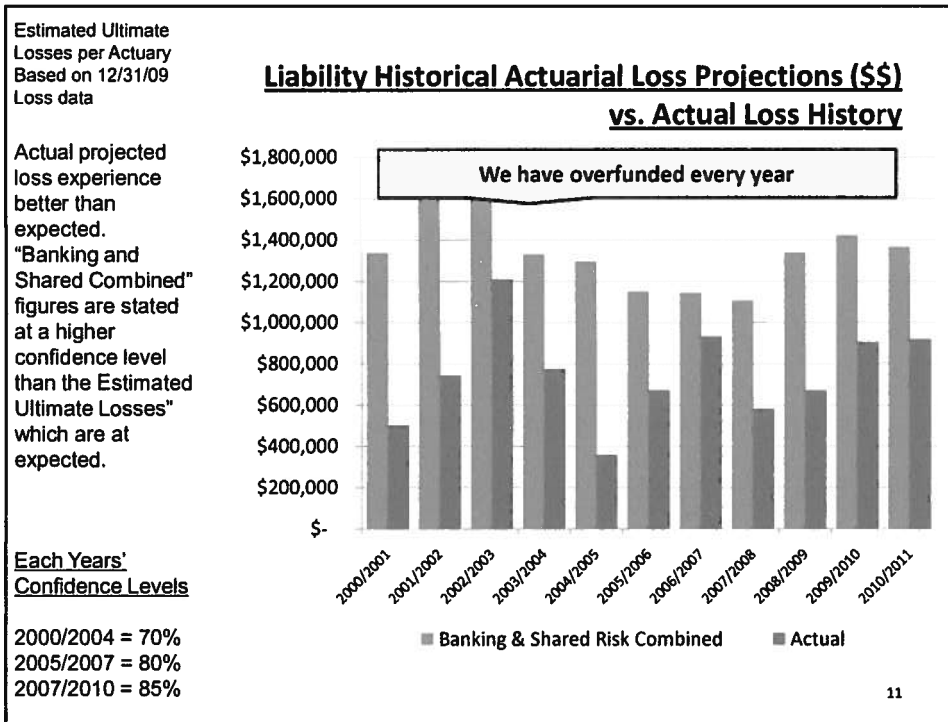


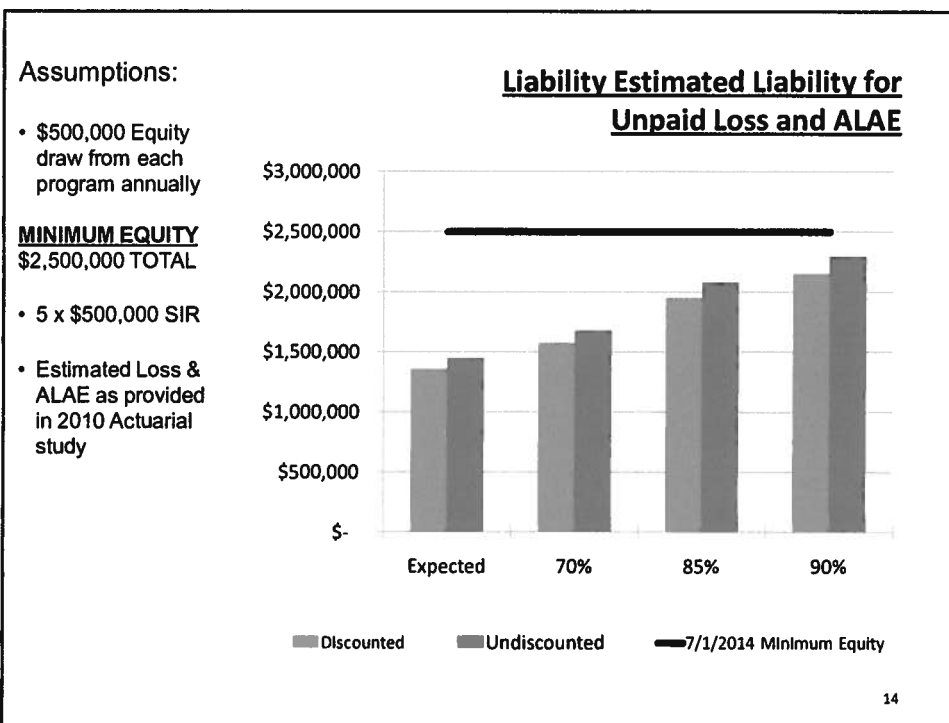
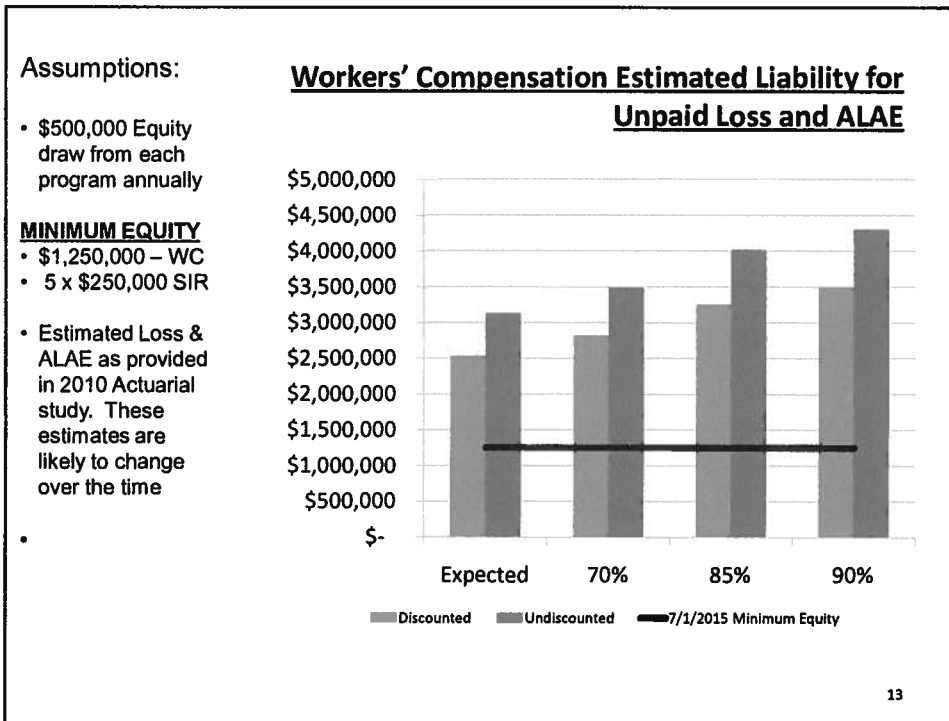
WHY DO WE HAVE SOME MUCH EQUITY?

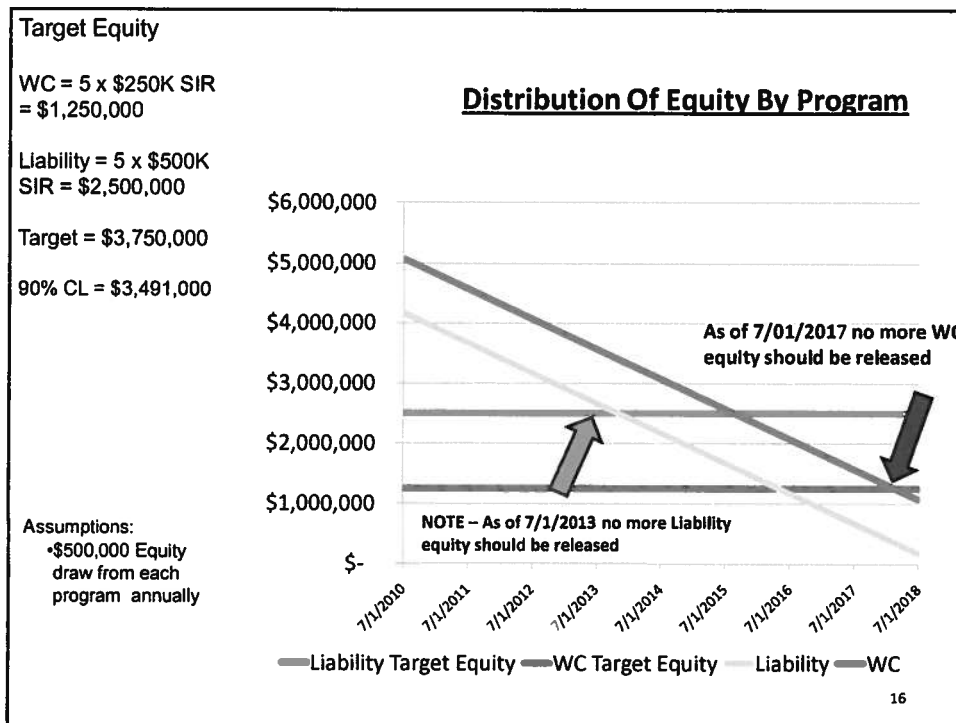
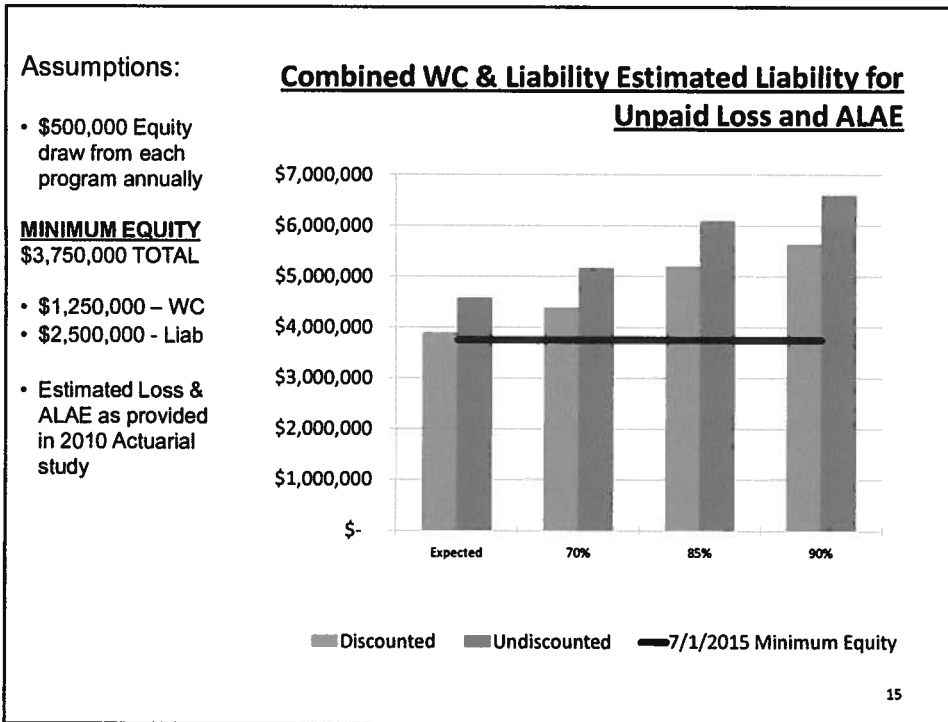
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Historical Distribution Of Equity

FISCAL YEAR	LIABILITY	WORKERS' COMPENSATION	TOTAL
2001/2002	\$116,310	\$0	\$116,310
2002/2003	\$965,920	\$0	\$965,920
2003/2004	\$19,089	\$329,228	\$348,317
2004/2005	\$1,191,215	\$805,167	\$1,996,372
2005/2006	\$302,805	\$886,932	\$1,189,737
2007/2008	\$658,883	\$504,144	\$1,163,027
2009/2010	\$984,499	\$983,268	\$1,967,767
TOTAL			\$7,747,450

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Estimated Equity Distribution by Member Liability and Workers' Compensation

	Liability	Workers' Comp.	Total
Biggs	\$14,400	\$7,100	\$21,500
Colfax	\$0	\$19,000	\$19,000
Crescent City	\$82,500	\$34,000	\$116,500
Dorris	\$15,000	\$2,000	\$17,000
Dunsmuir	\$0	\$9,000	\$9,000
Etna	\$0	\$1,200	\$1,200
Fort Jones	\$15,500	\$5,100	\$20,600
Ione	\$0	\$12,000	\$12,000
Isleton	\$17,500	\$0	\$17,500
Live Oak	\$20,400	\$6,000	\$26,400
Loomis	\$0	\$28,500	\$28,500
Loyalton	\$19,500	\$0	\$19,500
Montague	\$12,000	\$1,200	\$13,100
Mt. Shasta	\$26,000	\$33,000	\$59,000
Portola	\$0	\$21,000	\$21,000
Rio Dell	\$0	\$8,500	\$8,500
Shasta Lake	\$64,000	\$79,500	\$143,500
Susanville	\$77,000	\$100,000	\$177,000
Weed	\$18,500	\$32,500	\$51,000
Williams	\$38,500	\$26,500	\$65,000
Yreka	\$79,200	\$74,000	\$153,200
Total:	\$500,000	\$500,000	\$1,000,000

ESTIMATED EQUITY DISTRIBUTION
based on 2010 Dividend distribution.

Note – these estimates will change based on actual loss experience used in the calculation

SUMMARY

Approve the concept of '3/5' year distribution plan.

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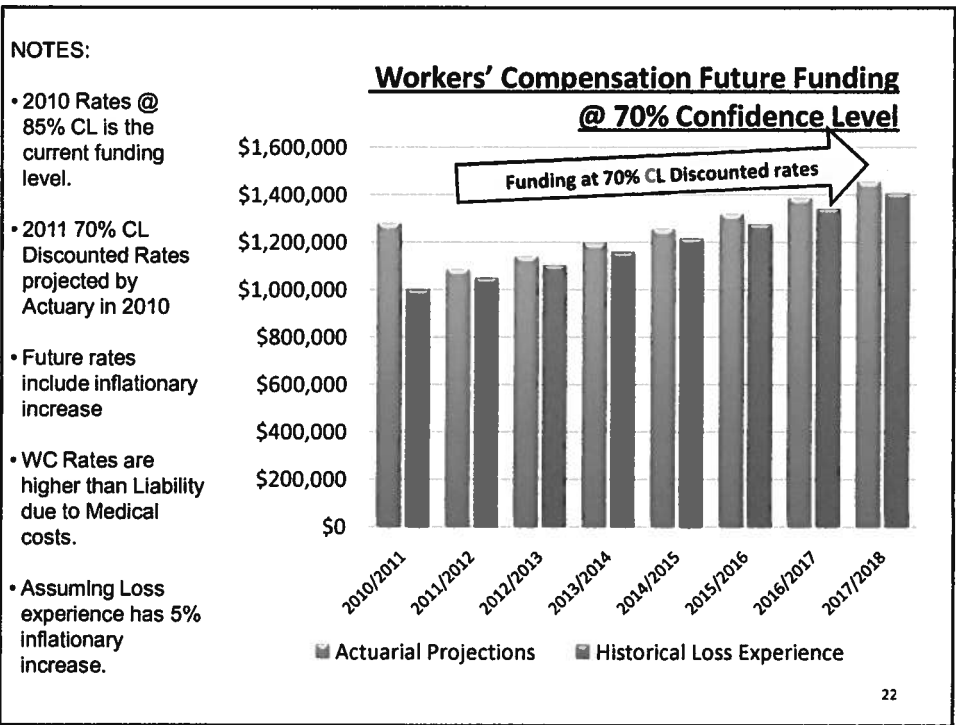
Questions / Discussion



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RATE STABILIZATION

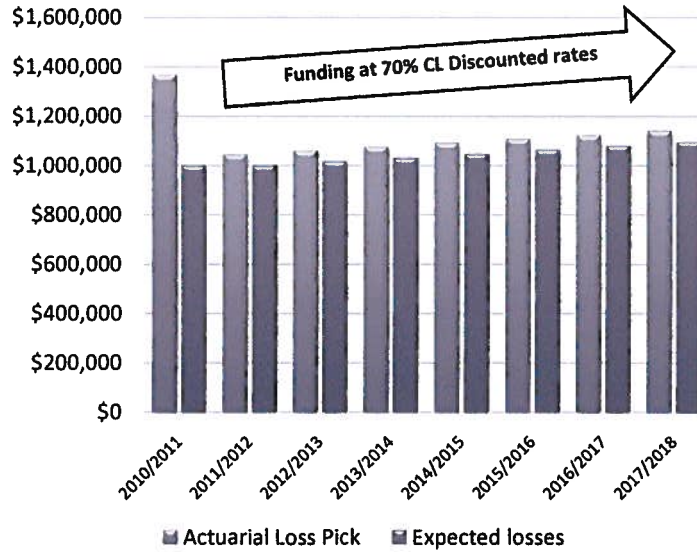
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NOTES:

- 2010 Rates @ 85% CL is the current funding level.
- 2011 70% CL Discounted Rates projected by Actuary in 2010
- Future rates include inflationary increase
- WC Rates are higher than Liability due to Medical costs.

Liability Future Funding @ 70% Confidence Level



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2010/2011 Actuarial Funding estimates shown at different confidence levels

Funding at Various Confidence Levels

	Expected	70%	85%
LIABILITY	\$1,252,229	\$1,411,040	\$1,718,382
WORKERS' COMPENSATION	\$1,435,584	\$1,569,963	\$1,795,527
TOTAL	\$2,687,813	\$2,981,003	\$3,513,909

Funding Difference in Confidence Levels

85% - 70% = \$532,906 or 15.16% reduction
 85% - Expt = \$826,096 or 25.40% reduction

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**ESTIMATED
PREMIUM
SAVINGS**

based on
2010/2011
Actuarial
Funding
estimates
shown at
different
confidence
levels and
current payroll.

**Rate Reduction Exhibit 1
Members' Liability Estimated Premiums**

Liability	85%	Expected	Total Savings
Biggs	\$34,815	\$26,687	\$8,128
Colfax	\$51,515	\$38,142	\$13,373
Crescent City	\$171,666	\$122,515	\$49,151
Dorris	\$20,000	\$20,000	\$0
Dunsmuir	\$41,292	\$30,868	\$10,425
Etna	\$27,788	\$21,711	\$6,077
Fort Jones	\$20,000	\$20,000	\$0
Isleton	\$44,788	\$33,454	\$11,334
Live Oak	\$92,783	\$66,639	\$26,144
Loomis	\$59,928	\$44,187	\$15,741
Loyalton	\$23,396	\$20,000	\$3,396
Montague	\$25,694	\$20,240	\$5,454
Mt. Shasta	\$158,634	\$111,438	\$47,196
Portola	\$52,542	\$39,108	\$13,434
Rio Dell	\$51,445	\$38,463	\$12,982
Shasta Lake	\$232,503	\$163,924	\$68,579
Susanville	\$194,413	\$139,076	\$55,337
Weed	\$127,640	\$90,194	\$37,446
Williams	\$103,994	\$74,657	\$29,337
Yreka	\$183,548	\$130,928	\$52,621
Total:	\$1,718,382	\$1,252,229	\$466,153

**ESTIMATED
PREMIUM
SAVINGS**

based on
2010/2011
Actuarial
Funding
estimates
shown at
different
confidence
levels and
current payroll.

**Rate Reduction Exhibit 1A
Members' Liability Estimated Premiums**

Liability	85%	70%	Total Savings
Biggs	\$34,815	\$29,471	\$5,344
Colfax	\$51,515	\$42,722	\$8,792
Crescent City	\$171,666	\$139,351	\$32,315
Dorris	\$20,000	\$20,000	\$0
Dunsmuir	\$41,292	\$34,438	\$6,854
Etna	\$27,788	\$23,792	\$3,995
Fort Jones	\$20,000	\$20,000	\$0
Isleton	\$44,788	\$37,336	\$7,451
Live Oak	\$92,783	\$75,594	\$17,189
Loomis	\$59,928	\$49,579	\$10,349
Loyalton	\$23,396	\$20,298	\$3,098
Montague	\$25,694	\$22,108	\$3,586
Mt. Shasta	\$158,634	\$127,604	\$31,029
Portola	\$52,542	\$43,710	\$8,832
Rio Dell	\$51,445	\$42,910	\$8,535
Shasta Lake	\$232,503	\$187,415	\$45,088
Susanville	\$194,413	\$158,031	\$36,382
Weed	\$127,640	\$103,021	\$24,619
Williams	\$103,994	\$84,706	\$19,288
Yreka	\$183,548	\$148,952	\$34,596
Total:	\$1,718,382	\$1,411,040	\$307,342

ESTIMATED SAVINGS based on 2010/2011 Actuarial Funding estimates shown at different confidence levels and current payroll.

Rate Reduction Exhibit 2

Members' Workers' Compensation Estimated Premiums

Liability	85%	Expected	Total Savings
Biggs	\$24,515	\$19,849	\$4,666
Colfax	\$34,755	\$28,140	\$6,615
Crescent City	\$267,876	\$212,317	\$55,559
Dorris	\$8,030	\$6,502	\$1,528
Dunsmuir	\$42,523	\$36,435	\$6,088
Etna	\$16,727	\$13,543	\$3,184
Fort Jones	\$8,305	\$6,724	\$1,581
Isleton	\$0	\$0	\$0
Live Oak	\$85,036	\$69,482	\$15,554
Loomis	\$46,036	\$37,274	\$8,762
Loyalton	\$0	\$0	\$0
Montague	\$14,657	\$11,867	\$2,790
Mt. Shasta	\$146,275	\$117,397	\$28,878
Portola	\$41,228	\$33,381	\$7,847
Rio Dell	\$42,965	\$34,788	\$8,178
Shasta Lake	\$206,825	\$164,801	\$42,023
Susanville	\$294,329	\$232,698	\$61,631
Weed	\$137,879	\$109,844	\$28,035
Williams	\$122,105	\$98,112	\$23,993
Yreka	\$255,460	\$202,430	\$53,030
Total:	\$1,795,527	\$1,435,584	\$359,943

ESTIMATED SAVINGS based on 2010/2011 Actuarial Funding estimates shown at different confidence levels and current payroll.

Rate Reduction Exhibit 2A

Members' Workers' Compensation Estimated Premiums

Liability	85%	70%	Total Savings
Biggs	\$24,515	\$21,591	\$2,924
Colfax	\$34,755	\$30,609	\$4,145
Crescent City	\$267,876	\$233,059	\$34,817
Dorris	\$8,030	\$7,072	\$958
Dunsmuir	\$42,523	\$38,708	\$3,815
Etna	\$16,727	\$14,732	\$1,995
Fort Jones	\$8,305	\$7,314	\$991
Isleton	\$0	\$0	\$0
Live Oak	\$85,036	\$75,289	\$9,747
Loomis	\$46,036	\$40,546	\$5,491
Loyalton	\$0	\$0	\$0
Montague	\$14,657	\$12,908	\$1,748
Mt. Shasta	\$146,275	\$128,178	\$18,097
Portola	\$41,228	\$36,311	\$4,917
Rio Dell	\$42,965	\$37,841	\$5,125
Shasta Lake	\$206,825	\$180,490	\$26,335
Susanville	\$294,329	\$255,707	\$38,622
Weed	\$137,879	\$120,310	\$17,569
Williams	\$122,105	\$107,069	\$15,036
Yreka	\$255,460	\$222,228	\$33,232
Total:	\$1,795,527	\$1,569,963	\$225,564

ESTIMATED PREMIUM SAVINGS
based on 2010/2011 Actuarial Funding estimates shown at different confidence levels and current payroll

Rate Reduction Exhibit 3
Combined Liability and WC Estimated Premiums

Liability	85%	Expected	Total Savings
Biggs	\$59,330	\$46,536	\$12,794
Colfax	\$86,269	\$66,281	\$19,988
Crescent City	\$439,542	\$334,832	\$104,710
Dorris	\$28,030	\$26,502	\$1,528
Dunsmuir	\$83,816	\$67,302	\$16,513
Etna	\$44,515	\$35,254	\$9,260
Fort Jones	\$28,305	\$26,724	\$1,581
Isleton	\$44,788	\$33,454	\$11,334
Live Oak	\$177,819	\$136,121	\$41,698
Loomis	\$105,965	\$81,461	\$24,503
Loyalton	\$23,396	\$20,000	\$3,396
Montague	\$40,351	\$32,107	\$8,244
Mt. Shasta	\$304,909	\$228,835	\$76,074
Portola	\$93,770	\$72,489	\$21,281
Rio Dell	\$94,411	\$73,251	\$21,160
Shasta Lake	\$439,328	\$328,726	\$110,602
Susanville	\$488,742	\$371,774	\$116,968
Weed	\$265,519	\$200,038	\$65,481
Williams	\$226,099	\$172,769	\$53,330
Yreka	\$439,008	\$333,358	\$105,651
Total:	\$3,513,909	\$2,687,813	\$826,096

ESTIMATED PREMIUM SAVINGS
based on 2010/2011 Actuarial Funding estimates shown at different confidence levels and current payroll

Rate Reduction Exhibit 3A
Combined Liability and WC Estimated Premiums

Liability	85%	70%	Total Savings
Biggs	\$59,330	\$51,062	\$8,268
Colfax	\$86,269	\$73,332	\$12,937
Crescent City	\$439,542	\$372,410	\$67,132
Dorris	\$28,030	\$27,072	\$958
Dunsmuir	\$83,816	\$73,146	\$10,669
Etna	\$44,515	\$38,524	\$5,990
Fort Jones	\$28,305	\$27,314	\$991
Isleton	\$44,788	\$37,336	\$7,451
Live Oak	\$177,819	\$150,883	\$26,936
Loomis	\$105,965	\$90,124	\$15,840
Loyalton	\$23,396	\$20,298	\$3,098
Montague	\$40,351	\$35,017	\$5,334
Mt. Shasta	\$304,909	\$255,782	\$49,126
Portola	\$93,770	\$80,020	\$13,750
Rio Dell	\$94,411	\$80,751	\$13,660
Shasta Lake	\$439,328	\$367,905	\$71,422
Susanville	\$488,742	\$413,738	\$75,004
Weed	\$265,519	\$223,331	\$42,188
Williams	\$226,099	\$191,775	\$34,324
Yreka	\$439,008	\$371,180	\$67,828
Total:	\$3,513,909	\$2,981,003	\$532,906

RATE STABILIZATION SUMMARY

Approve 70% confidence level
funding level for future years.

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Questions / Discussion



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SUMMARY

1. Equity distribution plan of \$500,000 per program or \$1,000,000 annually.
2. Rate Stabilization program reduces rate funding by approximately \$500,000.

OVERALL MEMBERS SAVINGS
\$1,500,000.

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NEXT STEPS – ACTION PLAN

For January 28, 2011 Board Meeting:

1. Present 5 year Equity Distribution Plan for Board approval.
2. Present individual members 5 year rate estimates for review.
3. Amend ByLaws – Master Plan Documents
 - a) Restrospective Adjustments
 - b) Deposit Premium Calculations
4. Amend Target Equity/Return of Equity Policy Statement

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Agenda Item G.3.b

Approval of a Three / Five-Year Target Equity Distribution Plan

Action Item

Issue: The SCORE Workers' Compensation and Liability Programs have historically been very conservatively funded to assure adequate reserves for payment of future anticipated losses. Based on the current trending of losses, the Board's funding philosophy has developed an excess of funds that can now, carefully be released back to most Members (those not experiencing more than average adverse losses). The SCORE Board should consider approving a Three/Five Year Equity Distribution Plan.

Recommendation: Approval of the annual Equity Distribution Plan as presented:ⁱ

1. Distribute \$500,000 from the Liability plan in years 2011/2012; 2012/2013 and 2013/2014.
2. Distribute \$500,000 from the Workers' Compensation plan to its' members in years 2011/2012; 2012/2013; 2013/2014; 2014/2015 and 2015/2016.
3. If a member has a negative balance in any of their current plan, this distribution will be applied against the negative balance until such time as it exhausted.
4. Released of equity may be returned via check or credited against future year's contributions (or other approved expenses that fall within Plans developed by SCORE)ⁱⁱ
5. Master Plan documents will be brought to the next Board meeting with these changes for approval.

Fiscal Impact: Distribution of \$500,000 from the Liability plan equity for the next three years ending 6/30/14, and \$500,000 from the Workers' Compensation equity plan for the next 5 years or ending 6/30/16.

Background: Beginning at the October 14, 2010 SCORE Strategic Planning Session, discussion involved how to retain membership in SCORE by assisting members with their financial needs. A few of the members had received indications of pricing from other JPA's that were financially advantageous to SCORE's current contribution pricing. The following day, at the Board Meeting, SCORE's accountant Gilbert and Associates advised the Board that available assets as of 6/30/10 were \$13,950,501. Discussion resolved to find ways to provide the Board with an Equity Distribution Plan for a board meeting to be held in December, allowing members time to review prior to SCORE's withdrawal notice date of 12/31/10.

At the December 14, 2010 SCORE webinar, Ms. Adams provided the Board with a presentation titled "*SCORE's Equity Distribution and Rate Stabilization Plan*". At that time, Staff stated that SCORE's total available assets are \$15,851,824 as of June 30, 2010. **(As of 9/30/10 the available assets are now \$16,632,020).**

SCORE currently funds at the 85% confidence level; however, the JPA is well funded over the 90% confidence level. During the webinar, Ms. Adams presented the Board with a 3 to 5 year equity distribution plan for both the Liability and Worker's Compensation plans.

Agenda Item G.3.b
Continued

The minimum equity that is recommended to be retained is 5 times the SIR's of each program. For the Liability program would be 5 times \$500,000 SIR = \$2,500,000. For the Workers' Compensation program staff is recommending retaining 5 times a \$250,000 SIR = \$1,250,000 rather than the current \$150,000 as it is most likely that SCORE will increase their SIR to \$250,000 during the next 5 years.

The Board should discuss in greater detail and direct Staff how to distribute the equity from the JPA's funds.

Attachment: None

^{i.} This "Plan" is of course subject to review, and modification by the Board, as required, to assure that proper funding of all SCORE Programs continues

^{ii.} The Board should discuss whether or not to develop a loss control/safety Plan that permits members to utilize these funds for Services, Equipment, Training or Projects that members which to implement and lead to the mitigation of risk.

Agenda Item G.3.c

Approval of Banking and Shared Risk Funding Levels

Action Item

Issue: For the past 10+ years, SCORE has funded at the actuarially determined 80 and 85% Confidence Level both for Prior and Future claims years. Claims have not developed at this high level, so historically SCORE's WC and Liability Programs have been very conservatively funded, assuring more than adequate reserves for payment of future anticipated losses. The Board's funding philosophy has developed an excess of funds; and the prior agenda item address the release of those funds back to Members that qualify.

This agenda item address how, as a result, ALL Members can benefit from lower funding for future Program Years (as long as these loss trends continue to fall at lower levels). The SCORE Board should decide to approve new funding levels for the Banking and Shared Risk Layers contributions.

Recommendation: Approval of a reduction of funding for both the WC and Liability Programs, (and both the Banking and Shared Risk layers) to a 70% / Discounted actuarially determined level from the current 85% level.ⁱⁱⁱ Master Plan documents will be brought to the next Board meeting with these changes for approval.

Fiscal Impact: Contribution *savings* of approximately 15% at the 70% confidence level and 25% at expected confidence level for the 2011/2012 coverage period.

Background: At the October 14, 2010 SCORE Strategic Planning Session, discussion was held as respects how to retain membership in SCORE by assisting members with their financial needs. A few of the members had received indications of pricing from other JPA's that were financially advantageous to SCORE's current contribution pricing. The following day, at the Board Meeting, SCORE's accountant Gilbert and Associates advised the Board that the available assets as of 6/30/10 were \$13,950,501. Discussion was held with the Board members and staff was directed to provide the Board with a Rate Stabilization plan for a board meeting to be held in December, prior to the withdrawal notice date of 12/31/10.

SCORE is very well funding in excess of 90% of their expected losses. **(As of 9/30/10, SCORE has equity of \$16,632,020).** At the December 14, 2010 SCORE webinar, Ms. Adams gave a presentation on a Rate Stabilization Plan. SCORE currently funds at the 85% confidence level.

During the webinar, Ms. Adams presented the Board with the financial impact of contribution savings at 70% confidence level and sent the members the financial savings at expected funding level. The Board should discuss in greater detail and decide what confidence level they would like to fund the 2011/2012 Fiscal Year contributions at.

Attachment: None

ⁱⁱⁱ. This Funding Level (of 70%) is of course subject to review, and modification by the Board, as required, to assure that proper funding of all SCORE Programs continues

Agenda Item G.3.d

Other Issues
(Resulting from an Equity Distribution Plan)

Action Item

Issue: The development of these changes in SCORE's Programs Equity has brought to light a number of potential issues to be discussed by the Board in the coming month(s). Originally, the Board started this process due to Ione leaving the Authority, and the two other Members stating that they too, needed to evaluate all other cost effective options for their cities. One key issue involves the timing for collection of funds FROM a Terminated Member; under Article VI Members' Responsibilities, the By-Laws only state that a past Member of the Authority is responsible for losses and cost, but not WHEN and HOW they pay monies due.

Now, two other Members have given notice, and may leave, but are still eligible for the return of Plan Equity. This was how SCORE was established, and likely changes can only be made on a go forward basis. But, there are a number of key issues to address as we move forward; we don't want to return money to a Member only to have it owed back to the Authority a year later due to claims development and NOT be able to collect it. Each Member is responsible by "contract" to pay their liabilities, but as the adage goes, "you can't get blood from a turnip".

Recommendation: Consider establishing an Ad Hoc committee to vet this issue, or ask the Executive Committee to take on this process in the coming months; determine a timeline for addressing the issues that are (may) develop so that all current Members are properly noticed of the potential changes that may impact their participation and access to funds due to them, or owed by them. (If changes are to be proposed to the By-Laws, this committee may want to address these issues to be in compliance with the 30-day (advance of Board meeting) notice requirement.

Fiscal Impact: None, if all Members meet their financial obligations to the organization.

Background: It clear that a Shared Risk "pool" has assets and liabilities made up of its Members and the each has an "ownership share" of this Balance Sheet. Although all Members should be well aware that they are participating in a "pool" made up of their contributions, SCORE's documentation of WHEN and HOW funds are due and payable may not be as clear since we are just now experiencing Members leaving the Authority.

The City of Ione left in July 2010 owing SCORE monies for their Banking Layer claims. A repayment schedule was then negotiated.

Based on the action taken at today's Board meeting on the prior items, Members may now leave SCORE and a Equity Distribution Plan is in place that returns monies to them that were previously used to "bolster the overall financials" of the organization. It is important to realize that claims have a historic pattern of developing in unpredictable ways; i.e., tomorrow we could get five claims from a city that left last year and face the need to collect their Banking Layer back from them, and paying shares of their losses AFTER we have released funds.

**Agenda Item G.3.d
Continued**

Pools have managed this issue in a variety of ways; some have a policy that says, “if you leave, you still owe monies, but you have no rights to funds in the Shared Layer.”

Other pools go so far as to require departing Members to take their open claims with them. ALL these issues should be vetted by the Board to assure that SCORE, the “pooling” organization is well protected as an ongoing concern.

Attachment: None

Agenda Item G.4

Employment Assistance Program (EAP) Premium Calculation Adjustment

Action Item

Issue: The 2010-11 Budget included a charge of \$20,169 for the EAP Program. Pricing has been corrected to reflect actual usage by member.

Recommendation: Program Administrator will seek recommendation from the Board regarding how to administer the difference.

Fiscal Impact: Return of \$9,710 to SCORE at its entirety.

Background: At the June 25, 2010 Board of Directors meeting, a motion was made to approve the 2010-2011 SCORE budget and have the Employee Assistance Program with ACI Benefits be invoiced separately per city; however, invoices were included a charge per member. Because the EAP does not renew until September 15th, the number of cities interested in renewing and current number of employees were updated after the budget was approved. Staff surveyed all SCORE members and as a result, not all members wanted to renew. All cities also submitted an updated number of employee list. Staff submitted the new information to ACI and received a reduced fee of \$9,909.

Attachments: EAP Calculation per Member

SMALL CITIES ORGANIZED RISK EFFORT
SUMMARY OF DEPOSITS BY CITY
July 1, 2010 to June 30, 2011

Member Entity	Liability Program Contribution	EPLI Coverage	Workers' Compensation Contribution	Property Premium	EAP	Total Deposit for Fiscal Year	Total Deposit for Prior Year	Percentage Change	Deposit Due July 1, 2010	Quarterly Installments	Previously Billed	Difference Due Members (\$)
Biggs	\$34,437	\$0	\$24,330	\$3,846	\$243	\$62,855	\$63,355	-1%	\$44,608	\$6,082	\$ 63,148	\$ (293)
Colfax	\$51,094	\$3,498	\$34,491	\$11,065	\$27	\$100,175	\$95,762	5%	\$74,307	\$8,623	\$ 100,801	\$ (626)
Crescent City	\$170,750	\$33,712	\$266,710	\$42,515	\$0	\$513,687	\$464,260	11%	\$313,654	\$66,677	\$ 515,701	\$ (2,014)
Dorris	\$20,000	\$808	\$7,969	\$3,269	\$324	\$32,370	\$31,834	2%	\$26,393	\$1,992	\$ 32,107	\$ 263
Dunsmuir	\$40,922	\$0	\$41,970	\$5,976	\$270	\$89,139	\$99,907	-11%	\$57,661	\$10,493	\$ 89,765	\$ (626)
Etna	\$27,443	\$0	\$16,600	\$6,003	\$1,242	\$51,288	\$52,617	-3%	\$38,838	\$4,150	\$ 50,493	\$ 795
Fort Jones	\$20,000	\$0	\$8,242	\$5,533	\$0	\$33,775	\$30,256	12%	\$27,594	\$2,060	\$ 33,838	\$ (63)
Ione						\$0						\$ -
Isleton	\$44,391	\$0	\$0	\$0	\$135	\$44,526	\$47,470	-6%	\$44,526		\$ 44,759	\$ (233)
Live Oak	\$92,237	\$6,472	\$84,304	\$13,435	\$0	\$196,448	\$194,383	1%	\$133,220	\$21,076	\$ 197,686	\$ (1,239)
Loomis	\$59,459	\$0	\$45,688	\$2,968	\$270	\$108,386	\$105,369	3%	\$74,120	\$11,422	\$ 108,899	\$ (513)
Loyalton	\$23,063	\$0	\$0	\$10,888	\$135	\$34,085	\$35,507	-4%	\$34,085		\$ 34,259	\$ (174)
Montague	\$25,357	\$0	\$14,546	\$7,609	\$0	\$47,512	\$45,896	4%	\$36,602	\$3,636	\$ 47,934	\$ (423)
Mt. Shasta	\$157,954	\$16,174	\$145,442	\$5,005	\$918	\$325,493	\$325,311	0%	\$216,411	\$36,361	\$ 326,038	\$ (545)
Portola	\$52,093	\$4,149	\$40,916	\$3,562	\$297	\$101,017	\$99,244	2%	\$70,330	\$10,229	\$ 101,448	\$ (431)
Rio Dell	\$50,989	\$4,324	\$42,640	\$7,938	\$0	\$105,892	\$106,509	-1%	\$73,912	\$10,660	\$ 106,640	\$ (748)
Shasta Lake	\$231,461	\$18,351	\$205,731	\$40,570	\$1,215	\$497,328	\$476,640	4%	\$343,030	\$51,433	\$ 498,172	\$ (844)
Susanville	\$193,349	\$37,751	\$293,080	\$17,526	\$1,674	\$543,380	\$605,386	-10%	\$323,570	\$73,270	\$ 543,941	\$ (561)
Weed	\$127,038	\$0	\$137,143	\$5,298	\$810	\$270,288	\$255,264	6%	\$167,431	\$34,286	\$ 270,773	\$ (485)
Williams	\$103,388	\$7,902	\$121,350	\$7,537	\$945	\$241,123	\$237,144	2%	\$150,110	\$30,338	\$ 241,493	\$ (370)
Yreka	\$182,578	\$16,641	\$254,373	\$18,208	\$1,404	\$473,205	\$510,986	-7%	\$282,425	\$63,593	\$ 473,786	\$ (582)
Total:	\$1,708,001	\$149,782	\$1,785,527	\$218,751	\$9,909	\$3,871,970	\$3,883,100	0%	\$2,532,825	\$446,382	\$3,881,681	\$ (9,710)

Agenda Item G.5

Recommended Investment Policy Change

Action Item

Issue: Chandler Asset Management, SCORE's Investment Manager is recommending that SCORE revise their Investment Policy to shorten the duration of the portfolio..

Recommendation: Program Administrator recommends approval of the revised SCORE Investment Policy.

Fiscal Impact: TBD

Background: SCORE's current Investment Policy states that "the duration of the portfolio shall at all times be approximately equal to the duration of an index of US Treasury and Federal Agency Securities which maturities which meet the Authority's needs for cash flow and level of risk tolerance (the Benchmark Index) plus or minus 10%.

SCORE's investment Manager, Chandler Asset Management has contact the program administrator and advised us of the following:

*"Principal preservation is a primary objective of local agency operating reserve investment policies, as well as California State Code, and is one of the foundations Chandler Asset Management applies to the investment portfolios that we manage. **The current market environment has created a situation where the opportunity for return and income are not in balance with the risk to principal if interest rates rise in the near term.***

*Fixed income portfolio returns are comprised of income and changes in principal value as interest rates move. Typically income goes a long way in offsetting principal value declines when interest rates rise. **In the current extraordinarily low interest rate environment an imbalance exists where the income is much less effective in offsetting the impact of rising rates. To help mitigate the potential risk of an increase in rates, we believe that we can effectively reduce the impact of an increase in rates by shortening duration more than we typically would while working to maintain the portfolio income levels as high as possible.***

Your investment policy states that the portfolio duration should be managed within 10% of the benchmark duration. Under current market conditions we believe that having more flexibility to manage the portfolio duration lower than the current policy limitation is in your best interest. This shortening of duration is an effort to manage the unbalanced risk of the exceptionally low interest rate environment, as opposed to an attempt to anticipate specific changes in interest rates. As market conditions change and income levels become more balanced with the effects of duration, we expect to move the portfolio duration into a more typical range around the benchmark duration."

Attachments: Red Lined Revised Investment Policy – page 7 Mitigating Market Risk in the Portfolio

**SMALL CITIES ORGANIZED RISK EFFORT
JOINT POWERS AUTHORITY
(SCORE)**

INVESTMENT POLICY

ADOPTED 1-27-06

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:

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%	20%
4. Negotiable Certificates of Deposit	A-1 or P-1 or F-1 or AA	3 years	30%	\$1,000,000
5. Bankers Acceptances	A-1, P-1 or F-1	180 days	30%	\$1,000,000
6. Commercial Paper	A-1, P-1 or F-1	270 days	25%	\$1,000,000
7. Local Agency Investment Fund (LAIF)	N/A	N/A	100%	100%
8. Repurchase Agreements	A-1,P-1 or F-1	1 year	25%	\$1,000,000
9. Medium Term Notes	AA	5 year	30%	\$1,000,000
10. Money Market Accounts	AA	N/A	15%	\$1,000,000
11. Asset Backed Securities	AAA	5 years	20%	\$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 which are rated "AAA" by Moody's Investors Service, Inc. (Moody's), 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 three years or less, issued by a nationally or state-chartered 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), 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), 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.

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 or repurchase agreements may not exceed 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 "AA-" 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 not less than two nationally recognized statistical rating organizations (Moody's, 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 percent of the investment portfolio may be held in Money Market Mutual Funds..

11.. Mortgage Pass-Through Securities 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; and

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

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 cashflow 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 ~~shall at all times be approximately~~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.

Agenda Item I.2

SCORE LAWCX Alternate

Action Item

Issue: The SCORE Board will have to appoint an Alternate for LAWCX.

Recommendation: None

Fiscal Impact: None

Background: Since the retirement of Mr. Brian Meek and the departure of Mr. Dau Luc, SCORE will need to appoint a LAWCX Alternate. Duties include attending the meeting should the SCORE LAWCX Representative is unable to attend and report any LAWCX matters back to the SCORE Board at the next meeting.

Ms. Susan Adams and Mr. Ted Marconi will answer any questions the Board may have should any members be interested in volunteering as the SCORE LAWCX Alternate.

Attachments: None

Agenda Item J.1

TargetSafety PreventionLink Presentation

Information Item

Issue: After the launch of SCORE's PreventionLink Connect, Ms. Amanda Goad from TargetSafety can help the Board navigate through the site and show the services that is provided to SCORE.

Recommendation: None

Fiscal Impact: None

Background: On November 19, 2010, TargetSafety launched the SCORE PreventionLink Connect online risk management site for all SCORE members. Staff sent out an email notice to all SCORE members with the website address, username, and password prior to the launch. The site offers a variety of risk management training, communications, and compliance systems. The site also offers current industry news delivered to all members.

Ms. Goad from TargetSafety will be in attendance to demonstrate the PreventionLink Connect site and answer any questions the Board may have.

Attachments: PreventionLink Connect, a One-Stop Resource for Risk Pool Members



PreventionLink™ CONNECT

A One-Stop Resource
for Risk Pool Members

PreventionLink Connect provides risk pool members with direct access to critical pool information. It also features:

Helpful training and compliance resources

Free, online courses

Industry news delivered in real time

Blog posts from risk management and loss control experts

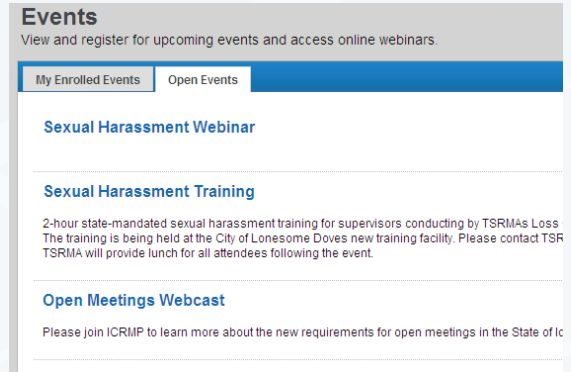
Pool-hosted web conferences and events

Designed to help you better manage organizational risk, PreventionLink Connect serves as your central repository for all pool-related information. In addition, it delivers free web-based training and loss control tools that can help you do your job more efficiently. It also gives you exclusive access to a larger community of risk management professionals.

Information and Member Management

Linking you directly to pool-specific:

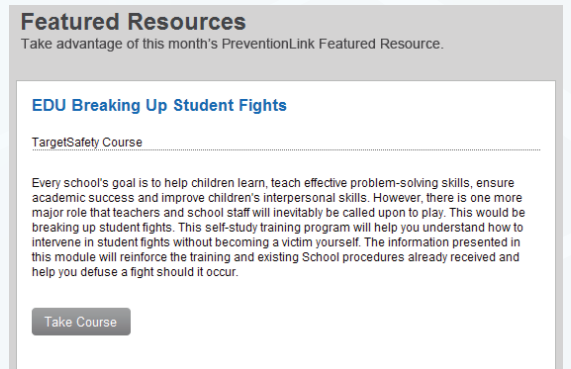
- Announcements
- Events
- Web conferences
- Other activities



Loss Control

Centralizing many of your existing loss control responsibilities:

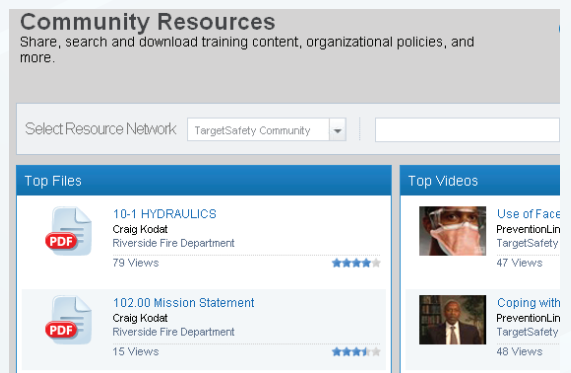
- Development of training materials and best practices
- Access to pool loss control documents
- Access to third-party loss control services



Community Building

Encouraging collaboration with other members through:

- Relevant news and information
- Blog posts from industry's thought leaders
- Pool and member-driven resources
- Other social and professional networking outlets



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:

** For authority

- 1. Workers' Compensation**
 - a. 2008078652 v. Ione DOI 7-7-08
 - b. 2006051751 v. Susanville DOI 7-31-06
 - c. 2007058233 v. Weed DOI 1-22-07
 - d. 2007070094 v. Williams DOI 12-19-07

- 2. Liability**
 - a. 2010104729 v. Isleton
 - b. 2009098216 v. Mt. Shasta
 - c. 200808767 v. Mt. Shasta
 - d. 2006047763 v. Dunsmuir
 - e. 2010106357 v. Dunsmuir
 - f. 2010107181 v. Crescent City
 - g. 2008074550 v. Crescent City

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

Fiscal Impact: Unknown

Background: Confidential
