



President
Mr. Roger Carroll
Town of Loomis

Secretary
Ms. Pamela Russell
City of Etna

Vice President
Mr. Kelly McKinnis
City of Weed

Treasurer
Ms. Linda Romaine
Town of Fort Jones

**SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING**

Date: Friday, June 28, 2013
Time: 10:00 AM

Location: Shasta Lake Native American Cultural Resource Center
4755 Shasta Dam Blvd
Shasta Lake, CA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

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

Pg. 1 **E. CONSENT CALENDAR**

A 1

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

- Pg. 2* 1. ["Draft" Board of Directors Meeting Minutes – March 23, 2013](#)
- Pg. 21* 2. [Local Agency Investment Fund \(LAIF\) Monthly Statement of Investments –March 31, 2013](#)
- Pg. 22* 3. [Union Bank Account Statement – May 2013](#)
- Pg. 37* 4. [SCORE Checking Account Transaction List – March – May 2013](#)
- Pg. 39* 5. [Investment Statements from Chandler Asset Management – May 2013](#)
 - a. [Account 590](#)
 - i. [Portfolio Summaries](#)
 - ii. [Compliance Report](#)
- Pg. 43* 6. [ACI Specialty Quarterly Utilization Report – January 1, 2013 – March 31, 2013](#)
- Pg. 51* 7. [ACI Specialty Benefit Contract Renewal for 2013-2015](#)
- Pg. 58* 8. [SBK Monthly Statements – March – May 2013](#)
- Pg. 64* 9. [TargetSolutions Utilization Report – May 31, 2013](#)

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

Pg. 65	F. <u>COMMITTEE REPORTS</u>	I 4
Pg. 66	1. <u>ERMA Board of Directors Minutes – April 22, 2013</u>	
Pg. 78	2. <u>LAWCX Executive Committee Meeting – April 30, 2013</u>	
Pg. 85	3. <u>CJPRMA Board of Directors Annual Membership Meeting Minutes – May 14-16, 2013</u>	

G. ADMINISTRATIVE REPORTS

	1. President’s Report	I 4
	<i>Roger Carroll will address the Board on items pertaining to SCORE - VERBAL</i>	
	2. Alliant Update	I 4
	<i>Susan Adams will update the Board on Alliant matters pertinent to SCORE - VERBAL</i>	
	3. CJPRMA Update	I 4
	<i>Roger Carroll will provide the Board with an update on action taken at the May 2013 Board of Directors meeting in Bodega Bay, CA. - VERBAL</i>	
	4. ERMA Update	I 4
	<i>Mr. Roger Carroll will update the Board on ERMA matters pertinent to SCORE - VERBAL</i>	
	5. LAWCX Update	I 4
	<i>Mr. Ted Marconi will update the Board on LAWCX matters pertinent to SCORE - VERBAL</i>	

H. JPA BUSINESS

Pg. 96	1. <u>Alliant Program Administration Agreement Renewal</u>	A 1
	<i>The Ad Hoc Committee will report to the Board, their recommendations regarding Alliant’s Program Administration Services for SCORE which expires June 30, 2013.</i>	
Pg. 116	2. <u>Gilbert Associates, Inc. Accounting Services Overview - VERBAL</u>	I 4
	<i>Mr. Kevin Wong will give a brief overview of the time, cost and services Gilbert Associates, Inc. has provided to SCORE throughout the current year.</i>	
Pg. 117	3. <u>Financial Audit Services</u>	A 1
	<i>Staff will update the Board on the selection made by the Ad Hoc Finance Committee in response to the RFP for Financial Audit Services that was issued by the JPA.</i>	
Pg. 126	4. <u>Finance Committee Member Appointments</u>	A 1
	<i>The Board will appoint new Finance Committee members to replace members that are no longer with SCORE.</i>	

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- Pg. 128 **5. Resolution 13-01 Establishing 2013-2014 Board of Directors Meeting Dates** A 1
Annually, the Board adopts the next fiscal year’s meeting dates and locations. The proposed schedule and list of locations is attached.
- 6. Training Day Session Meeting Discussion - VERBAL** I 4
Staff will provide the Board with an update on the Training Day and Board meeting on October 24th & 24th in Napa, CA. Staff will also give a short overview of the optional New Member Orientation that will be offered in the morning of the Training Day.
- Pg. 131 **7. Approval of SCORE’s Memorandums of Coverage**
Annually, the Board reviews SCORE’s Memorandums of Coverage and approves or makes changes to the current version.
- a. Liability** A 1
 b. Workers’ Compensation A 1
- 8. 2013-14 Property Program Renewal**
- Pg. 147 a. **SCORE Property Renewal Proposal** A 1
The Board of Directors will be asked to review and approve the renewal of the 2013/2014 Property coverage with Alliant Property Insurance Program.
- Pg. 159 b. **APIP Claims Reporting Acknowledgements** A 1
The Board of Directors will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.
- Pg. 170 **9. Retrospective Rating Distributions Summary** I 1
Staff and Gilbert will present the final retrospective rating distribution by member by program that were approved at the March 22, 2013 Board of Directors meeting.
- Pg. 174 **10. Revised Retrospective Rating Plan of Action** I 4
The Board of Directors will receive an update on the Ad Hoc teleconference held on June 19th regarding the creation and/or revision of the retrospective rating plans.
- I. FINANCIAL**
- Pg. 177 **1. Quarterly Financials for Period Ending March 31, 2013** A 1
Gilbert Associates will present the financials to the Board who will review the quarterly financials and take action to Accept and File or give direction.

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Pg. 182	2. <u>Adoption of the 2013-2014 SCORE Program Budget</u>	A	1
	<i>Annually, the Board reviews and adopts the Program Budget which includes Administrative Operating expenses and expense of retaining risk and risk transfer.</i>		
Pg. 199	3. <u>Delegation of Investment Authority to SCORE Treasurer</u>	A	1
	<i>Annually, per Government Code 53607, the Board approves the delegation of investment authority to the Treasurer to invest or reinvest SCORE funds.</i>		
Pg. 200	4. <u>Premium Payment Plan Requests for 2013/2014</u>	A	1
	<i>The Board has received premium payment plan requests from the cities of Isleton and Tulelake for FY 2013-14. The Board should review and approve the proposed Premium installment payment plans for these members.</i>		
Pg. 203	J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95		
	**REQUESTING AUTHORITY		
	1. Liability		
	a. Hubbard vs. City of Yreka		
	b. Arth vs. Dunsmuir		
	c. Estate of Michael Parker vs. Susanville		
	d. Drury vs. Susanville		
	2. Workers' Compensation		
	a. Jay Banner vs. City of Mount Shasta**		
	b. James Cummings vs. City of Weed**		
	c. Steven Woldanski vs. City of Williams**		
	K. REPORT FROM CLOSED SESSION	I	4
	L. INFORMATION ITEMS	I	
Pg. 204	1. <u>2013 CAJPA Fall Conference - Sept. 10-13, 2013 in South Lake Tahoe, CA</u>		1
Pg. 206	2. <u>SCORE Resource Contact Guide</u>		1
	M. CLOSING COMMENTS		

ADJOURNMENT

UPCOMING MEETING

Board of Directors Meeting – August 23, 2013 - TBD
Training Day – October 24, 2013 – Napa, CA
Board of Directors Meeting – October 25, 2013 – Napa, CA

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



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

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

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

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CONSENT CALENDAR

ACTION ITEM

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

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

FISCAL IMPACT: None

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

ATTACHMENT:

1. "Draft" Board of Directors Meeting Minutes – March 23, 2013
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments – March 31, 2013
3. Union Bank Account Statement – May 2013
4. SCORE Checking Account Transaction List – March – May 2013
5. Investment Statements from Chandler Asset Management – May 2013
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Compliance Report
6. ACI Specialty Quarterly Utilization Report – January 1, 2013 – March 31, 2013
7. ACI Specialty Benefit Contract Renewal for 2013-2015
8. SBK Monthly Statements – March – May 2013
9. TargetSolutions Utilization Report – May 31, 2013



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
March 22, 2013**

Member Cities Present:

Mark Sorensen, City of Biggs
Laurie Van Groningen, City of Colfax
Carol McKay, City of Dorris
Brenda Bains, City of Dunsmuir
Ed Steele, City of Dunsmuir
Linda Romaine, Town of Fort Jones
Robert Jankovitz, City of Isleton
Satwant Takhar, City of Live Oak
Roger Carroll, Town of Loomis
Crickett Strock, Town of Loomis
Kathy LeBlanc, City of Loyalton

Janie Sprague, City of Montague
Don Kincade, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta
Ted Marconi, City of Mt. Shasta
Leslie Tigan, City of Portola
Stephanie Beauchaine, City of Rio Dell
John Duckett, City of Shasta Lake
Laura Redwine, City of Shasta Lake
Gwenna MacDonald, City of Susanville
Jared Hancock, City of Susanville
Ron Stock, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

Pamela Russell, City of Etna

Randolph Darrow, City of Tulelake

Consultants & Guests

Susan Adams, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Laurence Voiculescu, Alliant Insurance Services
Marcus Beverly, York Risk Services
Cameron Dewey, York Risk Services
Mike Harrington, Bickmore Actuarial

Jodi Fink, York Risk Services
Debra Yokota, York Risk Services
Kevin Wong, Gilbert Associates, Inc.
Tracey Smith-Reed, Gilbert Associates, Inc.
Jack Kastorff, SBK Risk Services
Ted Piorkowski, Chandler Asset Management

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:04 a.m.

B. ROLL CALL

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



C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

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

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

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

Ms. Susan Adams noted that the last item on the Consent Calendar is the LAWCX Claims Audit, which is conducted on an annual basis by LAWCX at their expense. SCORE’s Workers’ Compensation claims were all found to be well managed and no concerns were noted by the auditor.

Mr. Michael Simmons made a motion to remove item #8 from the Consent Calendar and bring it forward for full Board review and discussion.

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

MOTION: Steve Baker **SECOND:** Kathy LeBlanc **MOTION CARRIED**

At this time Mr. Jack Kastorff, SBK Risk Services excused himself from the discussion and the following discussion ensued:

Regarding the SBK Risk Services billing invoices, Mr. Simmons noted that there were some concerns expressed by members regarding Mr.Kastorff’s time utilization and his unannounced and



unscheduled City visits. Mr. Simmons also noted that the SBK billing invoices have always been attached to the Consent Calendar and as such might have been overlooked in the past.

Mr. Roger Carroll inquired if any members have already received their City assessment reports that were mandated in the contract with SBK. Mr. Carroll also mentioned that his City assessment was conducted in December 2012 and a report is yet to be generated for his City. It was noted that SCORE's contract with SBK Risk Services will expire June 31, 2013 and that in lieu of extending this contract for another year, it might be more appropriate to form an ad-Hoc committee that can analyze the risk management needs of the JPA and make a decision on how to proceed further.

Ms. Stephanie Beauchaine addressed the Board, stating that she is also concerned about the level of benefit that her City is receiving from Mr. Kastorff and SBK Risk Services. She noted that she received a phone call from Mr. Kastorff at which time he informed her that he was in the area and asked her to have lunch. After lunch, Mr. Kastorff visited the City of Rio Dell and while the visit was of a casual nature, SCORE was later billed 13 hours at his regular billable rate of \$118/hour.

Mr. Brenda Bains of Dunsmuir reported a similar experience where Mr. Kastorff visited her at the City stating that he was "passing through" and later submitted a bill to SCORE for time spent performing risk management work when in fact this was not the case.

Mr. Jared Hancock of Susanville stated that he had invited Jack Kastorff to his City to conduct a mandatory Sexual Harassment training session and later received complaints from several employees in regards to inappropriate jokes that were made by Mr. Kastorff.

Ms. Susan Adams went on to suggest that SCORE should re-think their risk management structure and deploy training in the areas that are not only most effective but also most requested by members. This training matrix can be developed to include other vendors, as appropriate, that can better address specific issues where risk can be reduced through training and Mr. Kastorff could very well be part of this matrix.

Mr. Steve Baker, City of Yreka addressed the Board and asked if the contract with SBK is reasonable and if performance expectations are clearly stated. If not, Mr. Baker suggested that Mr. Kastorff is informed of what type of services the JPA is expecting to receive from SBK.

Mr. Simmons reviewed SCORE's contract with SBK Risk Services and stated that the contract is not only very specific regarding loss control services, but also that Mr. Kastorff is well qualified to do this type of work, however it would be appropriate at this time to re evaluate what SCORE's loss control and risk services needs are. Given that the current Risk Services strategies was developed nearly 30 years ago, Mr. Simmons stated that the group could benefit from a more up to date set of training modules and services that more closely match the JPA's current loss exposure. For example, sewer losses are a large component of many recent liability losses and training could be offered in order to mitigate and reduce this type of risk.



Mr. Simmons and Ms. Adams agreed with other Board members that SBK could in fact be part of the revamped loss control matrix that SCORE will likely implement once the ad-Hoc committee makes the appropriate recommendations, but that his contract should not be renewed at this time.

Mr. Jared Hancock suggested that payment should be withheld until the documentation that has yet to be turned over to Members is in fact provided. Mr. Carroll advised Mr. Hancock that payment has already been submitted for services rendered although there are outstanding reports that still need to be completed by Mr. Kastorff and SBK which will be due to each member prior to June 30, 2013.

Mr. Don Kincade, City of Montague mentioned to the Board that Target Solutions is a good online solution that can provide extensive training opportunities to City staff, whether safety or non-safety.

An ad Hoc committee was established with the following Cities as participants: The City of Rio Dell (Stephanie Beauchaine), City of Live Oak (Satwant Takhar), Town of Loomis (Roger Carroll), City of Biggs (Mark Sorensen) and City of Yreka (Steve Baker).

A motion was made to approve the ad-Hoc committee and delegate authority to discuss the SCORE risk management matrix as well as bring recommendations to the Board Meeting in October 2013.

MOTION: Steve Baker

SECOND: John Duckett

MOTION CARRIED

At this time, Mr. Kastorff was invited back into the room. Mr. Carroll notified Mr. Kastorff that his contract will not be renewed at expiration and that an ad-Hoc committee was formed to discuss other alternatives for training and safety/loss control services that will more closely fit the JPA's needs.

F. COMMITTEE REPORTS

- F1. ERMA Board of Directors Minutes – Feb 15, 2013**
- F2. LAWCX Board of Directors Minutes – Feb 26, 2013**

G. ADMINISTRATIVE REPORTS

G1. President's Report

Mr. Roger Carroll addressed the Board with information regarding the Alliant Program Administration Contract that was discussed at the ad Hoc committee meeting in March 2013. Mr. Carroll stated that the consensus of the committee was that everyone was happy with the revisions to Alliant's contract and that a request was made to compare rates with other similar sized pools. In addition, Mr. Carroll stated that Alliant had agreed in previous years to reduce their rates so as to accommodate struggling Cities coping with the recession. Mr. Carroll also mentioned that all due diligence will be to ensure that the proposed rates are in fact in line with the market. Due to his involvement with other pools, Mr. Carroll stated that he has an idea of what other JPAs are paying for these services and that Alliant's rates are much lower than what others are paying but that he will



conduct a more specific comparison and report back to the committee in time for them to make a recommendations at the June Board of Directors Meeting.

G2. Alliant Update

Ms. Susan Adams had nothing of note for this section.

G3. CJPRMA Update

As part of the CJPRMA update, Mr. Carroll advised that CJPRMA will not be going forward with their Workers' Compensation program due to lack of interest.

CJPRMA also addressed several legislative bills that have been introduced in the California Legislature that will grant Cities immunity for dog park liability and bike paths. Mr. Carroll also advised the Board that a legislative effort also exists that would give homeless people a protected status, similar to the protections granted to those with disabilities under ADA. He was concerned that cities would no longer have any recourse in dealing with homeless folks.

Ms. Susan Adams stated that SCORE will be sending letters to show support for the dog park and bike paths legislation and send a letter of opposition to the latter.

SCORE's President, Roger Carroll and possibly Satwant Takhar, City of Live Oak will be attending CJPRMA's fall meeting in Bodega Bay, CA this year.

G4. LAWCX Update

Susan Adams gave an update on the LAWCX Board of Directors Meeting from February 2013. She advised that the LAWCX Board and Underwriting Committee discussed SCORE's request to increase their self insured retention to \$250,000 per claim and an approval was granted to SCORE.

Another discussion point was their discounting rate of 4.5% which is not in line with the real earning figures, with real returns being much lower. They have now revised their previous decision to not change this figure and are now considering lowering this rate to 3.5%-4% for next year. SCORE's Preliminary Budget presented at this meeting is showing a proposed 3.5% discount rate for LAWCX and the corresponding premium.

In addition, LAWCX also voted to impose another member assessment for the next three years, which would amount to approximately \$16,000 per year for SCORE, beginning with the 2013-14 Program Year. This assessment amount has also been included in the Preliminary Calculations presented at this meeting.



G5. Risk Control Services

G5.a. Risk Management – 20 Practical Steps to Claims Avoidance

Mr. Jack Kastorff, SBK Risk Services presented a “20 Practical Steps to Claims Avoidance” white paper he authored for SCORE.

A brief description of each of the outlined “steps” was given to the Board of Directors.

G5.b. Risk Management – Risk Management SCOREcards for use in City Risk Assessments

Mr. Kastorff addressed the Board and stated that he is still working on developing a template for the SCOREcards and will present them to the Board at the June 2013 Board of Directors Meeting.

G5.c. Sanitary Sewer and Wastewater Management Training Update

Ms. Susan Adams addressed the Board with an update on training that was recently conducted in the Cities of Yuba City and Redding for Sanitary Sewer and Wastewater Management. Ms. Adams stated that there is an attached training menu that Cities could select from and report back to the Program Administrator which will then prioritize training according to member demand. She also stated that Jack Kastorff and Cameron Dewey should review the available training modules and suggest which would be more effective in addressing the specific exposure areas of SCORE member cities.

H. FINANCIAL

H1. Chandler Asset Management – Report from Investment Manager

Ted Piorkowski from Chandler Asset Management was present at the meeting and gave an overview of SCORE’s investment portfolio and its performance compared to the benchmark. Mr. Piorkowski noted that while the recession is officially over, interest rates have remained at record lows and as such investment returns are still lagging in their recovery. SCORE’s portfolio is currently averaging a 2.5% rate of return, mainly in part of assets purchased before the economic downturn and assets that have weathered the recession very well and have experienced positive growth in the recent years.

On the other hand, Mr. Piorkowski advised the Board that the average portfolio yield is expected to decrease as the older investment instruments are reaching their maturity and will have to be replaced with newer instruments as per the JPA’s investment policy. He also stated that interest rates are forecasted to remain at very low levels at least until 2015, and as such the JPA investment portfolio will also experience minimal rates of return as a result.



According to Mr. Piorkowski, SCORE's portfolio is in full compliance with the Authority's investment policy and the portfolio has historically outperformed the benchmarks consistently, due to well positioned equity holdings and the purchase of quality investment instruments.

H2. Approval of Investment Policy

Annually, the Board of Directors reviews, approves and/or requests amendments to SCORE's Investment Policy.

Ms. Susan Adams advised that there were several changes that were suggested by Chandler Asset Management, SCORE's Investment Manager. The changes mainly consisted of changes that were designed to align SCORE's Investment Policy to the Policy suggested by the California Government Code Guidelines for investments.

Mr. Ted Piorkowski indicated that in some instances, SCORE's Policy was more restrictive than even the CA Government Code which would prevent the Authority from investing in other quality instruments that are generating a more positive return. Mr. Piorkowski stated that in the case of corporate bond purchases for example, SCORE mandates a minimum rating of AA, which would limit the available choices to only seven (7), which coincidentally SCORE already holds in their portfolio. He stated that by reducing the minimum requirement to AA- for instance, the Authority could expand their holdings to other solid companies that are not only generating better returns in the marketplace but can also provide diversification to the overall portfolio.

A motion was made to approve the suggested amendments to the SCORE Investment Policy.

MOTION: Steve Baker

SECOND: Leslie Tigan

MOTION CARRIED

H3. Approval of Internal Controls and Guidelines for Investments

Annually, the Board of Directors reviews, approves and/or requests amendments to SCORE's Internal Controls and Guidelines for Investments.

Ms. Susan Adams advised that there were no changes or amendments proposed to the Internal Controls and Guidelines for the next Program Year and recommended approval of the document as presented.

A motion was made to approve the Internal Controls and Guidelines for Investments.

MOTION: Ted Marconi

SECOND: Kathy Le Blanc

MOTION CARRIED



I. JPA BUSINESS

I.1. ACI – Employee Assistance Program Renewal

Ms. Susan Adams advised the Board that the contract with ACI for their EAP benefit program will expire on June 30, 2013 but that ACI has offered a two year extension that will maintain rates at the same level as the old contract.

Members were advised to consult the employee number listing in the agenda packet for accuracy and submit any changes to the program administrator within the following weeks so that any necessary changes can be made to the agreement before it is signed.

Steve Baker, City of Yreka inquired if volunteers could also be included in the benefit purchase plan and if so, what the rate would be for these services. Ms. Susan Adams indicated that volunteers can be allowed to take advantage of these services and each City can include their volunteers in their employee count numbers so that everyone can utilize the program. She also advised that the direct cost of the EAP plan offered by ACI is being charged directly to each member, as part of the annual budget at a rate of \$2.25 per employee per month.

Mr. Ted Marconi, City of Mt. Shasta addressed the Board and agreed that SCORE should take advantage of the proposed rates and lock in the two(2) year agreement to ensure that those rates are secured now, in lieu of a 1 year extension that could leave the group vulnerable to an increase next year.

A motion was made to approve the ACI contract renewal and extension for two (2) additional years.

MOTION: Ted Marconi

SECOND: Leslie Tigan

MOTION CARRIED

I.2. 2013-14 Liability Actuarial Study

Mr. Mike Harrington from Bickmore presented SCORE's Liability actuarial study for the 2013-14 Program Year. Mr. Harrington indicated a slight increase in the Liability funding rates compared to last year due to a general increase in claims costs as well as an increase in reserves. In addition, Mr. Harrington noted that SCORE is generally performing very well in this Program and claims experience has been very favorable with claims coming in lower than the projections. It was projected in the last study that Liability claims expenses would fall approximately at \$600,000 but actual numbers actually came in at approximately \$411,000. With this in mind, Mr. Harrington still advised the Board to continue to fund conservatively for the following year in order to maintain the pool's positive financial position.



Ms. Susan Adams noted that the study attached in the agenda packet is not the full actuarial study but the full study can be made available to members by request. It was left out of the packet due to its large size (approx. 200 pages).

Mr. Jared Hancock inquired if the discount rate used has any effect on the stated liability numbers. Mr. Kevin Wong, Gilbert Associates answered that the discount rate does have an impact on reserves and projected liabilities as assumed investment income is essentially credited towards claims expenses, reducing the projected amount that will be spent on claims. However, in the Financial Audit, numbers the outstanding liabilities are not discounted, and they are in fact shown at face value, without assuming any interest revenue.

Mr. Harrington stated to the Board that the current 3% discount rate is not in line with actual investment earnings and he made a recommendation to decrease it to a level that is more in tune with reality. He also stated that investment income offset for the liability program is not very significant but that for the Workers' Compensation program the investment income offset that is being projected at the 3% discount rate level will most likely not be generated in the current economic climate.

Mr. Ted Marconi confirmed that at the October 2012 Board of Directors meeting, the Board agreed to limit the actuarial rate increases for both the Liability and Workers' Compensation Programs to a 3% increase from last year and subsidize the remainder of any potential increase from equity. Ms. Susan Adams stated that Staff is recommending adopting the 1.5% actuarial rates for use in the budget calculations and contributions but that the rates can be adjusted to fit the funding plan adopted by the Board of Directors.

Mr. Michael Simmons also stated that it would be appropriate for the Board to adopt a discount rate that is more reflective of actual investment earnings but that the Board can make a decision to maintain the discount rate at the current level if they so choose. The October 2012 Board decision to limit actuarial rate increases in both Liability and Worker's Compensation to 3% from the prior year will remain in effect and will be applied to the final budget calculations.

Mr. Roger Carroll asked for a motion to approve and adopt the actuarial study and set the rates and refer to the budget calculations to see how the rates will impact funding.

A motion was made to approve and adopt the actuarial study for the Liability Program at the 1.5% discount rate and 70% confidence level.

MOTION: Ted Marconi SECOND: Stephanie Beauchaine MOTION CARRIED

1 Opposed: Jared Hancock – City of Susanville



I.3. 2013-14 Workers' Compensation Actuarial Study

As respects the Workers' Compensation program, Mr. Harrington stated that investment income plays a larger part in the rate calculation since W.C. claims typically develop over a larger time and incur higher costs. He explained that the actuarial study takes into account historical losses but adjusts the projected costs to account for increased claims costs in the following year.

The rates for the following year will also take into account the increase in SIR from last year, so there is a significant increase in funding in order to fund the program. On the other hand, the excess coverage premium will also decrease. Mr. Harrington also mentioned that for SCORE, the shared risk layer has developed well in the past year while the banking layer has developed adversely.

It was mentioned that the expected losses fell in line with actual losses in this program. The ultimate losses have increased from the prior year. There was also an increase in the Liabilities of about 7%. Increases have also occurred in reserves, mainly due to the payments that have been slower than anticipated, effectively leaving more money to be paid out in the future. The Workers' Compensation program also carries more volatility from year to year so a more conservative approach to funding and discounting is suggested in this program simply due to changes in legislation and uncertainty in medical costs for the future. All in all, the WC program has seen a 5% increase in rate for each layer on average when compared to last year at the same SIR. The effective increase in rates and funding will be higher however since the SIR will increase to \$250K per claim starting with next year. With that said, most of the increase in funding will be absorbed by a decrease in the excess WC insurance premium, leaving a net increase that is negligible.

Ms. Susan Adams reviewed the agenda packet material to show the dollar impact in funding that will occur from the current year to the 2013-14 year.

Mr. Simmons expressed that it would be very beneficial to the group to consider adopting a discount rate that is in line with reality so as to eliminate inaccuracies in the calculation of the budget and contributions as well as to eliminate the expectation of a investment return that is simply not going to come in. He stated that for other larger JPAs, discount rates are a big deal due to the large volume of funds that is involved in reducing this rate and therefore it is a much more difficult decision to make. With SCORE, however, the fiscal impact is relatively small and it would be wiser to just eliminate this inaccurate part of the budget calculations so that the pool can move forward knowing that they are using an accurate rating structure.

A motion was made to approve and adopt the actuarial study for the Workers' Compensation Program at the 1.5% discount rate.

MOTION: Ron Stock

SECOND: John Duckett

MOTION CARRIED

1 Opposed: Jared Hancock – City of Susanville



J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:30 p.m., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Liability

- a. Ralston vs. City of Weed**

K. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:51 p.m. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

I.4. 2013-14 Program Year Budget

Ms. Adams addressed the Board and presented the 2013-14 Fiscal Year preliminary budget. An overview of all components was given to members followed by a Q& A session. She stated that the Budget was very difficult to calculate due to an earlier Board decision to limit rate increases to 3%. As the Budget was compiled, this proved challenging due to some members showing decreases while others showed increases. Mr. Ted Marconi addressed the Board and stated that the original intended purpose of that decision was to limit the increase in actuarial rates to 3% from the prior year while the rest of the program retains its typical funding calculations.

Mr. Mike Simmons advised that there is a surplus equity reserve that was built up over the years that can be used to balance the budget, even in situations where the Board makes a conscious decision to freeze rates or limit rate increases. He explained that while the fund is very solvent at this time, underfunding in the future years will have a negative impact on future distributions. He also explained that due to Hurricane Sandy in 2012, property insurance capacity has decreased and property premiums will likely see a 15% increase for next year, at a minimum.

Several members have expressed an interest in increasing the per member allocation of \$1,000 for conferences and/or training. Ms. Linda Romaine felt that the amount is no longer sufficient for members that have limited City budgets to attend the conferences that are not in the general vicinity of their City. Ms. Susan Adams explained that this amount can be increased if the Board chooses to do so and that the amount has generally been used for the LRP or training days in the recent past in order to encourage everyone to participate at these annual meetings. The Board of Directors had a discussion regarding the topic and finally decided to leave the amount unchanged from the prior year as not enough members expressed an interest in an increase at that time.



I.5. LAWCX Premium Refund Distribution

Ms. Susan Adams stated that the LAWCX rates have been incorporated in the decrease in premium due to SCORE's decision to increase their SIR to \$250k. In addition LAWCX has imposed an assessment which has already been applied to the Budget calculation as it will be treated like it is part of the premium itself. Staff prepared a spreadsheet that showed each Member's refund amount that was calculated using the total amount of the refund check.

Staff inquired on whether the Board would like to take out these refunds as distributions or whether they would prefer the amounts to be applied as a credit towards their next years' premiums.

A motion was made to authorize Staff to apply the refunds towards next year's premium deposits.

MOTION: Ted Marconi

SECOND: Leslie Tigan

MOTION CARRIED

I.6. Review and declaration of the FYE 2012 Liability Retrospective Distributions

Ms. Susan Adams addressed the Board and related to members that Gilbert Associates has discovered a significant discrepancy in the calculations and stated that the Board should make a decision as a group on how they would like to handle it. She stated that the numbers cannot be tied to the Financial Audit since the difference that shows on the spreadsheets has proven to be extremely difficult to locate. That said, she expressed that it is important to generate a solution that will result in the retrospective calculations tying up to the audit.

She went on to advise the Board that Staff can try and go back to analyze the older paper records and audits in an attempt to locate where the discrepancy is occurring. Another solution that should be considered is freezing the retros and writing off the difference on paper, and moving forward using the correct numbers. Finally, a third solution could be implemented that would discard the current calculations and start over using just the most recent years of data that is confirmed to be accurate.

Mr. Roger Carroll expressed concern that the numbers generated by the spreadsheet are not in line with the Authority's actual equity holdings and offered to include this as a Long Range Planning topic for October. This way the Board and Staff can analyze all options and make a decision that will benefit the pool by allowing Members to make better informed decisions when it comes to distributing money back to members.

Mr. Kevin Wong, Gilbert Associates stated that while they thought this was not going to be an issue, the retrospective calculations were never tied to any of the financial statements and as such the problem was only discovered when they attempted to tie the calculations to the June 30, 2013 Audited Financial statements.

Mr. Michael Simmons addressed the Board and stated that an ad-Hoc committee should be established so that all options can be analyzed and discussed in depth before they are presented to



the Board. He also mentioned that this is not a question of the money being in the Pool, but instead is a question of how the calculations can be adjusted so that they match the audited financials. He also stated that the accuracy of the Audited Financials is not in question but that simply the Authority needs to find a way to somehow balance the two so that they match. Mr. Simmons stated that many pools that initially had retrospective calculations later eliminated the practice due to the complexity of performing the calculations.

Ms. Stephanie Beauchaine suggested that the Finance Committee be allowed to assist in finding a solution to the problem by having them included in the discussions.

Mr. Jared Hancock and Steve Baker also expressed interest in offering their time to assist the Pool in weighing all the suggestions and coming up with a solution. Ms. Leslie Tigan, City of Portola stated that her City's Finance Manager, Susan Scarlett would also be available to assist.

Mr. Ted Marconi offered to remain on the Finance Committee past his retirement date in June 2013 in order to offer his expertise as he is one of the most experienced members of SCORE. Mr. Roger Carroll agreed to this offer and suggested that most of the discussions should take place prior to the October meeting via teleconference with one meeting taking place before the meeting in person to finalize the key ideas that will be submitted to the Board for consideration.

Ms. Susan Adams stated that the Board can also go back and discard the older years, keeping only the most current 5 years that are available with verified correct data.

Finally, the Board agreed to delegate the authority to the Finance Committee to hold discussions and come up with viable solutions to the retroactive calculations deficits and present them to the Board of Directors for consideration at the October 2013 Board meeting.

Next, the Board moved on to discussing of the distributions.

Ms. Stephanie Beauchaine stated that she would be comfortable not issuing any dividends for now, until a solution is found to the calculation figures that are not matching to the amount of funds that is actually in the pool.

Mr. Wong brought up the fact that there is plenty of money to be distributed, although he did encourage caution when issuing out of the Workers' Compensation program since the calculation is showing the amount of equity to be higher than what it actually is in reality. He presented a figure of \$1.7 Million as being available for distribution out of both programs.

Mr. Michael Simmons gave a staff recommendation to exercise caution when issuing dividends since the Pool has also decided to limit actuarial rate increases to 3% from the prior year, when in fact the market is suggesting that the appropriate increase should be closer to 10%. The difference will likely have to come from the equity surplus, effectively decreasing the total amount available. He also made it clear that Staff cannot recommend releasing large sums of money back to members along with significant subsidies in rate increases since this path would likely lead to the Authority



not having enough to cover claims in the future. The Staff recommendation for release of funds was to not exceed \$1 Million in combined distributions, out of both programs at this time.

Mr. Carroll announced that he personally feels more comfortable with \$750K out of both programs, or \$500K out of Liability and \$250k out of Workers' Compensation respectively. Ms. Stephanie Beauchaine asked the Board if it wouldn't be beneficial to not release any money until the deficit shown in the calculations is resolved.

Ms. Michael Simmons stated that it would be a good idea to go ahead and release some money back to members now, in lieu of waiting for the issue to be resolved as this approach would likely be simpler to record in the financial statements and therefore easier to tie to the Audited Financials next year.

A motion was made to release a dividend of \$500K out of the Liability Program and \$250K out of the Workers' Compensation Program while adjusting the "from available" distribution percentages accordingly to arrive at those totals.

MOTION: Roger Carroll SECOND: Ted Marconi MOTION CARRIES

**12 AYES
6 OPPOSED**

MOTION CARRIES

I.7. Review and declaration of the FYE 2012 Workers' Compensation Retrospective Distributions

This item has been addressed above with a motion to release a dividend of \$500K in out of the Liability Program and \$250K out of the Workers' Compensation Program while adjusting the "from available" distribution percentages accordingly to arrive to those totals.

MOTION: Roger Carroll SECOND: Ted Marconi MOTION CARRIES

**12 AYES
6 OPPOSED**

MOTION CARRIES

I.8. Request for Dividend Distribution from Prior Members of SCORE

Ms. Susan Adams presented the written distribution request letters from the Cities of Ione, Williams and Crescent City for release of dividends. She stated that when SCORE changed their bylaws several years ago, a requirement was implemented asking that each member make a formal written request for dividend distribution and the Board will consider it on a case by case basis. In addition, a



total of 9 years is also held for each member that is no longer part of the pool before any funds can be released.

Ms. Stephanie Beauchaine expressed that she would feel more comfortable not releasing any funds at this time, at least not until the retrospective calculation issues are resolved.

Mr. Jared Hancock addressed the Board and stated that he would like to see distributions made to all three Cities, if the calculations show that they in fact have available funds. Mr. Hancock believed that it would be a fair gesture, especially given the fact that a total of 9 years is still being retained in the pool.

Mr. Roger Carroll stated that SCORE has previously issued dividends every time they have been asked to do so but that this time it would be more prudent to wait until the calculations are revised to the point where the Board can make a more informed decision. He recognized that it would be difficult to retrieve funds from the former members once these funds have been distributed, if the situation arose showing that they were distributed too much money.

A motion was made to issue a dividend distribution to all three former member Cities that have requested it.

MOTION: Jared Hancock SECOND: Linda Romaine MOTION FAILS

**6 AYES
13 OPPOSED**

Ms. Beauchaine made a motion to move this item to the October Board meeting for further consideration once the retrospective rating calculations are revised.

MOTION: Stephanie Beauchaine SECOND: Steve Baker MOTION CARRIES

I.9. SCORE Property Appraisals Update

Staff addressed the Board and stated that the Property Appraisals have been completed and that preliminary reports will be sent to each member for review. The final reports are not due until May and as such the updated values might not make it into next year's property Premium Calculation. Important to note is that values were said to have increased substantially from what was originally reflected in the property schedule for the Pool, for both contents/equipment and real property.

Ms. Linda Romaine, Town of Fort Jones indicated that it was very beneficial to have the appraisals conducted as the appraisers pointed out several City owned buildings that they had no knowledge about, and that were not listed on the schedule of insured buildings.



I.10. Financial Audit Services Requests for Proposals Update

Staff addressed the Board and stated that the deadline for vendors to submit their proposals is March 29, 2013. As of the meeting date no proposals were submitted but several firms have expressed interest in proposing. The RFP proposals will be reviewed by the Finance Committee who may or may not hold interviews with the firms that are deemed to be most qualified.

Mr. Jared Hancock, City of Susanville inquired on whether Staff can withhold the current Financial Audit pricing structure from the proposing firms.

Ms. Susan Adams stated that the pricing structure has not been released and that Staff will only release the budgeted amount for the services, if requested. In the event that this is done, it will be done as an announcement to all the vendors concurrently in order to create a competitive environment that will benefit the Authority.

I.11. City of Tulelake – Request for Payment Plan for 2013/14 Contributions

Ms. Adams presented a letter received from the City of Tulelake where the Board was asked to develop and authorize an Installment plan for the next Policy year. The City has recently encountered financial hardship that has impacted their ability to cover next year's premiums in full as it has done in the past.

Mr. Carroll advised that interest will be charged at the current internal rate of return through Chandler Asset Management.

Ms. Adams advised that Tulelake has always paid their premiums on time and it is the first time they are making such a request from the SCORE Board of Directors.

Ms. Stephanie Beauchaine asked if they indicated what the reasoning was behind the request.

Mr. Ron Stock, City of Weed addressed the Board with the information that he had, stating that the City of Tulelake recently discovered that their City clerk embezzled money from the City and is currently under Federal Grand Jury investigation. He also expressed an opinion that SCORE should attempt to assist Tulelake in dealing with this issue and grant their request for a quarterly installment plan.

Mr. Ted Marconi had a question on whether this was a onetime request and Mr. Carroll replied that these types of requests are always considered to be "one time" deals, meaning that the Board will grant them for the duration of one year after which time the payments shall be made according to the normal schedule outlined in the Governing Documents which all members are to follow.



I.12 Risk Management – Member Insolvencies White Paper

Ms. Susan Adams informed the Board that the White Paper has been completed and was scheduled to be presented to the Board. Upon review by the JPA Legal Counsel (Byrne Connelly) it was suggested that some edits be made to include recent developments in the Public Entity Bankruptcy arena as well as several improvements.

With this in mind, Staff decided to hold off on releasing the document at this time in order to incorporate the suggested changes and allow Mr. Connelly to present the final version at the October 2013 Board of Directors meeting instead.

The Board will have the opportunity to ask questions and comment on the contents at that time.

I.13. June 2013 Board of Directors Meeting Location

Ms. Adams addressed the Board and informed everyone of the suggestion by Mr. John Duckett, City of Shasta Lake to hold the next Board Meeting (June 2013) in the City of Shasta Lake instead of the usual meeting venue.

Mr. Duckett informed the Board that the City of Shasta Lake received a Federal grant last year that enabled them to remodel an older City building for use as a Native American Multicultural Center and Museum. As part of the remodel, the building is now equipped with a conference room and commercial kitchen and has the ability to prepare and serve food as well as accommodate a larger group meeting. Mr. Duckett expressed to the Board that it would be nice to give this location a try to see if it will be appropriate for future SCORE meetings.

Staff was directed to inspect the location and if deemed appropriate to make the necessary arrangements to hold the June 2013 Board meeting there.

I.14. SCORE Annual Training Day – October 24-25, 2013

The Board of Directors held a discussion regarding the upcoming October Training Day and Board of Directors meeting location. Staff has looked at several locations in Sacramento, Napa and Bodega Bay, CA and presented a brief outline of each location and what it has to offer.

Ms. Adams requested suggestions and feedback from members regarding any other potential destinations.

After hearing several suggestions, the Board decided to hold the meetings in Napa, CA. Ms. Adams advised that Staff has already obtained quotes from 2 hotels in the area and the Board indicated a preference for the Napa River Inn as it is more conveniently located (in Downtown Napa) vs. the Embassy Suites which is more remote and would require organized transportation for any trips into town.



J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 2:01 P.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.

2. Liability

- b. Ralston vs. City of Weed**

3. Workers' Compensation

- a. Brian Brown vs. City of Susanville**
- b. Thomas Downing vs. City of Susanville**

K. REPORT FROM CLOSED SESSION

The Board returned from closed session at 2:10 PM. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

L. INFORMATION ITEMS

L.1 2013 CAJPA Fall Conference – Sept 10-13, 2013 in South Lake Tahoe, CA.

L.2. SCORE Resource Contact Guide

This was provided as an information item only.

M. CLOSING COMMENTS

There were no closing comments.

AJOURNMENT

The meeting was adjourned at 2:14 PM.



NEXT MEETING DATE: June 28, 2013 in Shasta Lake, CA

Respectfully Submitted,

Pamela Russell, Secretary

Date

DRAFT



JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND REMITTANCE ADVICE

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

As of 04/15/2013, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2013.

Earnings Ratio		.00000773831888202
Interest Rate		0.28%
Dollar Day Total	\$	188,606,539.16
Quarter End Principal Balance	\$	2,095,892.48
Quarterly Interest Earned	\$	1,459.50



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

MB 02 001361 59011 H 8 A

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



Account Statement

Statement Period

May 1, 2013 through May 31, 2013

Account Number

6736301210

Account Name

SMALL CITIES ORGANIZED RISK EFFORT

Relationship Manager

JEANETTE SIMMONS
 415-705-7210

Investment Manager

CHANDLER LIQUID ASSET MGMT

Online Access

unionbank.com/trustandcustody

Overview of Total Account Value

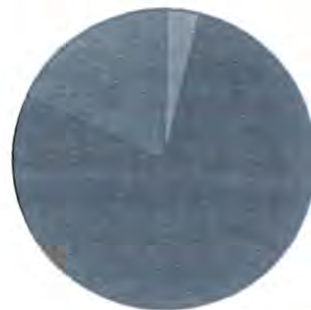
Closing Value on 12/31/2012	\$10,664,971.16
Opening Value on 05/01/2013	\$10,683,067.17
Closing Value on 05/31/2013	\$10,640,260.40
Net Change For Period	(\$42,806.77)

Contents

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

Overview of Account by Investment Category

Your Current Portfolio Mix



	% of Total Account	Market Value	Description
	3.38%	360,024.60	Cash & Cash Equivalents
	78.23%	8,323,223.90	Government Obligations
	18.39%	1,957,011.90	Corporate Obligations
	100.00%	\$10,640,260.40	Total Account Value



Account Number
6736301210

Account Name
SCORE

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	360,024.60	3.38%	0.14%
Government Obligations	8,323,223.90	78.23%	1.66%
Corporate Obligations	1,957,011.90	18.39%	2.32%
Total Principal Portfolio	\$10,640,260.40	100.00%	1.73%

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	359,873.34	360,024.60	151.26
Government Obligations	8,291,043.68	8,323,223.90	32,180.22
Corporate Obligations	1,957,566.70	1,957,011.90	(554.80)
Total Gain/Loss	\$10,608,483.72	\$10,640,260.40	\$31,776.68

Cash Transactions Summary

	Principal Cash
Receipts	
Dividend	0.40
Interest	24,022.84
Accrued Interest Received	10.70
Sales	492,209.57
Other Receipts	2,511.00
Total Receipts	\$518,754.51

Account Statement

Statement Period

May 1, 2013 through May 31, 2013

Cash Transactions Summary (continued)

	Principal Cash
Disbursements	
Accrued Interest Paid	(356.42)
Purchases	(514,814.09)
Payments to/for Beneficiaries	(1,073.00)
Fees	(2,511.00)
Total Disbursements	(\$518,754.51)
Total Net Transactions	\$0.00



Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

May 1, 2013 through May 31, 2013

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
HighMark Money Market Funds								
HIGHMARK MONEY MARKET 100% U S TREASURY FD FIDUCIARY SH ***CASH MANAGEMENT SWEEP	431114503S	150,033.000	150,033.00	150,033.00	1.0000 05/31/2013	1.41%	0.00%	3.60
Disc Comm'l Paper/Bnker Accpt								
BANK OF TOKYO MITSUBISHI DISC COML PAPER DTD 02/12/2013 06/12/2013	06538BTC7	210,000.000	209,840.34	209,991.60	99.9960 05/31/2013	1.97%	0.23%	485.63
Total Cash & Cash Equivalents			\$359,873.34	\$360,024.60		3.38%	0.14%	\$489.23

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 0.2500% 4/30/2014	912828SR2	350,000.000	350,165.23	350,315.00	100.0900 05/31/2013	3.29%	0.25%	875.00
UNITED STATES TREAS NTS 0.2500% 5/15/2015	912828SU5	250,000.000	248,985.21	249,717.50	99.8870 05/31/2013	2.35%	0.25%	625.00
UNITED STATES TREAS NTS 1.7500% 7/31/2015	912828NP1	75,000.000	74,355.72	77,267.25	103.0230 05/31/2013	0.73%	1.70%	1,312.50
UNITED STATES TREAS NTS 1.3750% 11/30/2015	912828PJ3	250,000.000	249,024.28	255,977.50	102.3910 05/31/2013	2.41%	1.34%	3,437.50
UNITED STATES TREAS NTS 1.5000% 7/31/2016	912828QX1	370,000.000	374,487.57	380,752.20	102.9060 05/31/2013	3.58%	1.46%	5,550.00



Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

May 1, 2013 through May 31, 2013

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 1.0000% 8/31/2016	912828RF9	250,000.000	251,690.29	253,222.50	101.2890 05/31/2013	2.38%	0.99%	2,500.00
UNITED STATES TREAS NTS 1.0000% 9/30/2016	912828RJ1	150,000.000	149,619.64	151,887.00	101.2580 05/31/2013	1.43%	0.99%	1,500.00
UNITED STATES TREAS NTS 0.8750% 11/30/2016	912828RU6	350,000.000	350,766.80	352,488.50	100.7110 05/31/2013	3.31%	0.87%	3,062.50
UNITED STATES TREAS NTS 0.6250% 8/31/2017	912828TM2	400,000.000	398,827.51	395,844.00	98.9610 05/31/2013	3.71%	0.63%	2,500.00
UNITED STATES TREAS NTS 0.6250% 11/30/2017	912828UA6	300,000.000	298,864.29	295,875.00	98.6250 05/31/2013	2.78%	0.63%	1,875.00
Federal Govt Agency								
FEDERAL HOME LN BKS 3.8750% 6/14/2013	31339X2M5	200,000.000	200,403.10	200,230.00	100.1150 05/31/2013	1.88%	3.87%	7,750.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000.000	242,426.00	231,662.90	100.7230 05/31/2013	2.18%	4.72%	10,925.00
FEDERAL FARM CR BKS 0.9800% 9/23/2013	31331KET3	115,000.000	114,663.05	115,309.35	100.2690 05/31/2013	1.08%	0.98%	1,127.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000.000	258,142.75	253,265.00	101.3060 05/31/2013	2.38%	3.58%	9,062.50
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000.000	34,625.96	35,494.20	101.4120 05/31/2013	0.33%	2.47%	875.00
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000.000	155,568.75	153,130.50	102.0870 05/31/2013	1.44%	2.45%	3,750.00



Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

May 1, 2013 through May 31, 2013

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000.000	259,368.20	264,425.20	101.7020 05/31/2013	2.49%	1.87%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000.000	111,171.90	105,294.00	105.2940 05/31/2013	0.99%	4.99%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	85,000.000	86,005.55	88,073.60	103.6160 05/31/2013	0.83%	2.90%	2,550.00
FEDERAL FARM CR BKS 1.6250% 11/19/2014	31331KHW3	160,000.000	164,560.00	163,150.40	101.9690 05/31/2013	1.53%	1.59%	2,600.00
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000.000	256,160.83	260,682.50	104.2730 05/31/2013	2.45%	2.76%	7,187.50
FEDERAL FARM CR BKS 0.5000% 5/1/2015	3133EANJ3	150,000.000	149,853.00	150,405.00	100.2700 05/31/2013	1.41%	0.50%	750.00
FEDERAL HOME LN BKS 2.8750% 6/12/2015	3133XWNB1	265,000.000	279,807.14	278,300.35	105.0190 05/31/2013	2.62%	2.74%	7,618.75
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000.000	283,288.50	286,660.00	104.2400 05/31/2013	2.69%	2.28%	6,531.25
FEDL NATL MTG ASSN NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	120,000.000	119,720.40	119,720.40	99.7670 05/31/2013	1.13%	0.38%	450.00
FEDERAL FARM CR BKS 2.3500% 12/22/2015	31331J6C2	120,000.000	120,434.40	125,758.80	104.7990 05/31/2013	1.18%	2.24%	2,820.00
FEDERAL NATL MTG ASSN 2.3750% 4/11/2016	3135G0BA0	275,000.000	282,544.63	289,366.00	105.2240 05/31/2013	2.72%	2.26%	6,531.25



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Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LN MTG CORP 2.5000% 5/27/2016	3137EACT4	310,000.000	321,083.36	327,229.80	105.5580 05/31/2013	3.10%	2.37%	7,750.00
FEDERAL HOME LOAN BANKS 2.1250% 6/10/2016	313373SZ6	200,000.000	209,390.00	209,074.00	104.5370 05/31/2013	1.96%	2.03%	4,250.00
FEDERAL HOME LOAN MTGE CORP NTS 2.000% 08/25/2016	3137EACW7	300,000.000	312,151.20	312,894.00	104.2980 05/31/2013	2.94%	1.92%	6,000.00
FEDERAL NATL MTGE ASSN NOTE 1.250% 09/28/2016	3135G0CM3	210,000.000	209,497.89	213,975.30	101.8930 05/31/2013	2.01%	1.23%	2,625.00
FEDERAL NATL MTG ASSN NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	65,000.000	65,514.15	66,489.80	102.2920 05/31/2013	0.62%	1.34%	893.75
FEDERAL NATL MTG ASSN NOTES DTD 01/09/2012 1.25% 01/30/2017	3135G0GY3	175,000.000	174,983.73	177,933.00	101.6760 05/31/2013	1.67%	1.23%	2,187.50
FEDERAL NATL MTG ASSN 1.0000% 2/27/2017	3135G0UY7	200,000.000	201,900.00	200,198.00	100.0990 05/31/2013	1.88%	1.00%	2,000.00
FEDERAL HOME LOAN MORTGAGE CORP 1.000% 03/08/2017	3137EADC0	200,000.000	196,430.40	201,152.00	100.5760 05/31/2013	1.89%	0.99%	2,000.00
FEDERAL HOME LOAN BANK BONDS 1.000% 06/09/2017	313379FW4	200,000.000	199,758.00	200,190.00	100.0950 05/31/2013	1.88%	1.00%	2,000.00
FEDERAL FARM CR BKS 0.8300% 9/21/2017	3133EAY28	160,000.000	160,000.00	158,721.60	99.2010 05/31/2013	1.49%	0.84%	1,328.00
FEDERAL NATL MTGE ASSN NOTES 0.000% 12/20/2017	3135G0RT2	150,000.000	149,523.00	148,785.00	99.1900 05/31/2013	1.40%	0.88%	1,312.50



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May 1, 2013 through May 31, 2013

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LOAN MORTGAGE CORP 0.875% 03/07/2018	3137EADP1	225,000.000	225,281.25	222,306.75	98.8030 05/31/2013	2.09%	0.89%	1,968.75
Total Government Obligations			\$8,291,043.68	\$8,323,223.90		78.23%	1.66%	\$138,271.25

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
XTO ENERGY INC 4.9000% 2/1/2014	98385XAD8	100,000.000	109,638.00	102,876.00	102.8760 05/31/2013	0.97%	4.76%	4,900.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000.000	194,130.60	189,331.20	105.1840 05/31/2013	1.78%	5.61%	10,620.00
WAL MART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	931142CQ4	190,000.000	197,746.80	195,137.60	102.7040 05/31/2013	1.83%	3.12%	6,080.00
MICROSOFT CORP NT DTD 05/18/2009 2.950% 06/01/2014	594918AB0	240,000.000	246,233.20	246,244.80	102.6020 05/31/2013	2.31%	2.88%	7,080.00
BERKSHIRE HATHAWAY INC 3.200% 02/11/2015	084670AV0	100,000.000	103,550.10	104,468.00	104.4680 05/31/2013	0.98%	3.06%	3,200.00
PROCTER & GAMBLE CO DTD 11/18/2010 1.80% 11/15/2015	742718DS5	265,000.000	258,615.14	272,573.70	102.8580 05/31/2013	2.56%	1.75%	4,770.00
GOOGLE INC 2.1250% 5/19/2016	38259PAC6	105,000.000	107,568.30	109,190.55	103.9910 05/31/2013	1.03%	2.04%	2,231.25



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Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
BERKSHIRE HATHAWAYFIN CORP SR NT 1.600% 05/15/2017	084664BS9	105,000.000	105,141.90	106,061.55	101.0110 05/31/2013	1.00%	1.58%	1,680.00
CHEVRON CORP DTD 12/05/2012 1.104% 12/05/2017	166764AA8	140,000.000	140,346.00	139,011.60	99.2940 05/31/2013	1.31%	1.11%	1,545.60
APPLE INC DTD 05/03/2013 1.000% 05/03/2018	037833AJ9	135,000.000	134,384.60	132,470.10	98.1260 05/31/2013	1.24%	1.02%	1,350.00
Collateralized Passthroughs								
HONDA AUTO RECV 2012-4 A-3 0.5200% 8/18/2016 ORIGINAL FACE VALUE \$100,000.00	43813CAC4	100,000.000	99,990.32	99,979.00	99.9790 05/31/2013	0.94%	0.52%	520.00
TOYOTA AUTO RECEIVABLES 2012 A-3 0.4600% 7/15/2016 ORIGINAL FACE VALUE \$100,000.00	89231NAC7	100,000.000	99,990.49	99,911.00	99.9110 05/31/2013	0.94%	0.46%	460.00
CHASE ISSUANCE TR 2012-5A A 0.5900% 8/15/2017 ORIGINAL FACE VALUE \$160,000.00	161571FL3	160,000.000	160,231.25	159,756.80	99.8480 05/31/2013	1.50%	0.59%	944.00
Total Corporate Obligations			\$1,957,566.70	\$1,957,011.90		18.39%	2.32%	\$45,380.85
Total Principal Portfolio			\$10,608,483.72	\$10,640,260.40		100.00%	1.73%	\$184,141.33
Total Account Values			\$10,608,483.72	\$10,640,260.40		100.00%	1.73%	\$184,141.33



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May 1, 2013 through May 31, 2013

Maturity Summary

	<i>Face Value</i>	<i>Par Value</i>	<i>Cost Basis</i>	<i>Market Value</i>	<i>Percentage of Market Value</i>
2013		1,005,000.000	1,025,475.24	1,010,458.85	9.63%
2014		1,850,000.000	1,909,214.19	1,893,472.50	18.05%
2015	100,000.00	2,220,000.000	2,243,785.04	2,281,510.00	21.75%
2016	100,000.00	2,685,000.000	2,734,304.32	2,766,480.65	26.38%
2017	160,000.00	2,190,000.000	2,186,006.08	2,183,528.55	20.81%
2018		360,000.000	359,665.85	354,776.85	3.38%
2019					
2020					
2021					
2022					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$360,000.00	10,310,000.000	\$10,458,450.72	\$10,490,227.40	100.00%

Transaction Detail

<i>Date</i>	<i>Activity</i>	<i>Description</i>	<i>CUSIP</i>	<i>Principal Cash</i>	<i>Cost Basis</i>
Beginning Balance				\$0.00	\$10,586,233.07
05/01/13	Dividend	CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MMKT #486 DIVIDEND FROM 4/1/13 TO 4/30/13	431114503S	0.40	
05/01/13	Purchases	PURCHASED 0.4 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/01/13	431114503S	(0.40)	0.40
05/01/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FFCB NTS 0.500% 5/01/15 0.0025/\$1 PV ON 150,000 PAR VALUE DUE 5/1/2013	3133EANJ3	375.00	



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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
05/01/13	Purchases	PURCHASED 375 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/01/13	431114503S	(375.00)	375.00
05/03/13	Payments to/for Beneficiaries	CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC PAYMENT PER REQUEST MGMT FEE FOR PERIOD ENDING 4/30/13-INVOICE 12784		(1,073.00)	
05/03/13	Sales	SOLD 1,073 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/03/13	431114503S	1,073.00	(1,073.00)
05/03/13	Purchases	PURCHASED 110,000 PAR VALUE OF APPLE INC BDS 1.000% 5/03/18 TRADE DATE 04/30/13 PURCHASED THROUGH GOLDMAN SACHS (NY) 110,000 PAR VALUE AT 99.631 %	037833AJ9	(109,594.10)	109,594.10
05/03/13	Sales	SOLD 109,594.1 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/03/13	431114503S	109,594.10	(109,594.10)
05/09/13	Purchases	PURCHASED 225,000 PAR VALUE OF FHLMC NT 0.875% 3/07/18 TRADE DATE 05/08/13 PURCHASED THROUGH TORONTO DOMINION SECURITIES (U 225,000 PAR VALUE AT 100.125 %	3137EADP1	(225,281.25)	225,281.25
05/09/13	Accrued Interest Paid	PAID ACCRUED INTEREST ON PURCHASE OF FHLMC NT 0.875% 3/07/18	3137EADP1	(339.06)	
05/09/13	Sales	SOLD 175,000 PAR VALUE OF US TREAS NTS 0.250% 4/30/14 ST CAPITAL GAIN OF \$305.47 TRADE DATE 05/08/13 SOLD THROUGH MORGAN STANLEY 175,000 PAR VALUE AT 100.112946 %	912828SR2	175,197.66	(174,892.19)

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
05/09/13	Accrued Interest Received	RECEIVED ACCRUED INTEREST ON SALE OF US TREAS NTS 0.250% 4/30/14	912828SR2	10.70	
05/09/13	Sales	SOLD 50,411.95 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/09/13	431114503S	50,411.95	(50,411.95)
05/13/13	Interest	CASH RECEIPT OF INTEREST EARNED ON GECC NTS 5.900% 5/13/14 0.0295/\$1 PV ON 180,000 PAR VALUE DUE 5/13/2013	36962G4C5	5,310.00	
05/13/13	Purchases	PURCHASED 5,310 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/13/13	431114503S	(5,310.00)	5,310.00
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 0.250% 5/15/15 0.00125/\$1 PV ON 250,000 PAR VALUE DUE 5/15/2013	912828SU5	312.50	
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 1.375% 11/15/16 0.006875/\$1 PV ON 65,000 PAR VALUE DUE 5/15/2013	3135G0ES8	446.88	
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON BERKSHIRE HATHAWAY NT1.600% 5/15/17 0.008/\$1 PV ON 105,000 PAR VALUE DUE 5/15/2013	084664BS9	840.00	
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON PROCTER & GAMBLE BDS 1.800% 11/15/15 0.009/\$1 PV ON 265,000 PAR VALUE DUE 5/15/2013	742718DS5	2,385.00	
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON WAL MART STORES NTS 3.200% 5/15/14 0.016/\$1 PV ON 190,000 PAR VALUE DUE 5/15/2013	931142CQ4	3,040.00	
05/15/13	Purchases	PURCHASED 7,024.38 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/15/13	431114503S	(7,024.38)	7,024.38

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
05/15/13	Interest	CASH RECEIPT OF INTEREST EARNED ON CIT 2012-5A A 0.590% 8/15/17 0/\$1 PV ON 78.67 PAR VALUE DUE 5/15/2013 \$0.00049/PV ON 160,000.00 PV DUE 5/15/13	161571FL3	78.67	
05/16/13	Purchases	PURCHASED 78.67 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/16/13	431114503S	(78.67)	78.67
05/16/13	Interest	CASH RECEIPT OF INTEREST EARNED ON TAOT 2012-B A3 0.460% 7/15/16 0/\$1 PV ON 38.33 PAR VALUE DUE 5/15/2013 \$0.00038/PV ON 100,000.00 PV DUE 5/15/13	89231NAC7	38.33	
05/17/13	Purchases	PURCHASED 38.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/17/13	431114503S	(38.33)	38.33
05/20/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FFCB BDS 1.625% 11/19/14 0.008125/\$1 PV ON 160,000 PAR VALUE DUE 5/19/2013	31331KHW3	1,300.00	
05/20/13	Interest	CASH RECEIPT OF INTEREST EARNED ON GOOGLE INC 2.125% 5/19/16 0.010625/\$1 PV ON 105,000 PAR VALUE DUE 5/19/2013	38259PAC6	1,115.63	
05/20/13	Purchases	PURCHASED 2,415.63 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/20/13	431114503S	(2,415.63)	2,415.63
05/21/13	Interest	CASH RECEIPT OF INTEREST EARNED ON HAROT 2012-4 A3 0.520% 10/18/15 0/\$1 PV ON 43.33 PAR VALUE DUE 5/18/2013 \$0.00043/PV ON 100,000.00 PV DUE 5/18/13	43813CAC4	43.33	
05/22/13	Purchases	PURCHASED 43.33 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/22/13	431114503S	(43.33)	43.33

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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
05/28/13	Purchases	PURCHASED 25,000 PAR VALUE OF APPLE INC BDS 1.000% 5/03/18 TRADE DATE 05/22/13 PURCHASED THROUGH GOLDMAN SACHS (NY) 25,000 PAR VALUE AT 99.162 %	037833AJ9	(24,790.50)	24,790.50
05/28/13	Accrued Interest Paid	PAID ACCRUED INTEREST ON PURCHASE OF APPLE INC BDS 1.000% 5/03/18	037833AJ9	(17.36)	
05/28/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLMC MTN 2.500% 5/27/16 0.0125/\$1 PV ON 310,000 PAR VALUE DUE 5/27/2013	3137EACT4	3,875.00	
05/28/13	Sales	SOLD 20,932.86 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/28/13	431114503S	20,932.86	(20,932.86)
05/29/13	Sales	FULL CALL 135,000 PAR VALUE OF FNMA NTS 1.000% 5/29/15 ST CAPITAL LOSS OF (\$659.34) TRADE DATE 05/29/13 FULL CALL	3135GOLB7	135,000.00	(135,659.34)
05/29/13	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 1.000% 5/29/15 0.005/\$1 PV ON 135,000 PAR VALUE DUE 5/29/2013	3135GOLB7	675.00	
05/29/13	Other Receipts	CASH RECEIPT PAYMENT OF FEES For Period Ending 20121231		2,511.00	
05/29/13	Fees	UB FEE COLLECTED For Period Ending 20121231		(2,511.00)	
05/29/13	Purchases	PURCHASED 135,675 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/29/13	431114503S	(135,675.00)	135,675.00



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Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
05/31/13	Interest	CASH RECEIPT OF INTEREST EARNED ON UNITED STATES TREAS 0.625% 11/30/17 0.003125/\$1 PV ON 300,000 PAR VALUE DUE 5/31/2013	912828UA6	937.50	
05/31/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 0.875% 11/30/16 0.004375/\$1 PV ON 350,000 PAR VALUE DUE 5/31/2013	912828RU6	1,531.25	
05/31/13	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.375% 11/30/15 0.006875/\$1 PV ON 250,000 PAR VALUE DUE 5/31/2013	912828PJ3	1,718.75	
05/31/13	Purchases	PURCHASED 4,187.5 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 05/31/13	431114503S	(4,187.50)	4,187.50
Net Activity				\$0.00	\$22,250.65
Ending Balance				\$0.00	\$10,608,483.72

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Shares	Cost	Proceeds	Gain / Loss Amount	
						Short	Long
05/09/13	US TREAS NTS 0.250% 4/30/14	912828SR2	175,000.000	174,892.19	175,197.66	305.47	0.00

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Realized Gain/Loss Summary (continued)

Sale Date	Asset Name	CUSIP	Shares	Cost	Proceeds	Gain / Loss Amount	
						Short	Long
05/29/13	FNMA NTS 1.000% 5/29/15	3135G0LB7	135,000.000	135,659.34	135,000.00	(659.34)	0.00
TOTAL				\$310,551.53	\$310,197.66	(\$353.87)	\$0.00
SUMMARY				DISTRIBUTIONS	REALIZED	TOTAL	
Short Term Capital Gain / Loss				\$0.00	(\$353.87)	(\$353.87)	
Long Term Capital Gain / Loss				\$0.00	\$0.00	\$0.00	

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
General Checking Account Detail
March 1, 2013 - May 31, 2013**

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
0100 - CASH IN BANK								
0100-010 Scott Valley Bank								
Transfer	3/1/2013			Funds Transfer	0106-010 Trust - Liab_SVB		21,054.64	316,853.24
Transfer	3/1/2013			Funds Transfer	0106-020 Trust - WC - SVB		61,192.56	316,853.24
Payment	3/1/2013		Isleton		0120 ACCOUNTS RECEIVABLE	3,100.00		237,706.04
Payment	3/1/2013		Loyalton		0120 ACCOUNTS RECEIVABLE	2,618.00		240,324.04
Check	3/4/2013	2365	SBK Risk Services, Inc.	January 2013	0670 - Risk Management Services		11,017.10	229,306.94
Check	3/4/2013	2366	Gaia Hotel	Meeting 1/25/13	0605 - B of D Activities		853.50	228,453.44
Check	3/4/2013	2367	Maze & Associates		0506 - Audit		10,052.00	218,401.44
Deposit	3/5/2013			Deposit	0875 -Ins Premiums/Contrib.Cost	29,334.00		247,735.44
Payment	3/5/2013		Portola		0120 ACCOUNTS RECEIVABLE	7,506.00		255,241.44
Deposit	3/14/2013			Deposit	-SPLIT-	7,919.84		263,161.28
Transfer	3/19/2013			Funds Transfer	0106-020 Trust - WC - SVB		78,798.21	184,363.07
Transfer	3/19/2013			Funds Transfer	0106-010 Trust - Liab_SVB		1,254.45	183,108.62
Check	3/22/2013	2369	York Insurance Services Group, I...	Inv # 5000008753 Liab Claims Admin 3/13	0830 -Claims Service - Vouchers		8,125.00	174,983.62
Check	3/22/2013	2370	York Insurance Services Group, I...	Inv # 5000008752 WC Claims Admin 3/13	0710 - Claims Management		7,895.00	167,088.62
Check	3/22/2013	2371	York Insurance Services Group, I...	Inv # 5000008646 Laib Claims Admin 2/13	0830 -Claims Service - Vouchers		8,125.00	158,963.62
Check	3/22/2013	2372	York Insurance Services Group, I...	Inv # 5000008645 WC Claims Admin 2/13	0710 - Claims Management		7,895.00	151,068.62
Check	3/22/2013	2373	Gilbert Associates, Inc.	29330 ENG Jan - Feb 2013	0505 - Accounting		8,000.00	143,068.62
Check	3/22/2013	2374	SBK Risk Services, Inc.	Inv # SCORE 13-3	0670 - Risk Management Services		4,876.07	138,192.55
Check	3/22/2013	2375	Department of Industrial Relations	Inv # OSIP 58184	0699 - User Funding Assessment		18,898.69	119,293.86
Check	3/25/2013	2368	Gaia Hotel	Board Meeting	0605 - B of D Activities		1,121.01	118,172.85
Payment	3/26/2013	44099	Dunsmuir		0120 ACCOUNTS RECEIVABLE	13,510.00		131,682.85
Check	3/29/2013	2376	Portola	Reimbursement - Board Meeting 10/24/12	0605 - B of D Activities		750.36	130,932.49
Check	3/29/2013	2377	DKF Soutlions Group, LLC	Training - Inv # 1834	0676 - Safety Training		1,549.52	129,382.97
Payment	3/31/2013		Isleton		0120 ACCOUNTS RECEIVABLE	3,100.00		132,482.97
Deposit	3/31/2013			Interest	SVB	19.23		132,502.20
Transfer	4/1/2013			Funds Transfer	0106-020 Trust - WC - SVB		32,045.95	100,456.25
Check	4/3/2013	2378	City of Redding	Reimbursement for Training Expense	-SPLIT-		117.70	100,338.55
Check	4/3/2013	2379	Champion Awards	Inv # 31597	0605 - B of D Activities		97.20	100,241.35
Transfer	4/10/2013			Funds Transfer	0106-010 Trust - Liab_SVB		107,000.00	-6,758.65
Payment	4/10/2013		Yreka		0120 ACCOUNTS RECEIVABLE	58,437.00		51,678.35
Payment	4/15/2013	32261	Mt. Shasta		0120 ACCOUNTS RECEIVABLE	40,163.00		91,841.35
Payment	4/15/2013	40858	Live Oak		0120 ACCOUNTS RECEIVABLE	21,916.00		113,757.35
Payment	4/15/2013	47168	Weed		0120 ACCOUNTS RECEIVABLE	31,441.00		145,198.35
Payment	4/15/2013		Montague		0120 ACCOUNTS RECEIVABLE	3,617.00		148,815.35
Payment	4/15/2013		Isleton		0120 ACCOUNTS RECEIVABLE	3,100.00		151,915.35
Payment	4/16/2013	1455	Rio Dell		0120 ACCOUNTS RECEIVABLE	12,896.00		164,811.35
Payment	4/16/2013	11315	Tulelake		0120 ACCOUNTS RECEIVABLE	3,398.50		168,209.85
Payment	4/16/2013	27069	Biggs		0120 ACCOUNTS RECEIVABLE	5,835.00		174,044.85
Payment	4/16/2013	49112	Colfax		0120 ACCOUNTS RECEIVABLE	4,957.00		179,001.85
Payment	4/16/2013	51287	Loomis		0120 ACCOUNTS RECEIVABLE	9,877.00		188,878.85
Payment	4/16/2013		Dunsmuir		0120 ACCOUNTS RECEIVABLE	13,510.00		202,388.85
Deposit	4/16/2013			Deposit	0875 -Ins Premiums/Contrib.Cost	3,882.22		206,271.07
Transfer	4/17/2013			Funds Transfer	0106-010 Trust - Liab_SVB		32,450.35	173,820.72
Transfer	4/17/2013			Funds Transfer	0106-020 Trust - WC - SVB		38,886.01	134,934.71
Payment	4/24/2013		Dorris		0120 ACCOUNTS RECEIVABLE	1,872.00		136,806.71
Payment	4/24/2013		Shasta Lake		0120 ACCOUNTS RECEIVABLE	41,460.00		178,266.71
Payment	4/24/2013		Tulelake		0120 ACCOUNTS RECEIVABLE	3,398.50		181,665.21
Payment	4/24/2013		Loyalton		0120 ACCOUNTS RECEIVABLE	2,618.00		184,283.21
Payment	4/26/2013		Weed		0120 ACCOUNTS RECEIVABLE	31,441.00		215,724.21

**Small Cities Organized Risk Effort
General Checking Account Detail
March 1, 2013 - May 31, 2013**

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Deposit	4/30/2013			Interest	SVB	14.90		215,739.11
Check	5/1/2013	2380	York Insurance Services Group, I...	Inv # 5000008894 - Liab Clams Mgmt 4/13	0830 -Claims Service - Vouchers		8,125.00	207,614.11
Check	5/1/2013	2381	York Insurance Services Group, I...	Inv # 5000008892- W/C Clams Mgmt 4/13	0710 - Claims Management		7,895.00	199,719.11
Check	5/1/2013	2382	AssetWorks, Inc.	Progress Billing - Inv # 664-140	Appraisal Services		35,000.00	164,719.11
Check	5/1/2013	2383	AssetWorks, Inc.	Draft Reports - Inv # 664-179	Appraisal Services		13,500.00	151,219.11
Payment	5/2/2013	87455	Susanville		0120 ACCOUNTS RECEIVABLE	42,998.00		194,217.11
Transfer	5/2/2013			Funds Transfer	0106-010 Trust - Liab_SVB		21,098.92	173,118.19
Transfer	5/2/2013			Funds Transfer	0106-020 Trust - WC - SVB		37,967.75	135,150.44
Transfer	5/16/2013			Funds Transfer	0106-010 Trust - Liab_SVB		17,670.40	117,480.04
Transfer	5/16/2013			Funds Transfer	0106-020 Trust - WC - SVB		16,614.77	100,865.27
Check	5/21/2013	2384	Champion Awards	Name Plates	6999 - 0690 - Miscellaneous		32.21	100,833.06
Check	5/21/2013	2385	Etna	Lexipol 2012/2013 Update	0676 - Safety Training		1,950.00	98,883.06
Check	5/21/2013	2386	York Insurance Services Group, I...	Inv # 5000008993 - Liab Clams Mgmt 5/13	0830 -Claims Service - Vouchers		8,125.00	90,758.06
Check	5/21/2013	2387	York Insurance Services Group, I...	Inv # 500000892 - WC Clams Mgmt 5/13	0710 - Claims Management		7,895.00	82,863.06
Check	5/21/2013	2388	SBK Risk Services, Inc.	Inv # SCORE 13-4	0670 - Risk Management Services		2,702.71	80,160.35
Check	5/21/2013	2389	Colfax	Oct Board Mtg	0605 - B of D Activities		558.34	79,602.01
Check	5/21/2013	2390	Alliant	Treasurer Bond - Inv # 119023	0625 - Insurance		575.00	79,027.01
Check	5/21/2013	2391	SBK Risk Services, Inc.	Inv # SCORE 13-3	0670 - Risk Management Services		3,583.23	75,443.78
Check	5/21/2013	2392	Gilbert Associates, Inc.	29330 ENG - March 2013	0505 - Accounting		4,000.00	71,443.78
Check	5/21/2013	2393	Gilbert Associates, Inc.	29330 ENG - April 2013	0505 - Accounting		2,000.00	69,443.78
Check	5/21/2013	2394	Union Bank of California, N.A.	Jan - Mar 2013 - Inv # 802065	0601 - Bank Charges		2,292.00	67,151.78
Check	5/21/2013	2395	York Insurance Services Group, I...	Inv # 5000008281 - Liab Clams Mgmt 11/12	0830 -Claims Service - Vouchers		8,125.00	59,026.78
Check	5/21/2013	2396	York Insurance Services Group, I...	Inv # 5000008280 - WC Clams Mgmt 11/12	0710 - Claims Management		7,895.00	51,131.78
Check	5/21/2013	2397	York Insurance Services Group, I...	Inv # 5000008411 - WC Clams Mgmt 12/12	0710 - Claims Management		7,895.00	43,236.78
Check	5/21/2013	2398	York Insurance Services Group, I...	Inv # 5000008412 - Liab Clams Mgmt 12/12	0830 -Claims Service - Vouchers		8,125.00	35,111.78
Check	5/21/2013	2399	Union Bank of California, N.A.	Oct - Dec 2012 - Inv # 789891	0601 - Bank Charges		2,511.00	32,600.78
Check	5/21/2013	2400	PARMA	SCORE Dues - 1/1/13 - 12/31/13	0615 - Dues and Subscriptions		100.00	32,500.78
Check	5/21/2013	2401	Napa River Inn	Deposit Oct. 2013	0174 - Prepaid Expenses		2,990.00	29,510.78
Total 0100-010 Scott Valley Bank						403,939.19	691,281.65	29,510.78
Total 0100 - CASH IN BANK						403,939.19	691,281.65	29,510.78
TOTAL						403,939.19	691,281.65	29,510.78

Monthly Account Statement

Small Cities Organized Risk Effort

May 1, 2013 through May 31, 2013

Chandler Team

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

Custodian

Union Bank N.A.
Jeannette Simmons

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.38
Average Coupon	1.76 %
Average Purchase YTM	1.40 %
Average Market YTM	0.57 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.50 yrs
Average Life	2.40 yrs

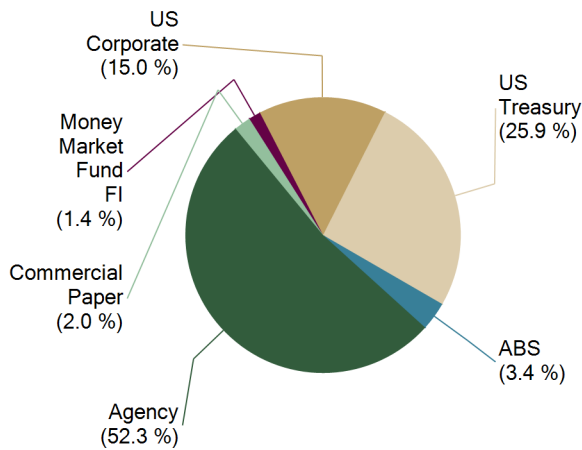
ACCOUNT SUMMARY

	Beg. Values as of 4/30/13	End Values as of 5/31/13
Market Value	10,682,962	10,640,103
Accrued Interest	53,909	45,663
Total Market Value	10,736,871	10,685,766
Income Earned	12,101	12,282
Cont/WD		-1,073
Par	10,436,897	10,460,033
Book Value	10,495,132	10,514,627
Cost Value	10,585,429	10,607,553

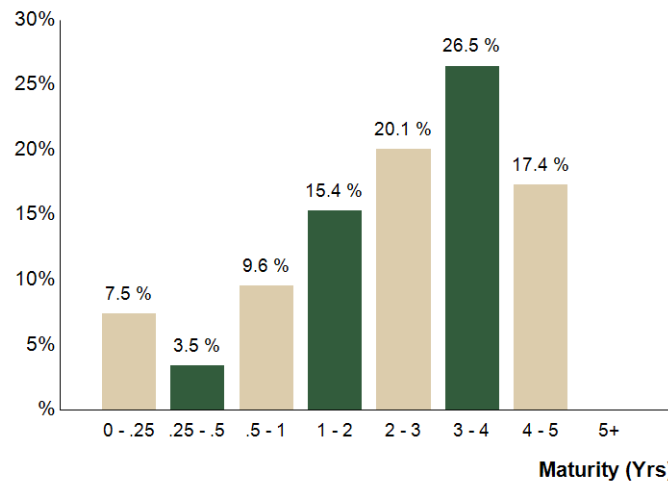
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.9 %
Federal Home Loan Mortgage Corp	14.2 %
Federal National Mortgage Assoc	14.1 %
Federal Home Loan Bank	11.8 %
Federal Farm Credit Bank	10.0 %
Procter & Gamble Company	2.6 %
Microsoft	2.3 %
Tennessee Valley Authority	2.2 %
Total	83.1 %

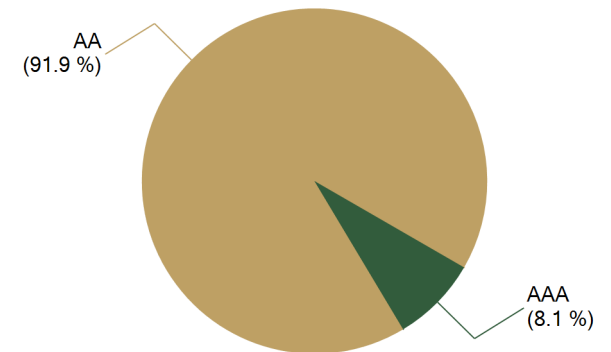
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 5/31/2013	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	-0.47 %	-0.21 %	-0.13 %	0.62 %	2.02 %	3.40 %	N/A	4.24 %	34.66 %
1-5 yr Govt	-0.51 %	-0.24 %	-0.13 %	0.33 %	1.81 %	2.96 %	N/A	3.94 %	31.91 %
1-5 Year Govt/A Rated or better Corporate	-0.51 %	-0.20 %	-0.01 %	0.99 %	2.25 %	3.22 %	N/A	4.07 %	33.07 %



**Small Cities Organized Risk Effort
Joint Powers Authority
May 31, 2013**

COMPLIANCE WITH INVESTMENT POLICY

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

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



Reconciliation Summary

As of 5/31/2013

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$10,495,132.09
Acquisition	
+ Security Purchases	\$359,665.85
+ Money Market Fund Purchases	\$159,023.24
+ Money Market Contributions	\$2,511.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$521,200.09
Dispositions	
- Security Sales	\$175,197.66
- Money Market Fund Sales	\$184,813.91
- MMF Withdrawals	\$3,584.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$135,000.00
- Principal Paydowns	\$0.00
Total Dispositions	\$498,595.57
Amortization/Accretion	
+/- Net Accretion	(\$3,149.34)
	(\$3,149.34)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$39.85
	\$39.85
Ending Book Value	\$10,514,627.12

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$176,896.67
Acquisition	
Contributions	\$2,511.00
Security Sale Proceeds	\$175,197.66
Accrued Interest Received	\$10.70
Interest Received	\$24,022.84
Dividend Received	\$0.40
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$135,000.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$336,742.60
Disposition	
Withdrawals	\$3,584.00
Security Purchase	\$359,665.85
Accrued Interest Paid	\$356.42
Total Dispositions	\$363,606.27
Ending Book Value	\$150,033.00

Employee Assistance Program Utilization Report

Utilization Summary and Analysis



SCORE

January 1, 2013 - March 31, 2013

Projected Annual Rate:

5.1%

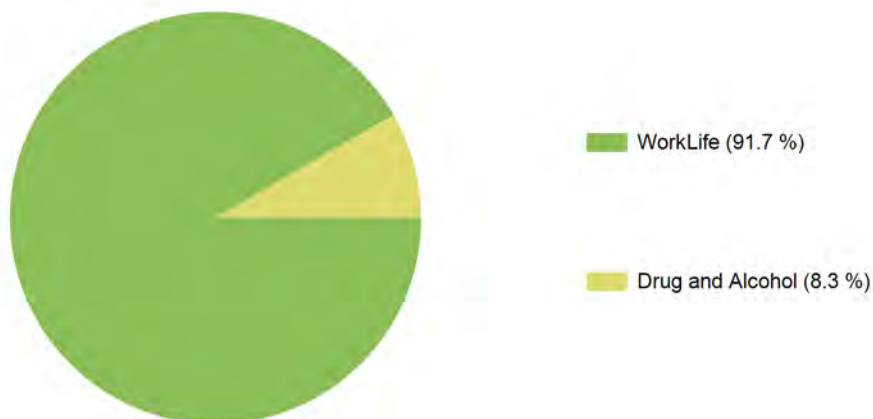
Previous Utilization Rate: 5.4%

Overall Utilization

There were 12 new contacts. 2 were referred by Family Member, 4 were referred by Human Resources, 1 was referred by Other Employee, 4 were referred by Poster / Brochure, 1 had Used Before.

The presenting problems were: Substance Abuse / Family Member and WorkLife.

1 new contact was for a Family Member and 11 new contacts were self-initiated.



Work/Life Utilization

In this time period there were 11 case(s) that were opened: 100.0 % of the cases were Legal.

Legal was the most utilized with 11 cases.

ACI is proud to help boost productivity by mitigating employee stress in the workplace. As many as 90% of physician office visits are for stress-related ailments. Stress costs employers more than \$300 billion annually in lost hours and direct medical expenses. In fact, almost half of all employees in the U.S. feel overwhelmed by a growing number of job tasks and longer working hours. ACI's comprehensive work/life services provide referrals that reduce employee stress, boost productivity, and support employee health on and off the job.

Training

Training Comment:

As a value-added partner, ACI's Training Department offers consultation, support services, and flexible training options to fit the various needs of any organization. Next quarter, look for the upcoming Quarterly Management Training Webinar, which addresses Stress Management in the workplace. Visit ACI's YouTube channel for more trainings and popular videos. Please contact ACI's Training Department at 800-932-0034 and ask to speak with a member of the training team or email us at training@acieap.com to learn more about training offerings and options available.

Newsletters

ACI provided the following HealthY-mails this quarter: Debunking Generational Stereotypes; Flex for Success; Count Your Chickens: 6 Simple Budgeting Tips.

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

1/1/2013 - 3/31/2013

Employee Assistance Program Utilization Report

Utilization Hours

Employee Assessment	13.00
Consultation: Work/Life & Concierge	11.00
Consultation: Supervisor, Management and Outside Consultants	34.00
Total Program Hours this Period:	58.00

Utilization Comments

In its 30th year, ACI is dedicated to supporting managers and supervisors for comprehensive workplace success. ACI was pleased to begin the new year with the new Quarterly Management Training Series. This quarter's webinar focused on Managing Conflict, a common workplace issue. Attendees provided excellent feedback. With 24/7 access to trainings and webinars on YouTube, ACI provides unlimited points for employees to access EAP services, receive crisis alerts and response on social media, and connect directly with an ACI training specialist. Clients across the country and abroad can continue to expect ACI Specialty Benefits to deliver the stand-out customer service and personalized support that have made ACI a Top-Ten EAP for 30 years.

SCORE Utilization Rate for the Period 1/1/2013 to 3/31/2013 was 5.1 %

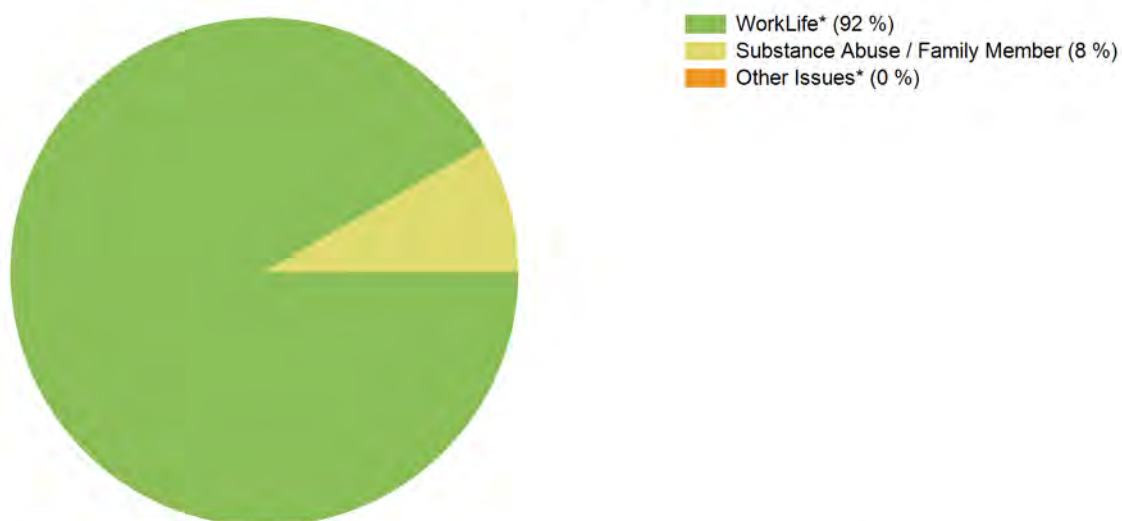
This decreased from the previous Utilization period which was 5.4 %

Primary Issue for Assessment

Primary Issue	New	Previous Quarter	Year To Date
Emotional	0	5	0
Family / Child	0	1	0
Marital / Relationship	0	1	0
Substance Abuse / Family Member	1	0	1
WorkLife*	11	6	11

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

New Issues this Quarter



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

1/1/2013 - 3/31/2013

Employee Assistance Program Utilization Report**Primary Issue Breakout for WorkLife**

Referral Made	New	Previous Quarter	Year To Date
Legal	11	2	11

New Issues this Quarter

Legal (100 %)

1/1/2013 - 3/31/2013

Employee Assistance Program Utilization Report

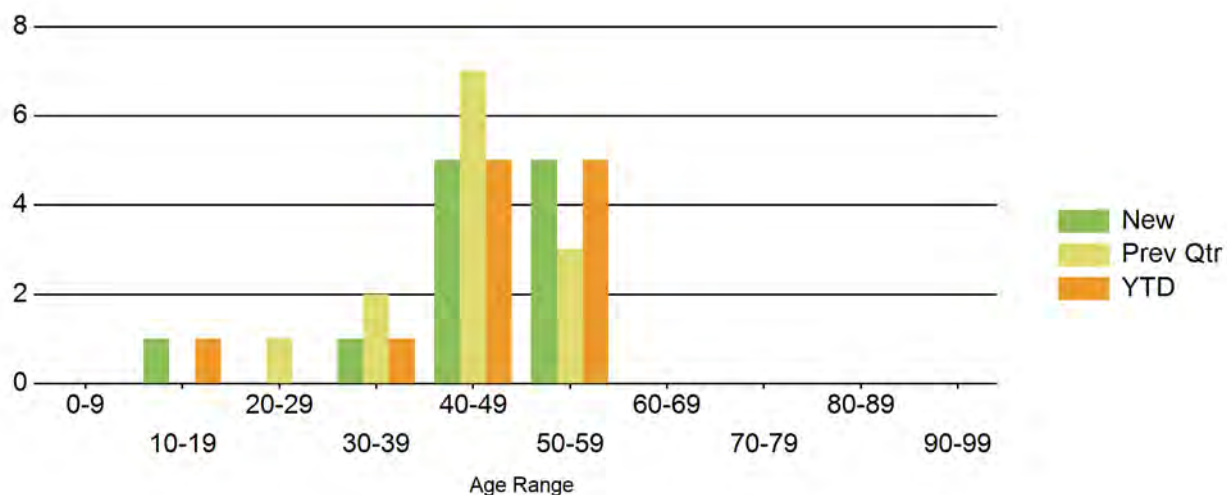
Demographic Data

Gender	New	Previous Quarter	Year To Date
Female	6	8	6
Male	6	5	6



Female (50 %)
 Male (50 %)

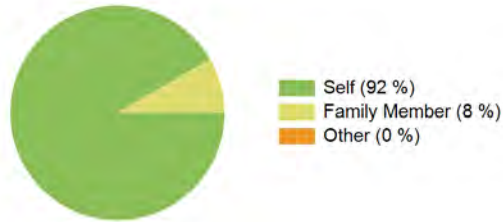
Age Range	New	Previous Quarter	Year To Date
0-9	0	0	0
10-19	1	0	1
20-29	0	1	0
30-39	1	2	1
40-49	5	7	5
50-59	5	3	5
60-69	0	0	0
70-79	0	0	0
80-89	0	0	0
90-99	0	0	0



Who is Initiating Contact with ACI	New	Previous Quarter	Year To Date
Self	11	13	11
Family Member	1	0	1
Other	0	0	0

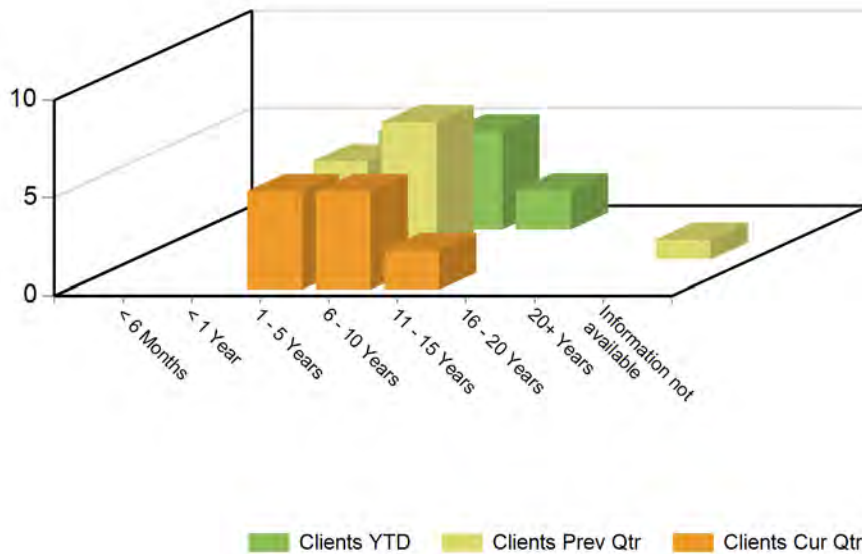
1/1/2013 - 3/31/2013

Employee Assistance Program Utilization Report



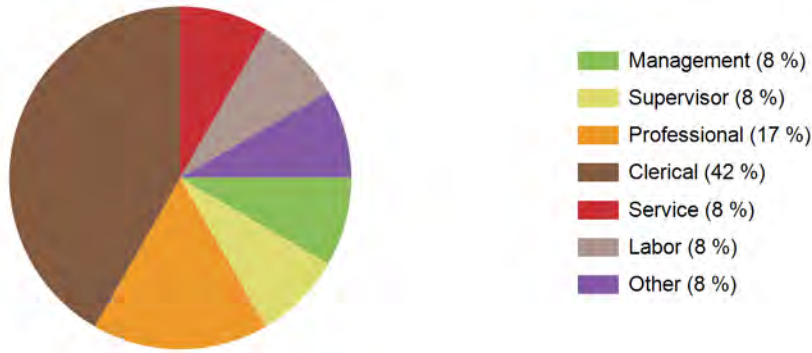
Employment Data

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



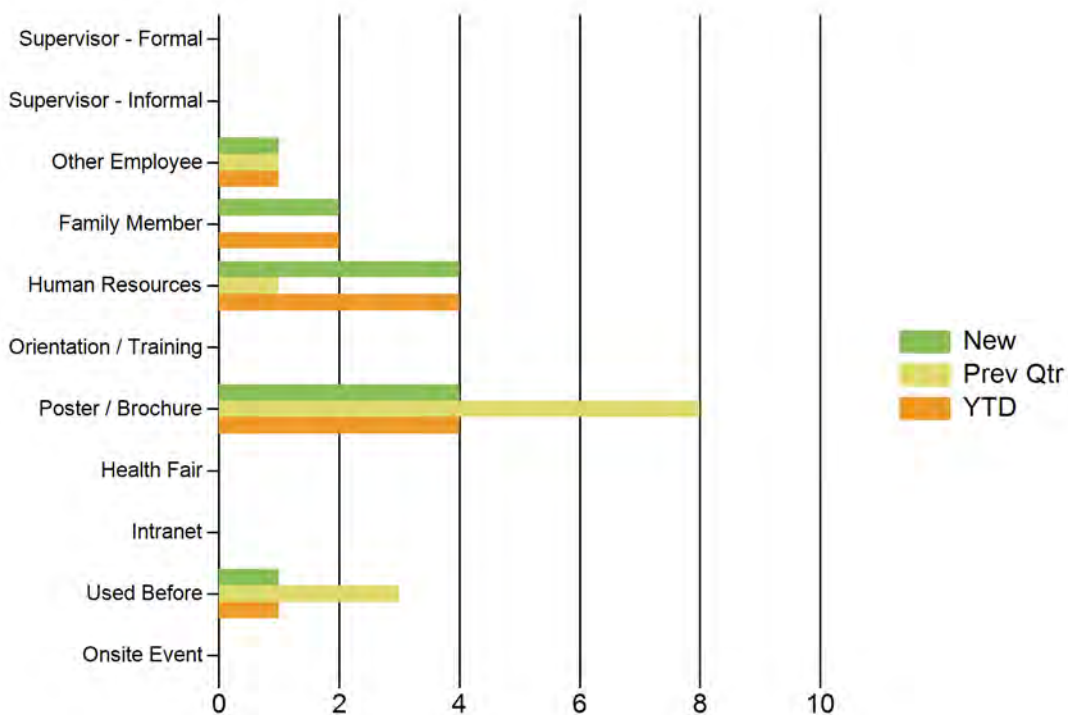
Job Category	New	Previous Quarter	Year To Date
Management	1	0	1
Supervisor	1	1	1
Professional	2	3	2
Technical	0	0	0
Clerical	5	4	5
Production	0	0	0
Service	1	1	1
Sales	0	0	0
Labor	1	2	1
Other	1	2	1

Employee Assistance Program Utilization Report



Referral Source

Referral Source	New	Previous Quarter	Year To Date
Supervisor - Formal	0	0	0
Supervisor - Informal	0	0	0
Other Employee	1	1	1
Family Member	2	0	2
Human Resources	4	1	4
Orientation / Training	0	0	0
Poster / Brochure	4	8	4
Health Fair	0	0	0
Intranet	0	0	0
Used Before	1	3	1
Onsite Event	0	0	0



May 10, 2013

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

Re: SCORE 2013-2015 EAP Renewal

Dear Susan,

This letter is a confirmation of renewal for the EAP benefits offered by ACI Specialty Benefits for SCORE. It has been a pleasure to provide service to your employees and their family members, and ACI would like to thank you for taking the time and consideration in renewing services and the EAP Agreement. On behalf of the entire ACI staff, please know that we appreciate your continued trust in ACI's benefits and services.

The renewal terms are as follows:

- Renewal Date: September 15, 2013
- Renewal Term: Two-year rate guarantee
- Renewal Rate: Rate Pass; Current Rate: \$2.25 Per Employee Per Month
- Headcount: 372
- Cities Being Served:

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

ACI is excited to offer EAP clients 24/7 convenient access to benefits and services through Social@ACI. Employees can request services on Facebook, follow live tweets from onsite events, get helpful tips and insightful articles on ACI's blog, watch popular training videos on ACI's YouTube channel, get immediate updates during times of crisis, and much more. Social@ACI is a new value-added benefit for clients included at no extra charge.



This renewal notice is subject to the same terms and conditions as the Master Service Agreement which can be viewed at [Master Agreement](#). Non-renewal notices must be sent in writing 60 days prior to termination date. In working to design a plan customized to fit the needs of your employees, attached please find the updated Exhibit A which outlines the current service offerings. Any additional services are available at an extra cost. After reviewing the renewal letter and Exhibit A, please sign where indicated and return this letter along with the associated Exhibit A, initialed where indicated. Please keep a copy of each for your records.

It has been a pleasure to provide this full-service EAP and to work to support this excellent employee group for the past four years. ACI understands you have many benefit choices available to your employees, and values the trust and confidence you show in ACI's services by renewing with us.

If you have any questions or comments about this renewal, please contact your Account Manager.

Sincerely,

Theresa Baptiste

Vice President of Service Outcomes

Approved by:

SCORE

Authorized Signature

Date

EXHIBIT A

SUMMARY OF BENEFITS

Prepared for:
SCORE

Provider:
ACI Specialty Benefits

Policy:
Employee Assistance Program

Summary Date:
5/10/2013

Start Date:
9/15/2013

Anniversary Date:
9/15/2015



PROGRAM INCLUSIONS

Benefit Description

ACI Specialty Benefits (ACI) will provide employee assistance program (EAP) services, including diagnosis, assessment, referral and short-term problem resolution. Following the diagnostic plan, the employee or family member may be referred for therapy or other professional services.

ACI will also provide comprehensive work/life referrals, resources and services.

Corporate EAP Services

- Three Face-to-Face Sessions Per Year

Cities Served

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

EAP Work/Life Services

- **Legal assistance** for **unlimited** number of issues per year. Includes 60-minute in office or telephonic consultation with local attorney and 25% discount for continued services
- Telephonic **financial assistance** for **unlimited** number of issues per year. Includes 30-day financial coaching benefit with 90-day action plan take-away.
- **Unlimited child care** and **elder care** referrals
- **100% Follow-up** for all requests, referrals and services utilized



EXHIBIT A

SUMMARY OF BENEFITS

Prepared for:
SCORE

Provider:
ACI Specialty Benefits

Policy:
Employee Assistance Program

Summary Date:
5/10/2013

Start Date:
9/15/2013

Anniversary Date:
9/15/2015



Training & Orientations



Virtual and Onsite

- **Unlimited*** Manager and Supervisor Trainings¹
- **Unlimited*** Live 'N Learn Seminars¹
- **Unlimited*** Employee Orientation Meetings¹
- Just-Do-It Training consultation and facilitation tools for onsite management
- 24/7 access to training videos on ACI's YouTube Channel
- ACI attendance at one (1) on-site meeting per year

HR Support Services

- Crisis Response
 - Critical Incident Stress Debriefing/Management (CISD/CISM) per city, per year³
 - Disaster Contingency Consultation Materials
- Substance abuse case management and support for return-to-work transition
- Direct supervisory referrals for work performance problems
- Management consultation regarding difficult employee issues
- Consultation and development of policies to prevent workplace violence and manage high risk situations
- Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions

Clinical Services

- **Unlimited** clinical consulting on difficult employee issues
- Access to panel of in-house clinicians
- Referrals to local clinicians and Substance Abuse Professionals (SAPs)⁴

Provider Network Availability

- Over 40,000 providers nationwide

*Four (4) hours per city, per year

¹ Attendance minimum of 15 employees for onsite employee orientations; travel costs for trainers included.

³ Complimentary one (1) CISD per city, per year. Limited to 2 hours on-site, per incident. Additional CISD/CISM available at a reduced rate of \$125/hour.

⁴ Substance Abuse Professionals available at an additional cost. Please call ACI's Clinical department for current pricing sheet.



EXHIBIT A

SUMMARY OF BENEFITS

Prepared for:
SCORE

Provider:
ACI Specialty Benefits

Policy:
Employee Assistance Program

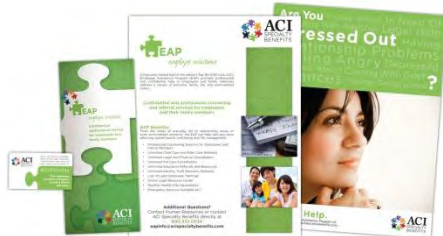
Summary Date:
5/10/2013

Start Date:
9/15/2013

Anniversary Date:
9/15/2015



Program Promotion & Web Services



Materials ²

- **Promotional Campaign** including electronic brochures, flyers, wallet cards, and summary plan descriptions
- **Virtual Folder** containing all marketing materials ready for electronic distribution
- Monthly HealthYMail™ newsletter
- Quick Response (QR) Codes for instant access to information via smartphone
- Online access to ACI's website: www.acispecialtybenefits.com
- Co-branding with client's logo available



Program Access

- 24-hour, 365 day-a-year nationwide toll free number (800.932.0034)
- Always live answer in 175 different languages
- **myACI App** for mobile access

Reporting

- Quarterly utilization reports with executive overview
- Annual cost analysis available on request
- Full-color graphs and charts display key metrics and demographic data
- One annual executive year-end review

Eligibility

Easy Access: No cumbersome membership IDs or Social Security Numbers required

Employee: Determined by employer

Dependents: Spouse, domestic partners, dependents, **all family members regardless of location**

Termination of Benefits

30 days from employee termination date at no cost to employer

² ACI Specialty Benefits provides unlimited virtual marketing materials. Printed materials are available at an additional cost.



EXHIBIT A

SUMMARY OF BENEFITS

Prepared for:
SCORE

Provider:
ACI Specialty Benefits

Policy:
Employee Assistance Program

Summary Date:
5/10/2013

Start Date:
9/15/2013

Anniversary Date:
9/15/2015



RATE SUMMARY

Program	Session Model	Employee Count	Per Employee Per Month
All Employees	3 Sessions Per Year Corporate EAP and Work/Life	372	\$2.25

ADDITIONAL ONSITE FEES*

Type of Service	Fees for Service
Critical Incident Stress Debriefing (CISD)	\$325 per hour
Conflict Resolution/Mediation	\$350 per hour
On-Site Lay-Off and RIF Support	\$325 per hour
On-Site Orientations	\$250 per hour
EAP Seminars or Trainings	\$250 per hour
Executive Coaching	\$350 per hour

***Additional fees are for above contracted services**

Rates guaranteed for two years

Rates assume no broker commission

Attendance minimums apply along with 3 business day cancellation notice for onsite services

Pay one annual check for all cities (Admin fee assessed for separate billing)



2013-14 ACI - EAP Renewal Employee Count

CITY	# of Employees
City of Biggs	9
City of Colfax	10
City of Dorris	12
City of Dunsmuir	10
City of Etna	46
City of Isleton	5
City of Live Oak	20
Town of Loomis	8
City of Loyalton	5
City of Mount Shasta	34
City of Portola	11
City of Shasta Lake	45
City of Susanville	62
City of Weed	30
City of Yreka	49
Tulelake	16
Total	372

SBK RISK SERVICES, INC.

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

April 5, 2013

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

APPROVED

By sadams at 1:16 pm, Apr 08, 2013

Invoice: # SCORE 13-4

Dear Susan:

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

The total is \$2,702.71

Thank you in advance,

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

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

Mar-13	SCORE Time and Expense Record									
			Travel					Auto		
Location	Date	Time	Time	Miles	Parking/Tolls	Meals	Lodging	Rental	Misc	Description
Dorris	3/7	0.75								t/c, emails re police contracts
	3/7	0.25								t/c re target safety
Live Oak	3/13	0.25								scheduling
Dorris	3/14	1.25								harassment, dog issues
Dorris	3/14	0.50								recommendation response
Dorris	3/14	0.50								more security discussions
Shasta Lake	3/20	0.50								t/c's re visit
Shasta Lake	3/21	1.50	3.0	185						fall protection at lift station
	3/21	2.00	0.5	20		\$21.00				travel to meeting
	3/22	5.00	2.0	165			\$83.16			meeting
Loomis	3/26	2.00								skate park issues
Live Oak	3/29	0.25								T/C SCHEDULING
Totals		14.8	5.5	370	\$0.00	\$21.00	\$83.16	\$0.00	\$0.00	
Factors		118	118	0.565	118	1	1	1	1	
\$ Totals		1741	649	209.1	\$0.00	\$21.00	\$83.16	\$0.00	\$0.00	
Grand Total										\$2,702.71

SBK RISK SERVICES, INC.

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jack.kastorff@comcast.net
916 747-JACK (5225) cell

May 1, 2013

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

APPROVED

By sadams at 11:00 am, May 01, 2013

Invoice: # SCORE 13-5

Dear Susan:

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

The total is \$3,583.23

Thank you in advance,

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

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

Apr-13		SCORE Time and Expense Record								
Location	Date	Time	Travel Time	Miles	Parking/Tolls	Meals	Lodging	Auto Rental	Misc	Description
Montague	4/2	0.25								t/c re pool rescue equipment
Montague	4/4	1.50								research, email re pool rescue equipment
	4/5	0.50								t/c's re scheduling
Isleton	4/11	0.25								t/c re liability exposures
Live Oak	4/11	7.50	2.0	98						on site
Rio Dell	4/13	0.25								email response
Biggs	4/16	3.00	3.0	142						on site
Isleton	4/17	3.50	2.5	104						on site
Etna	4/18	0.50								t/c re council & closed session items
Live Oak	4/23	1.00	2.0	98						risk mgt discussions
Isleton	4/25	0.50								t/c Cameron Dewey re s/f claim
Totals		18.8	9.5	442	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Factors		118	118	0.565	118	1	1	1	1	
\$ Totals		2213	1121	249.7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Grand Total										\$3,583.23

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Fair Oaks, CA 95628
916 967-2880 Fax: 916 967-2881
jack.kastorff@comcast.net
916 747-JACK (5225) cell

June 1, 2013

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

Invoice: # SCORE 13-6

Dear Susan:

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

The total is \$15,203.97.

Per our discussions in mid-2012, may we expect payment by June 15?

Thank you in advance,

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

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

May-13		SCORE Time and Expense Record								
Location	Date	Time	Travel Time	Miles	Parking/Tolls	Meals	Lodging	Auto Rental	Misc	Description
Colfax	5/1	0.25								email re splash park
	5/1	0.50								emails re CPO class
	5/1	1.50								CPO confusion clear up
	5/1	1.50								scheduling
Colfax	5/3	7.25	2.00	84						physical inspection
	5/5		5.00	308		\$7.00				travel
Tule Lake	5/6	6.00	1.00	55		\$22.00	\$98.09			physical inspection
Dorris	5/6	7.00	1.25	67		\$21.00	\$89.09			
Etna	5/7	6.00	1.00	40		\$16.00	\$89.09			
Fort Jones	5/7	5.00	0.75	40		\$23.00	\$89.09			
Montague	5/8	0.50								fd question re sleeper program
Weed	5/8	9.00	1.00	60		\$30.00				physical inspection
Montague	5/9	5.00	4.50	7		\$6.46				physical inspection
	5/9		4.50	262						travel
Montague	5/15	0.50								t/c re air tanks and IIPP
	5/21		4.50	262		\$27.46	\$89.09			travel
Yreka	5/22	12.00	0.25	10		\$32.00	\$89.09			
Mt. Shasta	5/23	6.00	1.00	30		\$30.00				
Dusnmuir	5/23	6.00	1.00	10		\$30.04				
Shasta Lake	5/24	8.00	3.00	180		\$55.00	\$108.99			
Live Oak	5/29	1.25								t/c, questions about IIPP
Totals		83.25	30.75	1415	\$0.00	\$299.96	\$652.53	\$0.00	\$0.00	
Factors		118.00	118.00	0.565	118	1	1	1	1	
\$ Totals		9823.50	3628.50	799.5	\$0.00	\$299.96	\$652.53	\$0.00	\$0.00	
Grand Total										\$15,203.97

SCORE TargetSolutions Utilization Report up to 5/31/13

Member Organization	Total Active and Offline		Users Completing	Courses	Users Completing	Completed-Total
	Users	Registered Users	One or More Course	Completed	One or More Activities	
City of Biggs	12	6	0	0	0	0
City of Colfax	19	11	6	10	0	0
City of Dorris	13	6	1	2	0	0
City of Dunsmuir	37	22	12	94	32	355
City of Etna	39	23	1	3	0	0
City of Isleton	2	1	0	0	0	0
City of Live Oak	14	2	0	0	0	0
City of Loyalton	1	1	0	0	0	0
City of Montague	15	10	10	71	0	0
City of Mount Shasta	21	17	1	1	0	0
City of Portola	30	10	1	6	0	0
City of Rio Dell	3	1	0	0	0	0
City of Susanville	3	2	0	0	0	0
City of Weed	2	1	0	0	0	0
Fort Jones Volunteer Fire	29	19	5	12	2	8
Loomis Fire Protection District	17	17	5	47	0	0
Town of Fort Jones	2	1	0	0	0	0
Town of Loomis	4	3	2	2	1	1
Weed City Fire	29	10	4	22	21	216
TOTAL	296	167	48	270	56	580



COMMITTEE REPORTS

INFORMATION ITEM

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

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

FISCAL IMPACT: None

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

ATTACHMENTS:

1. ERMA Board of Directors Minutes – April 23, 2013
2. LAWCX Executive Committee Meeting – April 30, 2013
3. CJPRMA Board of Directors Annual Membership Meeting Minutes – May 14-16, 2013

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE BOARD OF DIRECTORS
MEETING OF APRIL 22, 2013**

A regular meeting of the Board of Directors of ERMA was held on April 22, 2013, at the Bickmore office in Sacramento, CA.

BOARD MEMBERS PRESENT: Jake O'Malley, President, MPA
Scott Ellerbrock, Vice President, PERMA
Craig Downs, Treasurer, VCJPA
Dave Elias, CSJVRMA
Judy Hayes, Housing Authority of Contra Costa Co.
Florice Lewis, Oakland Housing Authority
John Gillison, PARSAC
Roger Carroll, SCORE

BOARD MEMBERS ABSENT: René Mendez, MBASIA
Debbie Stutsman, BCJPIA

ALTERNATE MEMBERS PRESENT: Joe Kriskovich, MPA
Artesia Dupree, Oakland Housing Authority
Joanne Rennie, PARSAC
Dan Weakley, BCJPIA
Min-Lee Cheng, VCJPA
Greg Greeson, CSJVRMA

ALTERNATE MEMBERS ABSENT: Joseph Villarreal, Housing Authority of Contra Costa Co.
Daniel Dawson, MBASIA
Kerry Trost, PERMA
Stephanie Beauchaine, SCORE

OTHERS PRESENT: Brian Kelley, Executive Director
Jaesa Ng, Board Secretary
Ruth Graf-Urasaki, Litigation Manager
Nancy Broadhurst, Accounting Manager
Greg O'Dea, Legal Counsel
Meagan Wilcox, Administrative Assistant
Jeanette Workman, CSJVRMA Administrator
Chrissy Mack, CSJVRMA Asst. Administrator
Susan Adams, SCORE Administrator
Rob Kramer, BCJPIA Administrator
Adrienne Beatty, BCJPIA Asst. Administrator
Seth Cole, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services
Scott Tiedemann, Liebert Cassidy Whitmore
Mark Priven, Bickmore

1. CALL TO ORDER

The April 22, 2013, Board of Directors' meeting was called to order at 10:30 a.m. by President Jake O'Malley.

2. INTRODUCTIONS

A majority of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Craig Downs moved to approve the agenda as posted. Seconded by Dave Elias. Motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Scott Ellerbrock moved to approve/accept the following items: A) Minutes of February 15, 2013, Board of Directors' Meeting and Summary of Action Items; B) Internal Financial Statements as of March 31, 2013; C) Treasurer's Report Dated March 31, 2013; D) General Warrants from January 16, 2013, through March 31, 2013; E) Claims Payments from January 16, 2013, through March 31, 2013; F) Petty Cash Statement from January 16, 2013, through March 31, 2013; G) Letter from CAMP Regarding New Custodial Agreement; H) Revised 2012/13 Memorandum of Coverage; and I) 2012/13 MOC Endorsement #5. Seconded by Judy Hayes. Motion passed unanimously.

6. ADMINISTRATIVE MATTERS

A. Report from Ad Hoc Committee regarding Draft Renewal Contract between ERMA and Bickmore effective July 1, 2013

President Jake O'Malley informed the Board that an Ad Hoc Committee met on April 3, 2013, to discuss the contract between ERMA and Bickmore. President O'Malley noted that the Committee reviewed the materials provided, including an hours' analysis. He advised the Board that the Committee came to a general consensus to renew the contract with Bickmore.

Mr. Rob Kramer, Bickmore, was present to discuss the contract with the Board. Mr. Kramer

advised that the Ad Hoc Committee was provided additional backup with respect to the budgeted hours vs. actual hours over the previous three years, and this was also provided to the Board prior to the meeting. He noted that there are a few revisions to the contract, as presented in the agenda. He then directed the Board's attention to the Committee to discuss their recommendation.

President O'Malley advised the Board that the compensation that was discussed at the Ad Hoc Committee meeting was a 3.45% increase in the first year of the contract, and 2% each year thereafter, for the term of the contract (five years). President O'Malley noted these are the terms the Ad Hoc Committee is recommending the Board consider for renewal.

Mr. Kramer advised there were several changes to the Intellectual Property section and the Insurance section. He advised the Board that Mr. Greg O'Dea, Legal Counsel, has reviewed the contract and indicated that he did not have any changes subsequent to his review. Mr. Kramer noted that two typos would be corrected in the final contract.

President O'Malley inquired if the Board had any questions or comments regarding the contract and there were none.

Craig Downs moved to approve the agreement between ERMA and Bickmore for a five-year term with the changes as noted. Seconded by Dave Elias. Motion passed unanimously.

B. Contract Discussion – in2vate Contract Expiring September 1, 2013

Mr. Brian Kelley, Executive Director, advised the Board that the current contract with in2vate, ERMA's online training vendor, would be expiring on September 1, 2013. Mr. Kelley noted that the contract would automatically renew for a one-year term if no action was taken. He informed the Board that the current fees for in2vate are \$36,000 annually for six different online training topics. He also noted that ERMA pays \$0.27 per employee annually for unlimited use of the employee protection line online with access to the toll-free telephone hotline and \$90 per telephone report transcription. Mr. Kelley noted that staff is recommending the Board renew the contract with in2vate.

It was inquired how long ERMA has been with in2vate. Mr. Kelley informed the Board that ERMA was previously with AGOS, which was formerly in2vate, and for a short period of time ERMA did not contract with anyone. ERMA went through the Request For Proposal (RFP) process and selected in2vate in 2010.

It was questioned if there are other companies who offer similar services and staff informed the Board that there are many companies who can offer similar services. The Board requested that staff contact in2vate to request a utilization report of all members to present at a future Board meeting, but it was the consensus of the Board to allow the in2vate contract to renew automatically for a one-year term.

Scott Ellerbrock moved to allow the current in2vate contract to automatically renew

for a one-year term as of September 1, 2013. Seconded by Judy Hayes. Motion passed unanimously.

C. Upcoming Election Process

President O'Malley reminded the Board that elections will be held at the June Board meeting. President O'Malley advised that although he has been the President of ERMA since inception, he believes this is a good time to transition to a new President. He noted that he will remain on the Board and be a willing participant on any committees.

Ms. Adrienne Beatty, BCJPIA Assistant Administrator, informed the Board that although Ms. Debbie Stutsman, BCJPIA, could not be present at the meeting, she had asked Ms. Beatty to advise the Board of her interest in running for the position of President or any other officer's positions in June.

Mr. Scott Ellerbrock, ERMA Vice President, indicated that although now may not be the best time for him to run for President as he is currently the President for the Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority (JPA), he would run for President if there were no other interest expressed.

Mr. Kelley advised the Board that this was information only, to allow Board members sufficient time to ask any questions and make their intent to run for a position known with nominations and an election to be held at the June Board meeting.

D. ERMA Fourteenth Annual Workshop

President O'Malley noted that the thirteenth Annual Workshop was held at the Silverado Resort and Spa in Napa, CA, and that after the meeting some members expressed dissatisfaction with the venue. Prior to the meeting, the Board received quotes from three other hotels, as well as the Silverado. These hotels included the Embassy Suites in Napa, the Marriott in Napa, and Hotel Yountville.

Mr. Kelley noted that the City of Yountville is an underlying member of ERMA and this presents an opportunity to provide business to an underlying member. He advised that staff was looking for direction from the Board and would bring back more detail on the locations requested by the Board.

It was requested that Embassy Suites and Silverado be removed from the options for the fourteenth Annual Workshop. The Board requested that staff request information from the Napa River Inn and bring that information to the June Board meeting. It was further requested that Hotel Yountville remain as an option.

Mr. Kelley noted that staff focused mainly on the Napa area based on previous workshops, but that staff would look into other areas such as Monterey or Aptos if the Board was

interested in moving the location. The Board requested that staff look at a property in Aptos.

Mr. Kelley advised the Board that the agenda states that the Annual Workshop will be held February 13-14, 2014, but noted that after the agenda went out staff discovered that the PARMA Conference will be held that same week. Staff is recommending the Annual Workshop be moved to February 20-21, 2014, but staff will present other options at the June meeting.

7. MEMBERSHIP MATTERS

A. Prospective New Member – City of Tehachapi

Prior to the meeting the Board received the City of Tehachapi's application and recommendation from the Underwriting Committee to approve the City as a member of ERMA. Mr. Kelly advised that the Committee had a few follow-up questions after the Underwriting Committee meeting and staff had met with the City to discuss these questions.

Mr. Kelley noted that the City had very satisfactory answers to the Committee's questions. He advised that the City is working with Leibert Cassidy Whitmore (LCW) to review and update their employment practice liability (EPL) policies before July 1, 2013.

Roger Carroll moved to approve the City of Tehachapi as a member of ERMA effective July 1, 2013. Seconded by Craig Downs. Motion passed unanimously.

8. FINANCIAL MATTERS

A. 2013 Actuarial Study and Rates for the 2013/14 Program Year

Mr. Mark Priven, Bickmore, was present to review the 2013 Actuarial Study with the Board and noted the following:

- ERMA's Ultimate Loss and LAE for all program years has decreased by 11.2%;
- The pooling rate required to collect at the 80% confidence level (CL) for the upcoming 2013/14 program year at the \$50,000 retention is 0.481; a 13.3% decrease from the rate used in the 2012/13 Operating Budget;
- At the expected confidence level, ERMA is projected to have a surplus of \$24,198,000 as of June 30, 2013;
- ERMA's claims frequency has generally decreased over the past ten years;
- Actual incurred development was \$2,877,830 less than anticipated since the prior report in April 2012;

- Estimated ultimate losses have decreased by \$2,918,000 since the April 2012 report; and
- The estimate of the program's funding margin at the discounted, expected confidence level has increased by \$7,478,000.

President O'Malley noted that the program is successful due to a total team effort that starts with the membership. He congratulated the Board and requested they pass that along to the underlying members.

Judy Hayes moved to receive and file the actuarial study as presented. Seconded by John Gillison. Motion passed unanimously.

B. Initial Deposit Contribution for Future Funding of a Mid-Layer Pool

Mr. Kelley reminded the Board that at the February 14, 2013, Annual Workshop, the Board considered possible future funding options in anticipation of the availability of monies available for a dividend release. He noted that one of the options discussed was to establish a mid-layer pool (MLP). Mr. Kelley reminded the Board that one of the concerns that was expressed in using dividend money monies to fund the MLP was that the dividend release would include monies from older program years in which the make-up of the membership was considerably different from the current membership. It was suggested at the February meeting that the funding of the MLP should be funded with new monies, and over a period of two or more years. In response to this, staff has included an initial deposit to the MLP in the amount of \$250,000 as a separate line item in the proposed operating budget.

Ms. Nancy Broadhurst, Finance Manager, stated there are many structural issues to be considered when implementing a MLP. Some of the structural issues that Ms. Broadhurst discussed were:

- Separate accountability for funds;
- Program year accounting for the MLP;
- Equity or non-equity orientation;
- Funding layer (initial proposal is \$750,000-\$1,000,000);
- Amount and scheduling of pre-funding(s);
- Refunds or dividends from the MLP;
- New member contributions to the MLP; and
- Methods of funding replenishment.

It was inquired if staff has established a successful MLP for other clients. Mr. Kelley and Ms. Broadhurst confirmed that some other clients have a MLP and those could be used to answer some of the questions surrounding a newly forming MLP.

It was questioned if the MLP would be optional for members or if everyone is required to participate. Ms. Broadhurst advised that SCORE only pools up to \$500,000 so they would not participate in the pool, but that the other members would participate. Ms. Broadhurst noted that the pooled funding layer for participating members would change from \$1,000,000 to \$750,000; with this, rates would decrease once the MLP is fully funded.

Mr. Ellerbrock inquired if Mr. Priven had a recommendation as to what the appropriate funding level would be for a MLP. Mr. Priven advised that he has not done an analysis on

this. Ms. Broadhurst advised that based on the loss stratification analysis, it was staff's recommendation to fund the MLP with an initial \$1,000,000.

Ms. Broadhurst directed the Board's attention to the proposed 2013/14 operating budget. She noted that this budget has all the same parameters as the 2012/13 budget, but there is the inclusion of a \$250,000 initial deposit for future funding of a MLP.

Ms. Broadhurst reviewed the proposed 2013/14 operating budget with the Board, directing the Board's attention specifically to the column that addresses the \$250,000 implementation of the MLP, broken down by JPA and by each individual member. Ms. Broadhurst noted that the initial deposit in the MLP has been spread equally by payroll between each member. Ms. Broadhurst advised that even with the MLP deposit, premiums decreased 8.65% from last year as compared to a 12.61% decrease without the augmentation of the MLP.

It was questioned how long the MLP would be a line item in the budget without members being able to utilize the MLP if needed. Ms. Broadhurst explained that the MLP would not function until it is fully funded and if the Board approved the \$250,000 per year, it would take four years to fund the MLP. It was noted that if the Board would like to fund the MLP in less than four years, they could use a percentage of their savings from the decreased rates, and include more than \$250,000 in the initial deposit, and then members would be able to utilize the MLP earlier. She explained that this initial deposit is for future funding of the MLP. For the MLP to begin functioning sooner, there would likely need to be a greater initial deposit than the proposed \$250,000.

Ms. Ruth Graf-Urasaki inquired when the MLP would be used to cover claims and Ms. Broadhurst advised that MLP would only cover new claims after the MLP is fully funded.

President O'Malley noted that another option would be to use the money from the dividend to fund the MLP and then new members would buy in as they join. Mr. Kelley reminded the Board that the direction at the February meeting was to fund the MLP with future money, but that initially staff was indeed proposing to fund the MLP with money from a dividend.

It was questioned if the MLP was funded from the dividends, if that would make the MLP automatically equity-controlled, meaning that members can pull their equity out if they were to leave ERMA. Ms. Beatty stated that she is the Administrator on a pool that used dividends to fund a MLP but the money is pool-owned. Ms. Broadhurst noted that it would have to be pool-owned since it is funding a layer of coverage.

Discussion ensued regarding the different options for returning money to members but still using it to fund a MLP. It was noted that the money could be returned and then those members that would like to use it for their contribution to the MLP can do so, and this would keep the MLP funded with new monies, as requested by the Board. More conversation ensued about using the savings from the rate decrease to fund the MLP but members of the Board expressed they would like to see the full rate decrease for this program year.

The Board discussed the different options of using the dividend to fund the MLP, using the budget to fund the MLP, or possibly tabling the topic to be discussed at a later date. Ms. Broadhurst noted that she is expecting the dividend next year will be \$5 million and will be made up mainly of "new monies," so the Board could consider using the dividend next year to implement a MLP.

After further conversation, the Board expressed they would like to receive the dividend back this year and directed staff to bring the concept back at the 2014 Annual Workshop.

C. Review and Approval of Administrative and Operating Budget for 2013/14

Prior to the meeting, the Board received two budget models. The first model has all the same parameters as the 2012/13 budget, with the exception of the inclusion of the \$250,000 initial deposit for future funding of a MLP, which will be removed based on the previous discussion. The second model contemplates a change to the third-tier of the experience modification factor (ex-mod) calculation, as was previously discussed by the Coverage Committee. Instead of capping individual ex-mod changes to .25 from the previous year's ex-mod for both increasing and decreasing ex-mods, this methodology continues to assume a .25 change cap for increasing ex-mods, but an increase to a .50 in the change cap for decreasing ex-mods. Ms. Broadhurst noted that members will experience the reward for positive loss performance more quickly – within two years instead of three.

Ms. Broadhurst also explained that as these members' premiums decrease due to this change, the non-affected members' premiums must increase (absorb the decrease) to offset the difference in premium that must be remitted to ERMA. She noted that this change does not change the JPA members' premium to ERMA, only the allocation amongst individual members within the JPA.

The Board discussed some of the pros and cons of the alternative proposed budget. After discussion, the Board determined to stay with the current methodology.

Craig Downs moved to approve the 2013/14 Operating Budget, at the 80% confidence level and a 2% discount rate, without the inclusion of a Mid-Layer Pool and without change to the third-tier of the ex-mod calculation. Seconded by Scott Ellerbrock. Motion passed unanimously.

The Board adjourned for lunch at 12:21 p.m. and reconvened at 12:47 p.m.

D. Review of Annual Retrospective Adjustment Calculation

Ms. Broadhurst reminded the Board that ERMA's Financial Stability Plan, specifically the Retrospective Adjustment Process, calls for adjusting program years that are a full five years

old. She advised the Board that total equity at the 80% confidence level for these eligible program years results in a surplus of \$2,836,388.

Ms. Broadhurst discussed the closure of program years. She noted that staff is recommending closing the 2002/03 and 2003/04 program years as there are no open claims and no incurred-but-not-reported reserves (IBNR). After the dividend release, these closed years would no longer be reflected on the financial statements. She noted that the 2005/06 and 2006/07 were closed by the actuary this year with no remaining IBNR, but the 2006/07 year has two open claims, although they are not expected to hit the ERMA layer. Ms. Broadhurst also noted that due to ERMA's process of using the "first act" to determine the program year, it might be prudent to leave these more recent years open.

Dave Elias moved to approve a dividend release in the amount of \$2,836,388 and officially close program years 2002/03 and 2003/04. Seconded by John Gillison. Motion passed unanimously.

Ms. Broadhurst noted that every member will receive a detailed dividend allocation by member and program year.

E. Consideration of Mechanisms to Receive Funds of Dividend Release

Based on the earlier discussion of the MLP, this discussion was tabled to be discussed at the 2014 Annual Workshop.

9. COVERAGE MATTERS

A. Proposed Amendments to Memorandum of Coverage for the 2013/14 Program Year

President O'Malley informed the Board that the Coverage Committee reviewed the Memorandum of Coverage (MOC) and the proposed changes were provided to the Board prior to the meeting. Mr. O'Dea noted that his process for reviewing the MOC includes looking at any structural problems, reviewing any problems that were discovered from experience with claims, and looking for any ambiguities in the document. Mr. O'Dea reviewed the following revisions with the Board:

- The MOC was revised to reflect that it is an agreement between the *Authority* and the *Members* rather than the *Authority* and the *Covered Parties*;
- Section I, Item 11: A definition for *Member* was added. The new definition clarifies that *Member* includes commissions, agencies, districts, authorities, and boards under the direct control of the governing entity that is eligible to participate in a JPA. This is the same definition used in the Master Program Document (MPD) and Bylaws;
- Section II, Paragraph 4 (A): The definition of *Covered Party* was changed by deleting the reference to "all commissions, agencies, districts, authorities and boards." This serves to clarify the language as to which boards, commissions, districts, and other entities are covered. [Note: The proposed definition of *Member*,

noted above, was taken verbatim from the MPD and Bylaws, reflecting the intent to restrict coverage to boards and other entities that are controlled by the *Member*];

- Section II, Paragraph G: "Personal injury" was deleted from the definition of *Workplace Tort*;
- Section VI, Paragraph 5 (D): "Punitive damages" were added to this provision as a specific exclusion; and
- Section VII, Paragraph 7: Establish the timeframe for Board action on an appeal by a Member of 60 days or the next scheduled Board of Directors meeting, whichever is later.

Mr. Gillison inquired if ERMA currently communicates with the underlying members to remind them about appeals and reporting requirements. Ms. Graf-Urasaki advised that a letter is sent out twice per year to the entire membership that emphasizes reporting requirements and any revisions in the MOC, but that each JPA should also be communicating this to members as well.

Scott Ellerbrock moved to approve the Memorandum of Coverage for the 2013/14 program year with the amendments as proposed. Seconded by Judy Hayes. Motion passed unanimously.

B. Proposed Amendments to the Master Program Document

The Master Program Document (MPD) was also reviewed at the Coverage Committee meeting. Ms. Graf-Urasaki advised that staff wanted to make sure that the MPD complied with how ERMA functions on a daily basis and take out any irrelevant language. Ms. Graf-Urasaki reviewed the following substantive changes with the Board:

- ERMA does not have an "Executive Committee" and, accordingly, that term has been deleted throughout the document. The provision permitting the Board to establish such a committee, if necessary, has been retained;
- The term "Aggregate Stop Loss" was used in the MPD but was undefined. The Coverage Committee determined it was not applicable, and references to this term have been deleted;
- Investment Management Services has been added to the costs covered under Article III A. 3, PROGRAM ADMINISTRATIVE BUDGET;
- Under Article IV A.5, LITIGATION MANAGER:
 - The reference to reviewing claims that have been valued at 50% of a member's retained limit has been revised. The Litigation Manager reviews claims at the time of reporting (and continuously thereafter if within ERMA coverage) and the language has been revised to reflect this process;
 - Timelines have been established for certain responsibilities;
- Under Article IV B.1., references to "cash flow statements" were deleted and the timeframe for presenting Audited Financial Statements to the Board was changed from 120 days to 150 days after the Program Year end. This coincides with the first Board meeting of each Program Year held in November;

- Under Article VI E., DISPUTES REGARDING MANAGEMENT OF A CLAIM, the MPD has been revised to reflect the time frame for hearing an appeal by a Member to state that it shall be within 60 days, or the next scheduled Board of Directors meeting, whichever is later (as also stated in the Memorandum of Coverage);
- Under Article VI F., Paragraph 5 has been deleted in order to clarify that ERMA requires Members to utilize counsel from the approved defense panel to defend litigated claims;
- Under Article VII, DEFINITIONS:
 - The term “Premium Deposit” was added and defined.
 - The term “Equity Allocation” was re-named “Retrospective Adjustment” and the definition was modified.
 - The term “Program Year” was deleted as it is defined within the body of the MPD under Article I B.1.

There was a question about the wording in a section under “Assessments,” where the wording was ambiguous. Staff suggested changing this to match the wording in the Financial Stability Plan and the Board agreed with this change.

Scott Ellerbrock moved to approve the proposed changes to the Master Program Document to take effect July 1, 2013, with the additional revisions, as discussed, to be made and placed in the June 17, 2013, Board agenda for final approval. Seconded by Dave Elias. Motion passed unanimously.

C. Excess Coverage Marketing Update for the 2013/14 Program Year

Mr. Seth Cole, Alliant Insurance Services (Alliant), was present to update the Board on the excess coverage marketing for 2013/14. Prior to the meeting, the Board received a letter from Mr. Cole indicating that RSUI has committed to renew ERMA’s expiring coverage at both the expiring rate and terms.

Mr. Cole noted that since he wrote the letter, he received a formal renewal quote from RSUI that indicated the same rate and terms as mentioned in the letter. He advised that since the Board has approved adding the City of Tehachapi, he will let RSUI know and bring back a revised quote to the Board.

He advised the Board to contact him if any members are interested in receiving a quote for higher limits.

The Board directed Mr. Cole to continue working with RSUI and present a formal quote to the June Board of Directors’ meeting.

10. TRAINING/LOSS PREVENTION MATTERS

A. Review of Training Program for 2013/14

Ms. Graf-Urasaki advised the Board that staff is currently in the process of creating the 2013/14 training calendar, based on feedback from the Board in February to continue with the same program. She noted that an email has been sent to the entire membership requesting interest to host trainings. Ms. Graf-Urasaki requested that the JPAs assist in marketing the trainings to ensure there are enough training locations and participants. Ms. Graf-Urasaki further noted that staff is requesting all trainings be scheduled within four weeks of initial contact from a member that expresses interest.

11. CLOSING COMMENTS

A. Board

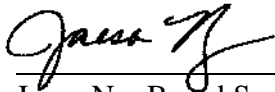
None.

B. Staff

None.

12. ADJOURNMENT

The April 22, 2013, ERMA Board of Directors' meeting adjourned at 1:21 p.m. by general consent.



Jaesa Ng, Board Secretary

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

MINUTES OF THE EXECUTIVE COMMITTEE MEETING
April 30, 2013

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

COMMITTEE MEMBERS PRESENT: Scott Ellerbrock, President, PERMA
Rosa Kindred-Winzer, Vice President City of Merced
Kin Ong, Treasurer, PARSAC/City of Placentia
Joanne Rennie, Past President, PARSAC
Janet Hamilton, City of Lodi
Celeste Garrett, City of Vacaville (arrived at 10:05 a.m.)

COMMITTEE MEMBERS ABSENT: Steve Negro, MCLAIA

OTHERS PRESENT: Beth Lyons, Interim Executive Director
Tammy Vitali, Claims Manager
Anita Holland, Accounting Manager
Jose Mederos, Recording Secretary
Kristin Donovan, Administrative Assistant
Richard Shanahan, Legal Counsel, Bartkiewicz,
Kronick & Shanahan
Brian Kelley, FASIS & VCJPA
Jeanette Workman, CSJVRMA
Adrienne Beatty, BCJPIA & CHWCA
Seth Cole, Alliant Insurance Services, Inc.
Susan Adams, Alliant Insurance Services, Inc.
& SCORE
Bill Henderson, City of Livermore

1. CALL TO ORDER

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

2. INTRODUCTIONS

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

3. PUBLIC COMMENTS

None.

4. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Kin Ong moved to approve the agenda as posted. Seconded by Rosa Kindred-Winzer. Motion passed unanimously.

5. CONSENT CALENDAR

Rosa Kindred-Winzer moved to approve/accept the following items: A) Summary of Action Items and Minutes from the February 26, 2013, Executive Committee Meeting; B) eBrief, March 2013; and C) City of Livermore Letter Rescinding Withdrawal Notice. Seconded by Joanne Rennie; Motion passed unanimously.

6. WORKERS' COMPENSATION MATTERS

A. Draft Proposed Memorandum of Coverage for 2013/14 Program Year

It was noted staff and Legal Counsel have reviewed the draft proposed Memorandum of Coverage (MOC) for the 2013/14 program year. Tammy Vitali, Claims Manager, reviewed the proposed changes with the Committee and key revisions are noted as follows:

- Part One, page 2 – The definitions section was relocated from Part Five, page 6, to the beginning of document to assist the reader;
- Part Two, paragraph two and three, page 3 and 4 – Deleted unnecessary language, as there is not a “self-insured retention plan” in the State of California, so this clause is unnecessary and confusing. Clarified the language to match the members’ intent. Because the paragraph applies to both paragraphs, the indentation was removed and amended to create a complete paragraph;
- Part Two, last paragraph, page 4 – Added language to clarify the members’ intent to provide coverage which mirrors the Workers’ Compensation Act;
- Part Three, page 4 – Language was relocated to more appropriate sections (Exclusions and Workers’ Compensation Coverage sections);
- Part Four, Sections A & B, page 4 – Language amended to clarify that the limits apply on a per occurrence basis;
- Part Five, page 5 – Deleted provision as it added unnecessary confusion regarding primary coverage; and
- Part Seven, page 8 – This section was deleted from the MOC. The Bylaws and Program Document already addresses the matter and the MOC should be limited to coverage-related provisions. Staff reviewed this provision and the premium-related

provisions of the Bylaws and Program Document to ensure that the Bylaws and Program Document are accurate, complete, and consistent with current practices.

The Committee asked staff and Counsel to research how a claim would be handled if two members with different Self-Insured Retentions (SIR) were involved in a claim for the same occurrence, with the possibility of having a shared SIR in those situations.

Kin Ong moved to recommend the Board approve the Memorandum of Coverage for the 2013/14 program year, with the changes discussed, and directed staff to further research the possibility of one SIR, one occurrence. Seconded by Rosa Kindred-Winzer. Motion passed unanimously.

7. FINANCIAL MATTERS

The Committee agreed to move the discussion of item 7.B (Discussion Regarding the Discount Factor) before item 7.A (Revised Draft Budget for Fiscal Year 2013/14).

B. Discussion Regarding the Discount Factor

Anita Holland, Accounting Manager, explained that in accordance with Resolution 2009-02, Establishing a Policy for Setting the Annual Discount Rate for the Pooled Portion of the Workers' Compensation Program, LAWCX's actuary performed an analysis to determine an optimum discount rate for funding the 2013/14 program year's budget. The results produced a 3.13% yield. The following were considered in the calculation:

- LAWCX's assets as of June 30, 2012;
- LAWCX's unpaid losses as of June 30, 2012, as well as its projected payment patterns; and
- LAWCX's investment earnings potential at interest rates ranging from 1.35% to 5.0% over the next six years.

Ms. Holland reviewed a comparison table detailing the 2013/14 estimated deposit premiums at various interest rates ranging from 4.5% to 3.5% and also noted a table with discount rates used by other self-insurance pools.

Further, Ms. Holland noted that using a 3.5% discount rate assumption at the 80% confidence level, overall, the total estimated LAWCX premiums will increase 3% over 2012/13. Member premium changes, as compared to the prior year, range from a 40% decrease to a 23% increase.

Janet Hamilton moved to recommend the Board of Directors reduce the discount rate used to value LAWCX's outstanding liabilities and funding rates for the 2013/14 program year from 4.5% to 3.5%. Seconded by Joanne Rennie. Motion passed unanimously.

A. Revised Draft Budget for Fiscal Year 2013/14

Ms. Holland reviewed two versions of the draft budget for fiscal year 2013/14: one using a 4.0% discount rate and another using a 3.5% discount rate. Ms. Holland reviewed the major components incorporated in the budget calculation, which include the following:

- Self-Funded Rates For The Pooled Layers Of Coverage
- Estimated Payroll
- \$2m to \$5m Self-Insured Layer
- Excess Insurance Premium
- Membership
- Administrative Expenses

Joanne Rennie moved to direct staff to finalize the 2013/14 budget using a 3.5% discount factor for Board approval. Seconded by Janet Hamilton. Motion passed unanimously.

8. ADMINISTRATIVE MATTERS

A. Executive Director Transition Plan

Scott Ellerbrock, President, reminded the Committee that during its February 26, 2013, meeting it discussed Bickmore's proposal for Beth Lyons to serve as the LAWCX interim Executive Director. The Committee asked that an item be placed on this agenda so that a recommendation could be made to the Board.

Kin Ong moved to recommend Board approval of Beth Lyons as the LAWCX Executive Director and to direct staff to revise associated documents. Seconded by Rosa Kindred-Winzer. Motion passed unanimously.

B. Consideration of Hourly Rate Increase for Bartkiewicz, Kronick & Shanahan (BKS)

Beth Lyons, Interim Executive Director, explained that on April 5, 2013, LAWCX attorney Richard Shanahan of BKS, sent a letter announcing an hourly rate increase effective July 1, 2013. Ms. Lyons reviewed a table of current and proposed rates and also noted that staff contacted several pools to obtain further information regarding the attorney rates being charged. Rates for general and/or coverage counsel work ranged from \$135 to \$325, with an average of \$205 and median of \$180.

Richard Shanahan noted that he is participating as a shareholder of BKS and not as LAWCX's legal counsel for this discussion topic.

Mr. Shanahan was requested to step outside of the meeting room to allow the Committee to discuss the proposed rate increase.

After discussion, the Committee agreed to approve the requested rate increase from \$215/hour to \$225/hour and retain all of the other rates at their current amount, with the understanding that work related to LAWCX will be the sole responsibility of the Shareholder I (Mr. Shanahan). Further, in the event supporting staff is required to work on LAWCX matters, approval of the President or Executive Director must first be granted.

Joanne Rennie made a motion to increase the Shareholder I rate from \$215/hour to \$225/hour and keep all other rates at the current rate, with the understanding that all work associated with LAWCX will be the sole responsibility of the Shareholder I. Further, in the event supporting staff is needed to work on LAWCX matters, approval of the President or Executive Director must first be granted. Seconded by Janet Hamilton. Roll call was taken and motion passed unanimously.

Mr. Shanahan was asked back to the room and was informed of the Committee's decision.

C. Utilization of CSAC-EIA Annual Subsidy for Member Access to PreventionLink Platform (Target Solutions) for 2013/14 and 2014/15 Program Years

Jose Mederos, Recording Secretary, reminded the Committee that LAWCX participates in CSAC-EIA's Target Solutions PreventionLink program, which features a variety of technology-based tools to help deliver online training, communicate with employees, track compliance, and to monitor, measure, and mitigate risk. Mr. Mederos listed the services available through this platform and also the current members which have executed contracts with LAWCX/CSAC-EIA to use the Target Solutions. Mr. Mederos noted that CSAC-EIA invoices LAWCX \$1,000 annually to ensure the platform minimum is met. Because LAWCX secures the minimum, individual members do not also need to meet the \$1,000 minimum. In addition, as long as the sum of the annual user fees for all LAWCX members exceeds \$1,000, CSAC provides a \$1,000 credit to LAWCX for the next year.

By general consensus, the Committee was in agreement to continue participation in CSAC-EIA's Target Solutions PreventionLink Program. The Committee also suggested reminders and communication be provided to members regarding the training resources through CSAC-EIA and Target Solutions.

D. Review of Draft Agenda for June 11, 2013, Board of Directors' Meeting

Ms. Lyons reviewed a draft agenda for the June 11, 2013, Board of Directors' meeting and requested feedback from the Committee. The Committee was interested in conducting a training after the Board of Directors' meeting and tasked staff to research potential topics. The Committee was also interested in creating a "Job Research Library" or "Job Analysis

Bank” and asked staff to prepare a discussion item for a future Executive Committee meeting.

E. Member Survey of Vendor Services Results

Mr. Mederos reviewed the results of the Member Survey of Vendor Services with the Committee. Mr. Mederos indicated the results for services conducted in 2012 are consistent with those received for the previous year and noted that in some areas improvements, are noted.

F. Recommended Revisions to the New Member Application

Ms. Lyons explained that staff periodically reviews the LAWCX New Member Application to ensure questions are relevant and consistent with excess carrier requirements. Staff completed a review of the application and Ms. Lyons walked the Committee through the proposed changes. The Committee agreed that the revised application and new format is easier to read.

Rosa Kindred-Winzer moved to approve the New Member Application revisions as presented. Seconded by Celeste Garrett. Motion passed unanimously.

G. President’s Appointment of Nominating Committee for June 2013 Elections

It was noted that at the upcoming Board meeting in June 2013, elections will be held for one Executive Committee Member-At-Large. Therefore, a Nominating Ad Hoc Committee needs to be appointed by the President, per the Bylaws.

President Ellerbrock appointed Celeste Garrett, Member-At-Large, Vacaville, and Janet Hamilton, Member-At-Large, Lodi, to serve with him on the Ad Hoc Nominating Committee.

9. CLOSING COMMENTS

A. Executive Committee

None.

B. Staff

Staff encouraged the Committee to provide feedback regarding member communication as staff is constantly looking for better and more efficient methods of communicating information to the membership.

10. ADJOURNMENT

The April 30, 2013, Executive Committee meeting adjourned at 11:20 p.m. by general consent.

Jose Mederos

Jose Mederos, Board Secretary



BOARD OF DIRECTORS MEETING

May 14 - 16, 2013 – 1:30 P.M.

**The Inn at the Tides
800 Coast Highway One
Bodega Bay, CA 94923**

(707) 875-3930

Minutes

I. CALL TO ORDER:

President Giles called the meeting to order at 1:30 p.m. on Tuesday May 14th, 2013.

II. ROLL CALL

PRESENT

- | | |
|-------------------------------------|---------------------------------------|
| 1) Lucretia Akil, <i>Alameda</i> | 10) Kim Greer, <i>Richmond</i> |
| 2) Jessica Henry, <i>Chico</i> | 11) Lisa Achen, <i>Roseville</i> |
| 3) Steve Schwarz, <i>Fremont</i> | 12) Anil Comelo, <i>San Rafael</i> |
| 4) Bill Henderson, <i>Livermore</i> | 13) Lynn Margolies, <i>Santa Rosa</i> |
| 5) Janet Hamilton, <i>Lodi</i> | 14) Roger Carroll, <i>SCORE</i> |
| 6) Paula Islas, <i>NCCSIF</i> | 15) Greg Borboa, <i>Stockton</i> |
| 7) Ron Blanquie, <i>Petaluma</i> | 16) Tony Giles, <i>Sunnyvale</i> |
| 8) Chris Carmona, <i>Redding</i> | 17) Celeste Garrett, <i>Vacaville</i> |
| 9) Mark Ferguson, <i>REMIF</i> | |

ABSENT

Fairfield, San Leandro, YCPARMIA, Vallejo

OTHERS PRESENT

- | | |
|---|---|
| 18) Craig Bowlus, <i>Aon</i> | 30) Peter Urhansen, <i>Gibbons & Conley</i> |
| 19) Dr. William Deeb, <i>Aon</i> | 31) Glenn Sansbury, <i>Hartford Steam & Boiler</i> |
| 20) Robert Lowe, <i>Aon</i> | 32) Dominique Kurihara, <i>Petaluma</i> |
| 21) Susan Adams, <i>Alliant</i> | 33) Dave Eiser, <i>Munich Re America</i> |
| 22) Greg Fox, <i>Bertrand, Fox & Elliot</i> | 34) Gary Jackson, <i>Munich Re America</i> |
| 23) Marty Cassell, <i>Chandler Asset Management</i> | 35) Janice Magdich, <i>Lodi</i> |
| 24) David Clovis, <i>CJPRMA</i> | 36) Lynette Frediani, <i>Redding</i> |
| 25) Lola Deem, <i>CJPRMA</i> | 37) Bob Marshburn, <i>R.J. Marshburn & Associates</i> |
| 26) Donna Gardner, <i>CJPRMA</i> | 38) Charlie Craig, <i>Stockton</i> |
| 27) Saima Kumar, <i>CJPRMA</i> | 39) Christopher Jeffery, <i>Santa Rosa</i> |
| 28) Craig Schweikhard, <i>CJPRMA</i> | 40) Satwant Takhar, <i>SCORE</i> |
| 29) Byrne Conley, <i>Gibbons & Conley</i> | 41) Rebecca Moon, <i>Sunnyvale</i> |

III. PRESENTATIONS

- None

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: Board of Directors (6/20/2013) CJPRMA Office
Executive Committee (07/18/2013) REMIF-Sonoma

VI. APPROVAL OF MINUTES

A motion by Director Greer, seconded by Director Comelo, to approve the minutes of the Board of Directors meeting held on March 15, 2013, passed unanimously.

VII. CONSENT CALENDAR

1. Additional Covered Party Certificates Approved by the General Manager
2. Status Update on General Manager's Goals and Objectives 2012-2013

A motion by Director Borboa, seconded by Director Henderson, to approve the consent calendar, passed unanimously.

VIII. INFORMATION CALENDAR

3. New Board Members/Alternates
4. Business Calendar for 2013

IX. ACTION CALENDAR

5. **Change in S.I.R for NCCSIF**

The general manager informed the Board that at the December 2012 board meeting; the Board of Directors approved a request by NCCSIF to change their SIR from \$1 million to \$500,000 with the recommendation of an additional contribution of \$116,000 for fiscal years 2013-2014 thru 2015-2016. This was based on a review of NCCSIF loss history.

NCCSIF has accepted the additional annual \$116,000 contribution but has requested an alternative method of funding it. NCCSIF provided staff with new loss information evidencing improvement in their expected losses and has proposed that the additional \$116,000 remain as a deposit to be eroded only in the event of losses sustained by NCCSIF.

He stated that staff met with Susan Adams and Michael Simmons of Alliant Insurance Services, the administrator for NCCSIF, and came up with the following proposal to be considered by the Board.

1. The additional contribution (\$116,000) will be created as a corridor deductible and will be made for PY 2013-2014.
2. Any NCCSIF loss penetrating Pool B layer will be paid first by the corridor deductible until eroded.
3. In PY 2014-2015 funds will be deposited by NCCSIF to replenish any losses paid from the corridor deductible during the previous year. The same contribution will be required for PY 2015-2016.
4. Should no losses occur in Pool Layer B for NCCSIF for the three program years, the \$116,000 corridor deductible will be returned to NCCSIF following the close of program year 2019-2020.

He also brought up NCCSIF's concerns of additional exposure to their contributions for other member losses. If the \$116,000 were included in their total premium paid, their proportional share of losses would be greater than the rest of members in Pool B. As a result staff recommends that NCCSIF proportional share of losses be based upon the standard adopted contribution for Pool B and not include the additional \$116,000. Only in the event that NCCSIF accrues an amount greater than \$250,000 of incurred losses in Pool Layer B, will their percentage of contribution reflect the inclusion of the required corridor deductible.

A motion by Director Carmona, seconded by Director Henderson to approve a corridor deductible of \$116,000 for program years 2013-2014 thru 2015-2016 for NCCSIF, passed unanimously.

6. Approval of Internal Procedures and Control Statement

Financial Analyst, Lola Deem presented to the Board a draft copy of the Internal Procedures and Control Statement for approval. She explained that this process is designed to help an organization accomplish specific goals or objectives.

She stated this is a means by which an organization's resources are directed, monitored, and measured and it plays an important role in preventing and detecting fraud and protecting an organization's resources.

The investment policy certification program with The Association of Public Treasurers of the United States & Canada (APT US & C) requires that an organization have internal procedures and controls established in written form. She said that until now, CJPRMA has not had a written policy on internal procedures and controls for its investment program. With the assistance of Ned Connelly of Chandler Asset Management, and the Authority's Treasurer, Roger Carroll we have created a policy for CJPRMA.

The investment policy establishes the requirements for this statement as follows:

“The controls shall be reasonably designed to protect the Authority from losses of public funds arising from fraud, error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees/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, minimization of the number of authorized investment officials, documentation of transactions and strategies, and annual review of controls by the Treasurer.”

Ms. Deem stated that the proposed policy complies with the requirements stated above and that the Staff recommends the Board approve the attached Policy on Statement of Internal Procedures and Controls of the Investment Program.

A motion by Director Henry, seconded by Director Borboa to approve the Internal Procedures and Control Statement, passed unanimously.

7. Approval of CJPRMA Statement of Investment Policy

Ms. Deem provided to the Board a revised copy of CJPRMA Statement of Investment Policy

She said Staff was previously directed by the Board to apply for certification of the Authority’s investment policy with The Association of Public Treasurers of the United States & Canada (APT US & C).

A benefit of having the investment policy certified with APT US &C give the trust and confidence in knowing that the Authority has a professionally accepted policy, and the assurance that it is abiding by professional standards established to ensure prudent management of public funds.

As part of the application process, she requested that Chandler Asset Management review CJPRMA’s policy to ensure it met the requirements of The APT US & C. The review process was a joint effort that included Ned Connelly, Marty Cassell, Bill Dennehy, Roger Carroll and Lola Deem.

She stated that the review process gave an opportunity to look at the policy and ensure that the format and elements required by APT US & C are met; as well as ensuring that the policy included correct code language and complied with governing law.

She stated that the largest additions were on pages 6 – 9, the investment descriptions, which previously weren’t included, expanded on the Summary of Permitted Investments table on page 10. Also new to the investment policy is the Glossary of Investment Terms on pages 17-21; this section was added to give readers descriptions of commonly used financial terms and is required for certification.

No policy changes or recommendation were requested by the Board.

A motion by Director Henderson, seconded by Director Hamilton to approve CJPRMA Statement of Investment Policy, passed unanimously.

8. Report from Investment Manager

Mr. Marty Cassell, of Chandler Asset Management was present to discuss the CJPRMA investment portfolio and investment strategy.

Mr. Cassell stated that 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 April 30, 2013, the Loss Payment Account was valued at \$5,803,410. This was an increase of \$4,322 from its valuation of \$5,799,088 on January 31, 2013. He said that three securities had matured during the most recent quarter: one Corporate note and two positions in Commercial Paper. One Corporate note was called as well.

He also stated that as of April 30, 2013, the Long Term Growth Account was valued at \$81,102,958. This was a decrease of \$6,508,336 from its valuation of \$87,611,294 on January 31, 2013.

He said in February, one security was purchased and several were sold in the Treasury and Agency sectors to facilitate an \$8 million withdrawal from the portfolio. A Corporate note with a maturity date of 2015 was sold and a Corporate note with a 2018 maturity was purchased to keep the portfolio positioning consistent with the objectives of the mandate

No Action was required on this agenda bill.

9. Proposed Operating Budget for 2013-2014

Financial Analyst, Lola Deem, presented the proposed administrative and direct program year budget for the 2013-2014 program year.

She stated that the approved administrative budget for fiscal year 2012-2013 was \$1,425,000. It was projected that expenditures for this budget would be approximately 1.5% under budget (\$21,819).

Ms. Deem said that the direct program budget is estimated to be 46.8% under budget (\$370,000). This is due primarily to less Outside-Legal payments (\$220,000) and less Other Claims Expenses (\$130,000).

The proposed administrative budget for 2013-2014 increased slightly to \$1,435,550. The slight increase was an offset by CSRMA member payments. She stated that at the excess level, it is difficult to gauge what the direct program payments will be: this is always an approximation.

The proposed budget for fiscal year 2013-2014 is as follows;

Personnel: No change in budget. Budget line increases have been offset by reductions in other line items.

Operations/Office Expenses: 1.6% decrease (\$4,700). The large changes in this section are due to a \$25,000 increase in the Risk Console annual fees, and a \$25,000 reduction in the primary claims audit, which in the future will be conducted by the Claims Administrator.

Operations/Professional Services: 2.7% increase (\$2,500). This is reflected in minor line item adjustments.

Operations/Board Related Expenses: 29.5% increase (\$35,750). This is due to a \$10,000 increase in the cost of future annual meetings. As well as a \$22,750 increase in the CSRMA Risk Control Online budget line; this is to reflect the total cost of the service. This amount is partially offset by member payments.

Operations/Building Ops: 6.3% decrease (\$3,000). Due to deletion of association dues (\$18,000) and an increase in building maintenance (\$12,000).

Capital Outlay: 20% decrease (\$20,000) in planned capital expenditures.

Direct Program Expenses: 12.7% decrease (\$100,000). This is an approximation of potential expenses.

Funding: At the December 2012 board meeting, the Board approved the preliminary rates for PY 2013/2014, which included an overhead amount of \$1,425,000.

A motion by Director Hamilton, seconded by Director Henderson, to approve the administrative and direct program year budget for the 2013-2014 program year, passed unanimously.

10. Casualty and Property Insurance Renewals for Fiscal Year 2012-2014

Dr. William Deeb and Mr. Robert Lowe of Aon were present to discuss the renewal of the casualty and property insurance programs for fiscal year 2013-2014.

Dr. Deeb explained that with regard to the property program, Aon was able to negotiate a premium for the primary property policy at \$1,746,816 and the excess property premium at \$314,067. He stated that the boiler and machinery program's annual premium would be \$268,973.

Dr. Deeb said that the 2013-2014 excess liability program's renewal quote provided from Munich Re is \$1,721,999 and the excess casualty from SCOR Re is \$320,540.

He also stated that the quote received from the Hanover Insurance Company for the APD program was in the amount of \$418,298. This was an exposure based increase and the rate remained at \$.173/\$100.

The general office package annual premium would be \$6,449. The 2013 DIC program renewal is \$12,214 and the 2013 Crime Program policy is \$5,391.

A motion by Director Ferguson, seconded by Director Henderson, to authorize the general manager to bind the Property /Boiler Machinery Program passed unanimously.

A motion by Director Ferguson, seconded by Director Hamilton, to authorize the general manager to bind the Auto Physical Damage Program, passed unanimously.

A motion by Director Carmona, seconded by Director Hamilton, to authorize the general manager to bind the Casualty Program, passed unanimously.

11. Proposal for Property Appraisal from American Appraisal

The general manager gave the Board a brief overview of the prior property appraisal that was conducted by American Appraisal. He stated that the cost of the prior appraisal was \$788,016. Each member property was visited by a member of the American Appraisal team. The team, measured for square footage confirmation, reviewed building construction type and style and then documented findings for the record. Once this process was completed, American Appraisal conducted an exit interview with each of the members.

He said that since then CJPRMA members have been reporting their property values based on American Appraisals report. Majority of those values have not been revised since the last appraisal process was completed. To maintain the integrity of the data a review should be conducted every three to five years. CJPRMA is going on its sixth year since the prior process.

The general manager said one option for completing this process would be to perform a full RFP for vendors to provide quotes. He said based upon discussion with other vendors, they would not be able to use the existing core data. In order for the vendors to provide accurate data, they would have to implement a new property appraisal similar to the one that was implemented by American Appraisal. The anticipated cost for a complete review of all properties within the program would cost anywhere from \$500,000 to \$1,000,000.

He said that staff has been in discussion with Juan Iverson from American Appraisal to design an alternative process for proceeding with the appraisal update. Prior data collected from American Appraisal will be modified to reflect the current values based upon today's dollars and cost of inflation since the prior inspection.

The following list provides the proposed process by American Appraisal;

Phase 1- Diagnostic

Communicate with members to determine property activity from the prior appraisal performed in 2006 and 2007. Members will advise American Appraisal of the following occurrences:

- Acquired new buildings (purchased or new construction)
- Material renovations impacting replacement cost of previously appraised structures
- Demolished buildings no longer on the property schedule

Once this information is gathered American Appraisal will determine which member cities need to be visited to perform full scope appraisal.

Phase 2 – Full Scope Appraisals

Full scope appraisals will include an inspection of the building and reporting of all the data elements. Fees for each member city will be \$300 per building with a minimum member guaranteed city charge of \$3000 that include up to 10 buildings that will require a full scope appraisal. All additional buildings in excess of 10 will be billed at \$300 each.

Phase 3 – Treatment of previously appraised buildings

- American Appraisal will update the previously appraised structures with the current replacement costs. In order for this process to happen, the following will need to occur:

General Buildings

- American Appraisal will not make any physical inspections of these structures. The same data elements and photographs collected previously will be used in the current value calculation.
- The value will be current but the initial date of inspection 2006 or 2007 will remain displayed in the report.
- Assumptions will be that nothing has changed to these properties unless a member city has identified changes during the diagnostic process.
- Wastewater/utilities/property in the open values will not be modified during this process. Members may request new inspections of property in the open or new additions to their wastewater/utilities as part of the new structural appraisal process.

Phase 4 - Report Preparation and Member Visits

American Appraisal estimates the fee for this project to be in the \$165,000 to \$180,000 range not including Phase 4. Staff and American Appraisal will meet to determine report distribution; previously multiple hard copies were issued for all appraised properties. The tentative thought process for this round of appraisals would include electronic distribution of the new data. As far as member visits, the need for onsite visits will be based upon results from the diagnostic phase of the projects and cost of the meetings would be billed on a time and expense basis.

The proposed process will occur during program year 2013-2014. Once the inspections are completed, American Appraisal Staff and the CJPRMA General Manager will meet with each member, as needed, to review the submitted data to confirm the updated values determined during the inspections. The updated data will be used for the 2014-2015 renewal process.

The general manager said that Staff recommends selection of the quote submitted by American Appraisal.

A motion by Director Henry, seconded by Director Garrett to approve the proposed property appraisal update with American Appraisal, passed unanimously.

12. 2013 Claims Audit

The 2013 claims audit was conducted by Mr. Craig Bowlus, Managing Director of Aon Risk Services. Mr. Bowlus was present to discuss the results and recommendations arising out of his claims audit.

He examined 112 excess files during the audit which included 93 open and 19 closed files. The audit work included site visits to members, TPAs and the CJPRMA office. Mr. Bowlus also conducted a review of primary level losses for seven CJPRMA members. Mr. Craig Schweikhard, Claims Administrator, assisted in the review of the primary claims which included a review of 138 files.

Mr. Bowlus noted several positive improvements that have been made since the 2012 claims audits.

Those improvements included the following:

- The new risk management information system is capturing much more information at the primary level
- Significant improvement seen in EPL reporting started in 2011 and continues through 2013. The EPL claims count has dropped from 22 to 17 at the excess level
- Claims Count at the excess level has continued to drop along with it the net incurred value of the primary and excess reserves, which have gone from \$37.6 million down to \$29.9 million in the past 12 months

Mr. Bowlus identified three recommendations arising out the 2013 claims audit are as follows:

- Once a claim is reported and accepted as an excess file by CJPRMA, automated RMIS or Excel data exchange relative to critical financial developments should be provided by all members on at least a quarterly basis
- Reporting from some self-administered members can still use some improvement. This should include captioned reporting on a quarterly basis (at a minimum, on watch list files). Cases with incurred values of less than \$50,000 should be subject to reduced levels of oversight at CJPRMA, and should not be subject to the captioned reporting requirements.
- The primary audits reveal a general pattern of under-reserving on expenses. Members in to be more diligent in this area.

A motion by Director Borboa, seconded by Director Greer, to approve the 2013 claims audit, passed unanimously.

13. Status Update on Risk Console

The general manager provided a status update on the Risk Console implementation to the Board. He said staff is meeting weekly with the Aon eSolutions team. To date, staff has

reviewed and approved majority of the modules. The final module left to review and modify is the MMSEA portion. This module will provide CJPRMA and its members the ability to fulfill the requirements of reporting case settlement information to Medicare. He said that staff is currently reviewing options for achieving compliance with the Federal Medicare reporting requirements.

Final steps are under way for the testing of the renewal process that will be finalized and active prior to the 2013-2012 program year. The certificate of insurance and certificate of coverage were scheduled to go live earlier this year. Aon staff was unable to meet this target deadline. Staff is currently working with Aon to finalize all open issues. The final phase of the two modules will have the ability to produce monthly renewal reminders and batch report for annual renewals. The general manager stated that once this process is completed the members will have the ability to track in coming certificates and issue outgoing certificates within their SIR. He said that the Insurance Requirements Ad hoc committee is also working on developing standard insurance templates to be presented at the June Board meeting.

He said staff is utilizing the claims module to track claims, occurrences and litigation. He was also pleased to report that City of Redding is using the system for their claims management. City of Fremont has submitted their data to Aon for data conversion and City of Stockton submitted their data for review and conversion.

Risk Console also updated the Business Intelligence (BI) reporting module for CJPRMA. Staff will be receiving training in late May or early June. The deadline for all modules to be finalized and to discontinue the use of the access database system is July 1, 2013.

No action was required on this agenda bill.

13. Risk Management Issues

Director Henderson brought up the discussion on bonds for construction projects. He said that the public works agreements that are revised by attorneys are forgetting to inquire about maintenance bonds. He also said that some departments are looking into having City Council approve agreements before receiving and approving, bond, certificates of insurance and endorsements. Director Henderson said he's looking into getting this disapproved. He asked if any other members are doing anything similar. Feedback from members was that it was tried but never happened.

Director Henderson also asked if members are doing claims de-briefing with departments that are involved in the claim. Other members reported that nothing formal was taking place at their agencies. Director Borboa said that Stockton is starting to formalize a process. There were various discussions on public works performance bonds and how long they should be required. The general manager said he would bring back the status of performance bonds at the June meeting.

X. CLOSED SESSION

1. **Government Code Section 54956.8**
 Conference with Real Property Negotiator (I)

Property: 3201 Doolan Road, Livermore, CA 94551
Agency Negotiator: David Clovis, CJPRMA
Negotiating Party: Rick Steffens (Grubb & Ellis)
Under Negotiation: Price and Terms of Payment

2. **Government Code Section 54956.9 (a)** (I)
 Conference with Legal Counsel – Pending Litigation

Name of Case: Desantis v. City of Santa Rosa
Court: United States District Court, Northern District of California,
Case No.: 3:07-CV-04474-BZ

3. **Government Code Section 54956.9 (a)** (I)
 Conference with Legal Counsel - Pending Litigation

Name of Case: Herdegen v. City of Roseville
Court: Superior Court of California, County of Placer
Case No.: SCV 0028931

4. **Government Code Section 54956.9 (a)** (I)
 Conference with Legal Counsel - Pending Litigation

Name of Case: WGS-TDIC v. City of Oroville (NCCSIF)
Court: Superior Court of California, County of Butte
Case No.: 153408

5. **Government Code Section 54956.9 (a)** (I)
 Conference with Legal Counsel - Pending Litigation

Name of Case: Hall v. City of Fairfield
Court: United States District Court, Eastern District
Case No.: 10-CV-00508-GEB-DAD

XI. ACTION ON CLOSED SESSION ITEMS

- The general manager was granted authority on one closed session item.

XII. ADJOURNMENT

- A motion by Director Henderson, seconded by Director Hamilton to adjourn the meeting at 11:11 a.m. on Thursday, May 16, 2013, passed unanimously.

Agenda Item H.1.

ALLIANT PROGRAM ADMINISTRATION AGREEMENT

ACTION ITEM

HISTORY: Alliant lead in the start up of SCORE in 1986 when a few Insured clients were losing Liability coverage. For the past 22 years we have acted in the role of contract Program Administrators, helping to grow the program to 21 participants (now 19) with two self funded plans.

Alliant works in a similar capacity with seven other California Pools – an important component of our Northern California operations. We strive to provide quality services at a cost that allows our clients to place emphasis on funding their liabilities, rather than the administrative budget that runs the JPA itself, and therefore provide an Agreement on an annual Fixed Cost basis rather than Time and Expense. Although we understand that, in any one year, more time and effort may need to be concentrated on one client rather than another, over time the Pool Management Practice needs to balance and Alliant needs to have each Pool profitable to attract the talented staff necessary to assist you.

ISSUE: Alliant's current Five Year Service Agreement renews effective July 1, 2013. We are requesting consideration of a new five-year Agreement renewal for Pool Administration, Risk Management and Brokerage services. This is an *average of 2.95%* each year. The attached Draft Agreement has some clerical changes and important language added for consideration. Keys changes addressed with the Ad Hoc Committee include:

- A commitment to maintain service hours of *approximately* 2,100 a year (down from a high of 2,450 in the past).
- FY 13/14 overall account increase of 6.06% with four future year increase of 2.17% to get us back on track. (*Please see the attached spreadsheet*).
- Modifying the Agreement to include numerous clauses that better protect the Pool. (*Please see the attached draft Agreement*).

RECOMMENDATION: The Ad Hoc Finance Committee has met telephonically and recommends approval of this Agreement with the terms presented.

FISCAL IMPACT: Overall FY 12/13 costs increase would be from \$245,980 to \$261,856.

- Pooled Liability Program per member fee increases to \$9,039 per member.
- Pooled Workers' Compensation Program per member increases to \$5,906 per member, except those participating in the Mini-Cities Pool. The Program Administrator shall be paid \$1,778 per member.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013**

BACKGROUND: As you know, we voluntarily ‘rolled back’ cost in 2010 TWO YEARS because Cities were facing financial issues. More importantly, we lost the equivalent of two Members which in turn reduced Alliant’s Compensation by about \$30,000 a year. In summary, in 2008 we negotiated an Agreement that was scheduled to compensate Alliant just over \$300,000 in the FY 12/13 year; however our actual earnings were less than \$250,000.

With that said we have achieved some great Program Management efficiencies along the way. We also thought that our time commitment on the SCORE account would be around 2,400 hours a year, and it have been closer to 2,200 (even during this transition period from Johnny to Laurence) and a significantly higher than normal flow of work in the prior 12 months.

We are requesting a 7.5% increase for the **two Program Fees** for FY 13/14 with continued 3% increases in future years. What this achieves is bringing overall compensation up from \$246,000 in FY 12/13 to \$262,000 in FY 13/14. (These increases are only on the Program Fees, in addition some of our compensation is on commission for lines of insurance placed on Members behalf. Those rates listed have been reduced to the current levels being earned). The NET Change over the full five years reflects an AVERAGE Annual increase of under 3%. THE ATTACHED SPREADSHEET REFLECTS ALL OF THESE FIGURES.

Our commitment to SCORE is to effectively manage the hours it takes to assist SCORE with Pool Administration beginning in FY 12/13 with hours of 2,050. *(In this Five year Agreement these hours increase a projected 50 per year – approximately 2%. We have historically seen this increase in both SCORE and other Pools we manage.)*

ATTACHMENTS:

1. Brokerage, Risk Management and Pool Administration Agreement
2. Alliant Pool Administration Services Proposed Pricing for Five Years
3. Alliant Pool Administration Highlighted Past Five Years’ Achievements (2008-13)

**BROKERAGE, RISK MANAGEMENT AND
POOL ADMINISTRATION AGREEMENT**

This Agreement, made and entered into effective July 1, 2013, between Small Cities Organized Risk Effort, hereinafter referred to as SCORE, and Alliant Insurance Services, Inc., hereinafter referred to as "Pool Administrator."

WITNESSETH

WHEREAS, this Agreement supersedes all previous Agreements between SCORE and the Pool Administrator, and

WHEREAS, SCORE requires Insurance Brokerage, Risk Management and Pool Administration Services, and

WHEREAS, the Pool Administrator specializes in Public Entity Risk Management and Program Administration Services, and

WHEREAS, SCORE desires to engage the Pool Administrator to Administer SCORE's Programs.

NOW THEREFORE, the Parties hereto, for and in consideration of the promises and covenants hereinafter contained to be kept and performed do agree as follows:

A. POOL ADMINISTRATION SERVICES:

Pool Administrator Agrees to provide the following Services to the satisfaction of the Board of Directors of SCORE:

1. Act as "Key Contact" for all SCORE Members. Act upon request as a liaison for communications among or between all Parties involved in the Programs including SCORE, its participating Members, Insurance Carriers and others;
2. Provide to the Members ongoing review of Coverages provided by SCORE Programs, California Joint Powers Risk Management Authority (CJPRMA), Local Agency Workers' Compensation Excess Joint Powers Authorities (LAWCX), Employment Risk Management Authority (ERMA) and Insurance Carriers or other Risk Financing vehicles;
3. Meet with Member Cities as requested and necessary;
4. Issue, modify as directed, and maintain Memorandum of Coverage forms and Policy forms;

5. Develop, issue, and maintain Certificates of Coverage/Insurance on behalf of SCORE. Deliver Binders and other Evidences of Insurance within ten (10) Calendar days after the Placement of any Insurance under the Programs to be effective until such time as the Policy or Policies for the Placement are received by SCORE from the Insurance Carriers. Such Binders shall be signed by an Authorized Agent or Employee of the Insurance Carrier. The Pool Administrator shall use best efforts to secure a correct Policy or Policies within ninety (90) days of Placement of any Insurance under the Programs. The Pool Administrator shall not be responsible for the failure of Members of SCORE to make Premium payments;
6. Provide ongoing information on the status of the Insurance Industry and other Public Entity Risk Management Providers;
7. Prepare Agendas, arrange for Meetings and other general Administration functions;
8. Attend Board of Director and Committee Meetings;
9. Record and distribute Minutes of Board or Committee Meetings to Members of the Board or Committee;
10. Maintain the SCORE Program Manual;
11. Act as a central “clearing house” for dissemination of information;
12. Request, when appropriate, and maintain copies of, Conflict of Interest Form No. 700 from the Directors and Alternates of SCORE and any other consultants required to file such forms;
13. Assist Members in use of Insurance Requirements in Contracts;
14. Coordinate Claims Administration with SCORE and Third Party Administrators. Assist SCORE and, where applicable, SCORE’s Third Party Administrator in Settlement Issues with Excess Pools or Insurance Carriers. However, it is understood and Agreed that the Pool Administrator is not providing Claims Management Services under this Agreement;
15. Assist, as may be required, with Annual Financial Audits conducted by SCORE’s Auditors;
16. Monitor Loss Runs of SCORE Programs;
17. Coordinate matters of Safety/Loss Control and in the Development of Loss Prevention Materials. Identify, review and comment on Loss-Control activities;

18. Assist in Development of new Programs, but limited to Pool Administrator's expertise and resources;
19. Develop and provide regular Board Meeting training at four meetings a year.
20. Develop and maintain the SCORE Website. (Non direct Labor Costs including Hosting and Domain charges are the responsibility of the Pool).
21. Perform Underwriting evaluations and recommendations on Cities applying for Membership to SCORE; and
22. Prepare an Annual Report of Services.

B. DESIGNATION OF BROKER AND BROKERAGE SERVICES:

SCORE hereby engages and designates Pool Administrator to act as SCORE's Insurance Broker and perform all Customary Duties of an Insurance Broker for SCORE's Programs including without limitation:

1. Marketing the Programs to Insurance Carriers and/or other Coverage Providers;
 - a. Develop Marketing specifications based upon an evaluation of SCORE's Loss exposures and which address such exposures;
 - b. Evaluate quotations as to the adequacy of Coverages, appropriate retention levels and restrictions in Coverage, the existence of Warranties, Concurrency of Coverage, and suitability of Forms;
 - c. Evaluate the Financial status and Service capabilities of Insurers making quotations of Coverage under the Programs, based upon available Data. SCORE recognizes and Agrees that Pool Administrator is not responsible for any change in the Financial condition of any Insurance Carrier or Joint Powers Authority after an Insurance Placement is made;

C. PERFORMANCE MEASURES:

The Pool Administrator Agrees to be evaluated by the Performance measures as developed by the Board of Directors Annually.

D. KEY PERSONNEL:

Pool Administrator agrees key personnel will be responsible for performance of the designated functions for SCORE as delineated in **Addendum C**. Should such personnel become unavailable to perform Services for SCORE, Pool Administrator agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience as determined by SCORE'S evaluation and subject to SCORE'S right of refusal for any reason.

E. COMPENSATION:

1. Fee and Commissions.

SCORE shall pay annual COMPENSATION to Pool Administrator for Services rendered under Section A of this Agreement. Except as otherwise expressly provided in this Section D, the Compensation payable during the first year of the five-year term of this Agreement shall be in accordance with the provisions of ATTACHMENT 'A' to this Agreement. For the remaining four years of this Agreement, the FEE portion of this COMPENSATION (designated "Section A") shall be increased by two and a half (2.5%) percent per year. The COMMISSION portion is detailed in ATTACHMENT 'A' (designated "Section B"). If at any time during this Agreement, new Programs are developed and implemented, Pool Administrator's COMPENSATION shall be adjusted in an equitable manner to reflect Pool Administrator's Services for those Programs.

2. Changes in Services.

The Fee is subject to adjustment if SCORE creates a new Program other than those listed in ATTACHMENT 'A', discontinues or deletes a Program, requests a change in Services or if SCORE's size or organization changes to alter the time involved in the Service.

3. Early Cancellation.

If this Agreement is terminated or canceled mid-year, and within the first three hundred (300) days of the Program year, then the FEE portion shall be prorated with a minimum of fifty percent (50%) deemed earned. The FEE portion shall be deemed fully earned if termination occurs after three hundred one (301) days of the Program year. In the event of a mid-Program year termination of this Agreement by either PARTY, all excess COMPENSATION will be paid to SCORE within sixty (60) days of the date of termination. All Commissions will be deemed fully earned unless insurance coverage is canceled.

4. Fee Credit.

During this Agreement, Pool Administrator shall disclose, in writing, any Commissions received by Pool Administrator in connection with any Insurance Placements on behalf of SCORE (“SCORE Placements”). The Fee for the operative Program year shall be reduced by the amount of any Commissions received by Pool Administrator for SCORE Placements made during that year. In the event such Commissions, plus Fees pre-paid by SCORE exceed the total Fee for the Program year, Pool Administrator shall reimburse SCORE for the excess payment it made. Alternatively, at SCORE’s request, any excess Fee paid by SCORE during a Program year may be carried forward and applied against any future Fee due to Pool Administrator by SCORE during any subsequent periods that this Agreement is in effect.

5. Payment.

The Fee shall be paid annually within thirty (30) days of the Anniversary Date of this Agreement and, if necessary, adjusted thirty (30) days prior to the Anniversary Date.

6. Commissions.

Commissions shall be collected as Agreed by both Parties in writing.

7. Disclosures.

a. Exclusions.

Commissions for Special Events, Notary Bonds and Vendor/Contractor Liability Programs are not included in the Annual Fee or Compensation, as Coverage is provided to Third Party Individuals.

b. Transparency and Disclosure.

During the time of this Agreement, Pool Administrator will Annually Disclose any Commissions received by Pool Administrator or any affiliated Company in connection with any Insurance Placements on behalf of SCORE under the Alliant’s “Transparency and Disclosure” Policy, a copy of which is made available upon request. Pursuant to its Policy, Alliant will conduct business in conformance with all applicable Insurance Regulations and in advancement of the best interests of SCORE. In addition, Alliant’s Conflict of Interest Policy precludes it from accepting any form of Broker incentives that would result in business being placed with Carriers in Conflict with the Interests of Alliant’s and/or SCORE’s.

c. Other Alliant Services.

In addition to the Compensation that Pool Administrator receives, its related entity, Alliant Specialty Insurance Services (“ASIS”) and its Underwriting operations, Alliant Underwriting Services (“AUS”) may receive Compensation from Pool Administration and/or a carrier involved in underwriting services. The financial impact of the Compensation received by AUS and/or ASIS is a

cost included in the premium. Compensation received by AUS and/or ASIS will be disclosed in writing to SCORE and is Agreed to by SCORE as part of the Premium. SCORE further acknowledges that Pool Administrator and ASIS maintain an arm's length relationship. SCORE understands that while Pool Administrator represents SCORE as an Individual Entity, AUS and/or ASIS independently administers its Program as a whole, and not on behalf of any particular Member.

The amount of Compensation to be received by ASIS will be disclosed in writing to SCORE and is agreed to by SCORE as part of the Premium.

Additionally, the related entities of Alliant Business Services (ABS) and/or Strategic HR may receive Compensation from Pool Administrator and/or a Carrier for providing designated, Value-Added Services. Services contracted for, by the SCORE directly, will be invoiced accordingly.

F. **TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME:**

1. Surplus Lines Fees and Taxes.

In certain circumstances, Placement of Insurance Services made by Pool Administrator on behalf of SCORE, with the prior Approval of SCORE, may require the Payment of Surplus Lines Assessments, Taxes, and/or Fees to State Regulators, Boards, and Associations. Such Assessments, Taxes, and/or Fees will be charged to SCORE and identified separately on Invoices covering these Placements. SCORE shall be responsible for all such Assessments, Taxes, and Fees, whether or not separately invoiced. Pool Administrator shall not be responsible for the Payment of any such Fees, Taxes, or Assessments, except to the extent such Fees, Taxes or Assessments have already been collected from SCORE.

2. Third Party Brokers.

Pool Administrator may determine from time to time that it is necessary or appropriate to utilize the Services of Third Party Brokers (such as Surplus Lines Brokers, Underwriting Managers, London Market Brokers, and Reinsurance Brokers) to assist in Marketing the SCORE Insurance Program. Subject to the Provisions herein, these Third Party Brokers may be Affiliates of Pool Administrator (e.g., other Companies of Pool Administrator that provide Services other than those included within the Scope of Services of this Agreement), or may be unrelated Third Party Brokers. Compensation to such Third Party Brokers will be paid by the Insurance Company out of paid Insurance Premiums. Any such Compensation to Affiliates shall be disclosed in writing to SCORE and is agreed to by SCORE as part of the Premium.

3. Indirect Income.

“Indirect Income” includes such items as Insurance Carrier contingency arrangements. Pool Administrator will not accept these Compensation Incentives from Insurers, including contingent Commissions, Market Service Agreements (MSA), volume-based Commissions, Incentives and Rebates on business placed on behalf of SCORE within the Scope of Service of this Agreement.

G. TERMS:

The Term of this Agreement shall be five years and Commence on July 1, 2013 and Terminate on June 30, 2018.

H. OBLIGATIONS OF SCORE:

SCORE Agrees to cooperate with Pool Administrator in the performance of Pool Administrator’s Services by providing Pool Administrator, upon request, with reasonable access to SCORE’s Personnel and information, including providing complete and accurate information as to SCORE’s Loss Experience, Risk Exposures and any other pertinent information that Pool Administrator requests. In addition, when known, SCORE shall have the responsibility to keep Record of and immediately Report significant Changes in Exposures, Loss-related Data, and/or any other Material Changes to Pool Administrator. This Reporting must be Memorialized in writing and Delivered to Alliant in Accordance with the Notice Provisions below.

SCORE shall promptly review Coverage documents delivered by Pool Administrator for consistency with SCORE’s specifications, and shall designate one or more Officers or Committees of SCORE to receive and evaluate recommendations to the Officer(s) or Committee(s) of SCORE having ultimate decision-making Authority on such matters.

I. NON-ASSIGNABILITY:

Both Parties hereto recognize that this Agreement is one for Personal Services and cannot be assigned in whole or in part by either Party without the prior written Consent of the other Party. Prior to a change in Account Officers, assigned to provide Service to SCORE in Program Administration, the Pool Administrator shall endeavor to provide 45 days written Notice. SCORE shall retain the Right to Reject the Assignment of new Account Officers.

J. NOTICES:

All Notices hereunder shall be given in writing and mailed, postage prepaid, be Certified Mail, Addressed as follows:

TO SCORE:

The Then Current President of SCORE
at the Address on File with SCORE

TO PROGRAM ADMINISTRATOR: Ms. Susan Adams
Pool Administrator
Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

K. COST AND ATTORNEY FEES:

The prevailing Party in any Action brought to enforce the Terms of this Agreement, or arising out of this Agreement, may recover its reasonable costs and Attorney's Fees expended in connection with such action from the other Party to such action.

L. ENTIRE AGREEMENT; MODIFICATION; INTERPRETATION:

This Agreement sets forth the full and final understanding of the Parties as respects the matters described herein, and supersedes any and all prior Agreements and understandings between them, whether written or oral with respect to the subject matter hereof. This Agreement may be Amended but then only in a written Addendum to this Agreement executed by the Parties. This Agreement shall be governed by the Law of the State of California. If any Term of this Agreement is rendered invalid or unenforceable by Judicial, Legislative or Administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Nothing in this Agreement is intended or shall be construed to confer upon or to give any Person, Firm or Corporation other than the Parties hereto their Parents, Subsidiaries, Successors and Assigns, any Rights or Remedies by reason of this Agreement.

M. DISASTER RECOVERY; CONTINUITY:

Pool Administrator Agrees that it has a Disaster Recovery Plan in place that is intended to secure, and if necessary, restore information physical and electronic data affected by a Security Breach, Force Majeure or Natural Disaster. In addition, Pool Administrator will make Commercially reasonable efforts to ensure that, at all times, it has a sufficient number of Trained Personnel on hand to meet its Obligations under this Agreement including in the Event of a Force Majeure, Natural Disaster, or Pandemic.

N. SEVERABILITY:

If any Term, Covenant, Condition, or Provision of this Agreement is held by a Court of competent Jurisdiction to be invalid, void, or unenforceable, the remaining Provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

O. APPLICABLE LAW:

This Agreement has been Executed and Delivered in the State of California, and the validity, enforceability, and interpretation of any of its Provisions shall be determined and Governed by the applicable Laws of this State.

P. DISPUTE RESOLUTION:

Any Dispute arising under the Terms of this Agreement that is not resolved within a reasonable period of time by Authorized Representatives of the Parties shall be brought to the attention of the Chief Executive Officer (or designated Representative) of the Pool Administrator and the Chair (or Designee) of the SCORE for Joint Resolution. At the request of either Party, SCORE shall provide a forum for discussion of the disputed item(s). If Resolution of the Dispute through these means is pursued without success and upon the Parties' Mutual Agreement, such Dispute may be submitted to final and binding arbitration, or either Party may elect to and pursue any Rights and Remedies by Legal Action. Such Arbitration shall be conducted under the auspices of, and in Accordance with the Procedures and Rules of the California Arbitration Act (Code of Civil Procedure Sections 1280 through 1294). In any Dispute arising out of or under the Terms of this Agreement, the prevailing Party shall be entitled to recover its Legal Fees and Costs from the other Party to the extent allowed by applicable Law. Any such Arbitration or Legal action shall be venued in Sacramento, California, unless the Parties mutually agree in writing to another location. Despite an unresolved Dispute, the Pool Administrator shall continue without delay to perform its responsibilities under this Agreement. The Pool Administrator shall keep accurate records of its Services in order to Document the extent of its Services under this Agreement.

Q. NON-SOLICITATION:

Pool Administrator agrees that, during the Term of this Agreement, Pool Administrator's personnel shall not purposely solicit SCORE Members from Programs or Lines of Coverage, on which they work or have worked. SCORE understands and agrees that Pool Administrator has offices, staff, clients, (and prospects nationwide) and nothing in this paragraph shall restrict it from responding to any Request for Proposal with notice to SCORE, or from otherwise providing Services or Products when asked by a SCORE Member after receiving permission from SCORE. In addition, this paragraph shall not prohibit Pool Administrator from engaging in general advertising, or marketing campaigns. Nothing in this paragraph shall be applied in a manner that violates any State or Federal Law or Regulation.

R. RELATIONSHIP OF THE PARTIES:

At all times and for all purposes, the Relationship between the Parties is intended to be that of Independent Contractors and there is no intent to create a Joint Venture Relationship, and any Person representing Pool Administrator, shall be an Independent Contractor to

SCORE, and the Agreement shall not in any way be construed as a Contract of Employment between SCORE and Pool Administrator's Agents. In addition, the Parties Agree that, except as otherwise provided herein, SCORE shall not be obligated for any expense incurred by Pool Administrator in rendering Services, or by engaging in any other transaction or conduct arising out of this Agreement.

S. TERMINATION OF CONTRACT:

SCORE or the Pool Administrator can terminate this Agreement at any time by giving the other Party 90 days written Notice. Should this Agreement be Terminated Pursuant to this Section prior to the end of this Agreement's Term, the Pool Administrator shall be entitled to retain as earned Compensation for its Program Services, a prorated portion of the Fees paid by SCORE. These percentages apply only to the Per-Agency Fees and Pooled Deposit Fees earned by the Pool Administrator from the Pooled Liability Program and Workers' Compensation Program. Fees and Commissions charged by the Pool Administrator for all other Compensation shall be considered fully earned upon Termination of the Agreement.

T. ETHICS AND CONFLICT OF INTEREST STATEMENT:

The Pool Administrator understands and agrees that SCORE desires to compare the cost of obtaining Services or Insurance Products from Pool Administrator against other viable and competitive options and expects that the Pool Administrator will make its Compensation Agreements and revenue streams known to SCORE, so as to provide SCORE with a clear Accounting of the Costs of the Placement of Insurance Services and Products. The Pool Administrator shall conduct its business so as to fulfill all Legal and Ethical Requirements, and Standards of the Industry and the applicable State(s) in which Services are rendered, and shall place the best Interests of SCORE ahead of any other concerns in the Placement of Insurance Services and Products. To this end, Pool Administrator:

1. Warrants that it will adhere to its ethical obligations to SCORE to deliver honest, competitive, and meaningful Service and advice on the placement of any Insurance Products, Services, or Coverages, and to Provide access to an open, fair, and Competitive Insurance marketplace;
2. Shall exercise Due Diligence in making a full and complete Disclosure of all Quotes and Declinations from all Markets contacted for each specific Line of Coverage, including the date and time of Contact and the Name, Address, Phone Number and, to the extent available, Email Address of the individual Contact for each Market;
3. Shall make every good faith attempt to avoid even the Appearance of a Conflict of Interest between the Pool Administrator, SCORE, and any Provider of any Insurance Product or Service, and will promptly Notify SCORE of any real or potential Conflict of Interest;

4. Agrees to include a copy of Pool Administrator's own Ethics Statement or Code, or Pool Administrator's Compliance Statement available on the Pool Administrator's Website; and,
5. Shall request that all Insurance Carriers show any Commission Rates on their Insurance Policies and will otherwise ensure those Rates are known to SCORE.
6. Acknowledges the Mutual Trust and Confidence by both Parties, and that all Actions of the Pool Administrator shall be for the specific benefit of the SCORE and their Programs as a whole.

U. OWNERSHIP OF BOOKS AND RECORDS:

The Parties shall each maintain normal business records related to all business generated under this Agreement. Upon reasonable request, and subject to the Confidentiality Provisions set forth herein, the Parties may each obtain from the other copies of all Policyholder Documents, including but not limited to Policies, Binders, Certificates, Endorsements, Underwriting Data, Loss Data, and other Statistical information in the other's possession, custody, or control with respect to all business generated under this Agreement.

V. INDEMNIFICATION:

1. In the event that Pool Administrator, its Agents, Employees, Representatives, or Assigns, negligently or intentionally violate any Law or Regulation, any Provision of the Agreement, or any written Rule, Regulation, Policy, Procedure or similar instruction under the Program, Pool Administrator shall Indemnify, Defend, and Hold SCORE harmless from and against all Loss and Damage, including any reasonable Costs or Expenses (including Attorney's Fees), incurred by SCORE in connection with such conduct.
2. In the event that SCORE, its Agents, Employees, Representatives, or Assigns, negligently or intentionally violate any Law or Regulation, or any Provision of the Agreement, SCORE shall Indemnify, Defend, and Hold Pool Administrator harmless from and against all Loss and Damage, including any reasonable Costs or Expenses (including Attorney's Fees), incurred by Pool Administrator in connection with such conduct.

W. WAIVER:

No Provision of this Agreement shall be considered Waived, unless such Waiver is in writing and signed by the Party that benefit from the Enforcement of such Provision. No Waiver of any Provision in this Agreement, however, shall be deemed a Waiver of a subsequent Breach of such Provision or a Waiver of a similar Provision. In addition, a Waiver of any Breach or a Failure to Enforce any Term or Condition of this Agreement

shall not in any way Affect, Limit, or Waive a Party's Right under this Agreement at any time to Enforce strict Compliance thereafter with every Term and Condition of this Agreement.

X. INSURANCE REQUIREMENTS:

1. Coverage and Limits.

During the Term of this Agreement, Pool Administrator shall maintain the following Insurance Coverage and Limits or the equivalent Self-Insurance Coverage:

- a.** Professional Liability Insurance with minimum limits of \$15 million per Claim providing Coverage for any Errors and Omissions that the Pool Administrator or its Agents may make resulting in Financial Loss to SCORE.
- b.** Commercial General and Automobile Liability Insurance with limits of at least \$1 million combined single limit per occurrence and, in the Aggregate, for Bodily Injury and Property damage. The Policies are to contain, or be Endorsed to contain the following Provisions:
 - (1)** SCORE, its Trustees, Officers, Employees, and Volunteers are to be Covered as Additional Insured's with respect to Liability arising out of the work or operations performed by the Pool Administrator, or on behalf of the Pool Administrator, or "any Auto," whether Owned, Leased, Hired or Borrowed by the Pool Administrator.
 - (2)** For any covered Claims related to this Agreement, the Pool Administrator's Insurance Coverage shall be Primary Insurance as respects SCORE, its Trustees, Officers, Employees, or Volunteers. Any Insurance or Self-Insurance maintained by SCORE, or any of its Members, shall be excess to the Pool Administrator's Insurance and shall not contribute with it.
- c.** Workers' Compensation Coverage in Compliance with applicable Law, and Employers' Liability Insurance in the amount of at least \$1 million per Accident or Aggregate.
- d.** Excess Liability of at least \$4 million per occurrence (and in the Aggregate) Coverage over General Liability and Auto Primary Coverage.

IN WITNESS WHEREOF, SCORE has caused this Contract to be executed by its President, and Pool Administrator has caused the same to be Executed by its Duly Authorized Officer, all as of the Day and Year first above written.

SMALL CITIES ORGANIZED RISK EFFORT JOINT POWERS AUTHORITY

By: _____ **Date:** _____
Roger Carroll, President

ALLIANT INSURANCE SERVICES

By: _____ **Date:** _____
Michael Simmons, Vice Chairman Public Entities

ATTACHMENT 'A' - COMPENSATION FOR SERVICES

COMPENSATION FOR SERVICES UNDER SECTION A

Effective **July 1, 2013 to June 30, 2018**, as Annual Compensation to the Program Administrator for the Services rendered hereunder, the Program Administrator may collect the Compensation set forth below.

POOLED LIABILITY PROGRAM

The Program Administrator shall be paid a Fee of **\$9,039** per Member of the Liability Program. With the 19 current Members, the Total Annual Fee will be **\$171,733**. The Program Administration will be adjusted at the Per-Member Rate for any change in Membership.

WORKERS' COMPENSATION PROGRAM

The Program Administrator shall be paid a Fee of **\$5,906** per Member, except those participating in the Mini-Cities Pool; for these Members the Program Administrator shall be paid **\$1,778** per Mimi-City Member. At the current Participation of 7 Members and 10 in the Mini-Cities Pool, the Total Annual Fee will be **\$59,123**.

COMPENSATION FOR SERVICES UNDER SECTION B

PROPERTY PROGRAM

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., collected from the insurer for an amount to be disclosed, but in no event in excess of 11% of the Premiums.

MOBILE EQUIPMENT PROGRAM

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., Collected from the insurer for an amount to be disclosed, but in no event in excess of 13.5% of the premiums.

SCORE FIDELITY POLICY

The Program Administrator shall be paid commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2., Collected from the insurer for an amount to be disclosed, but in no event in excess of 20%.

SCORE POLLUTION POLICY

The Program Administrator shall be Paid Commissions and/or Fees for Brokerage Services provided under, and as defined in Section D.2, collected from the insurer for an amount to be disclosed but in no event in excess of 20%.

ADDENDUM C

Consultant

* Michael Simmons

Pool Manager

* Susan Adams

Marketing and Risk Management Specialists

Jacqueline Parker

Claims Services:

Robert Frey

Account Management

Laurence Voiculescu
Johnny Yang

*Denotes KEY PERSONNEL

ALLIANT SERVICES FOR SCORE - Proposed Pricing

ANNUAL % INCREASE (on Prog. Admin): 7.50% 2.50% 2.50% 2.50% 2.50%

		Mini Cites		YR:	1	2	3	4	5	
					FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	
				FY 12/13						
Contract Revenue	#									
Liability	19			\$159,752	\$171,733	\$176,027	\$180,427	\$184,938	\$189,562	
WC	7 10			\$54,998	\$59,123	\$60,601	\$62,116	\$63,669	\$65,261	
Misc. Lines (1)				\$31,230	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000	
				\$245,980	\$261,856	\$267,628	\$273,543	\$279,607	\$285,822	Annual Average
<u>OVERALL ACCOUNT INCREASE:</u>					6.06%	2.16%	2.16%	2.17%	2.17%	2.95%

(1) Includes Commission on Insurance: Property 11%, Mobile Eq. 13.5%, Fidelity 20%, and Pollution 20%

BUDGET:	Hours	Rate	Total
Mike Simmons	150	\$195	\$29,250
Susan Adams	500	\$178	\$89,000
Jackie Parker	50	\$145	\$7,250
clerical	150	\$70	\$10,500
Laurence Voiculesciu	<u>1200</u>	<u>\$105</u>	<u>\$126,000</u>
Total	2050	\$127.80	\$262,000



ALLIANT HIGHLIGHTS AND ACCOMPLISHMENTS

2008 / 2013

1. 2008 Issued RFP for:
 - Accountant - Board kept contract with Don Reynolds

2. 2009 Issued RFP for:
 - Accountant – Board contracted with Gilbert and Associates eff. 7/1/10 for accounting, bookkeeping and retrospective rating calculations.
 - Auditor – Board contracted with Maze and Associates for a three year period.

3. 2012 Issued RFP for:
 - Workers’ Compensation Claims Administration – Board stayed with York
 - Liability Claims Administration – Board stayed with York
 - Risk Control Services – Board contracted with SBK (Jack Kastorff)

4. 2013 Issued RFP for Auditing Services – proposals due end of March 2013.

5. 2010 – We proposed and created a ‘TARGET EQUITY PLAN’ at the Long Range planning meeting in October 2010 at Williams once we became aware of the equity the pool had built over the years. The equity plan created was a 5 year plan to return excess equity to the members.
 - Plan has returned \$5,900,000 in equity through 5/12.
 - Strengthened our Master Plan documents to ensure the equity of members withdrawing from SCORE will stay with SCORE until the program year is closed out – thereby protecting SCORE’s assets.



6. Introduced TargetSafety and contracted for their online training services for SCORE members.
7. Delivered Training sessions at Board meetings to keep members up to date of services/programs/ industry information that is pertinent to them.
8. Created logo / branding for SCORE.
9. CAJPA Accreditation – assisted SCORE in achieving “Accreditation with Excellence” in 2011.
10. Offered training programs for members – i.e., Sewer Training just held by David Patzer in March 2013.
11. Administrator attends other related Board/EC meetings for program SCORE participates in and provides the Board with information on those programs:
 - LAWCX
 - ERMA
 - CJPRMA
12. Created Website for SCORE.
13. Implemented Loss Prevention Manual Program Reimbursement Policy.
14. Issued Program Manual for members in 2012.
15. Implemented an EAP volunteer program for members.



GILBERT ASSOCIATES, INC. ACCOUNTING SERVICES OVERVIEW

INFORMATION ITEM - VERBAL

ISSUE: Mr. Kevin Wong will give a brief overview of the time, cost and services Gilbert Associates, Inc. has provided to SCORE throughout the current year.

RECCOMENDATION: None

FISCAL IMPACT: None.

BACKGROUND: SCORE entered into a three year contract with Gilbert and Associates July 1, 2011 for financial accounting services.

ATTACHMENTS: None



FINANCIAL AUDIT SERVICES

ACTION ITEM

ISSUE: The SCORE Board of Directors will hear a brief summary of the vendor selection process leading to the selection of SCORE's new Financial Audit Vendor by the Ad-Hoc Finance Committee in May 2013. The Board will also approve the new vendor selection and authorize the new financial audit contract with Crowe Horwath.

RECOMMENDATION: Staff recommends approval of the vendor selection made by the ad-Hoc Finance Committee and authorizing the Engagement Letter with Crowe Horwath effective July 1, 2013.

FISCAL IMPACT: Not to exceed \$20,300/year for the next 3 Fiscal Years.

BACKGROUND: The Board requested that Staff issue a Request for Proposal (RFP) for Financial Audit Services in lieu of taking another contract extension with Maze and Associates, Inc. Staff issued an RFP and received responses from several financial audit providers. Crowe Horwath and James Marta & Co. were selected as the finalist firms due to their risk pooling audit experience. After conducting interviews and hearing each firm's oral presentation, SCORE's ad-Hoc Finance committee decided that Crowe Horwath offered the best Financial Audit solutions for the JPA and awarded them the Financial Audit contract.

ATTACHMENTS: Crowe Horwath Engagement Letter

June 13, 2013

The Board of Directors
Roger Carroll, Board President
Small Cities Organized Risk Effort Joint Powers Authority
1792 Tribute Road, Suite 450
Sacramento, California 95815

Dear Mr. Carroll:

This letter confirms the arrangements for Crowe Horwath LLP (“Crowe” or “us” or “we” or “our”) to provide the professional services discussed in this letter to Small Cities Organized Risk Effort Joint Powers Authority (“SCORE” or “you” or “your”) for the year ending June 30, 2013. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit the financial statements of the Group for the year ended June 30, 2013.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining Financial Statements

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management’s Discussion and Analysis
- Reconciliation of Claims Liabilities by Type of Program
- Claims Development Information

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of SCORE's internal control. However, we will communicate in writing to the Board of Directors and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to the Board of Directors, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to SCORE's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the Board of Directors of SCORE. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

Our audit and work product are intended for the benefit and use of SCORE only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. The working papers for this engagement are the property of Crowe and constitute confidential information.

SCORE's Responsibilities

SCORE's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, design and implement programs and controls to prevent and detect fraud and devise policies to ensure that SCORE complies with applicable laws and regulations. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit and unrestricted access to persons within SCORE from whom we determine it necessary to obtain audit evidence. Additionally, the Board of Directors are responsible for informing us of their views about the risks of fraud within SCORE, and their knowledge of any fraud or suspected fraud affecting SCORE.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by SCORE of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

FEES

Our fees, including out-of-pocket expenses, will not exceed \$20,300 for the year ended June 30, 2013. Our invoices are due and payable upon receipt. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Other changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures

- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate SCORE personnel during audit fieldwork

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that SCORE will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume that requested records such as invoices, contracts, grant agreements, and supporting documentation will be located and provided to us. We also assume SCORE will prepare confirmation letters, the MD&A section and the Supplementary Information section of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by SCORE or required by State or Federal regulations.

* * * * *

This engagement letter and the attached Crowe Engagement Terms reflect the entire agreement between us relating to the services covered by this letter. The headings included in this letter are to assist in ease of reading only; the letter and attachment are to be construed as a single document, with the provisions of each section applicable throughout. This agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter. The agreements of SCORE and Crowe contained in this engagement letter shall survive the completion or termination of this engagement. If any term hereof is found unenforceable or invalid, this shall not affect the other terms hereof, all of which shall continue in effect as if the stricken term had not been included. This agreement shall be interpreted and construed under, and governed by the internal laws of the State of Illinois, without regarding for choice of law principles.

Mr. Roger Carroll
Small Cities Organized Risk Effort Joint Powers Authority
June 13, 2013
Page 5

If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign and date below and return a copy of this letter at your earliest convenience. If you have any questions, please contact Matthew Nethaway at (916) 441-1000.

Very truly yours,

Crowe Horwath LLP

By: Matthew Nethaway

I have reviewed the arrangements outlined above and in the attached Crowe Engagement Terms, and I accept on behalf of SCORE the terms and conditions as stated.

Crowe Horwath LLP and the Engagement Authorized Signer above are licensed by the California Board of Accountancy.

Small Cities Organized Risk Effort Joint Powers Authority

The Board of Directors has reviewed the services and Crowe Engagement Terms described in this letter and evaluated the services pursuant to SCORE's policies. After considering all relevant factors, the Board of Directors hereby approves hiring Crowe to provide the services described above.

Authorized Representative of the Board of Directors:

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Crowe Engagement Terms

We want you to understand the basis under which we offer our services to you and determine our fees, as well as to clarify the relationship and responsibilities between your organization and ours. These terms are part of our engagement letter and apply to all future services, unless a specific engagement letter is entered into for those services. We specifically note that no advice we may provide should be construed to be investment advice. Each of these terms shall survive and apply after termination of this agreement.

YOUR ASSISTANCE - For us to provide our services effectively and efficiently, you agree to provide us timely with the information we request and to make your employees available for our questions. You will also provide our personnel with access to the Internet (if available). The availability of your personnel and the timetable for their assistance are key elements in the successful completion of our services and in the determination of our fees. Completion of our work depends on appropriate and timely cooperation from your personnel; complete, accurate, and timely responses to our inquiries; and timely communication by you of all significant accounting and financial reporting matters of which you are aware. If for any reason this does not occur, a revised fee to reflect the additional time or resources required by us will be mutually agreed upon, and you agree to hold us harmless against all matters that arise in whole or in part from any resulting delay.

If circumstances arise that, in our professional judgment, prevent us from completing this engagement, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or withdrawing from the engagement.

THIRD-PARTY PROVIDER - We may use a third-party service provider in providing professional services to you which may require our sharing your confidential information with the provider. If we use a third-party service provider, we will enter into a confidentiality agreement with the provider to require them to maintain the confidentiality of your confidential information. The terms of our engagement letter and these engagement terms shall apply to any third-party provider.

CONFIDENTIALITY - We will maintain the confidentiality of your confidential information in accordance with professional standards. You agree not to disclose any confidential material you obtain from us without our prior written consent, except to the extent such disclosure is an agreed objective of this engagement. Your use of our work product shall be limited to its stated purpose and to your business use only. We retain the right to use the ideas, concepts, techniques, industry data, and know-how we use or develop in the course of the engagement. You agree to the use of fax, email, and voicemail to communicate both sensitive and non-sensitive matters; provided, however, that nonpublic personal information regarding your customers or consumers shall not be communicated by unencrypted email.

CHANGES - We may periodically communicate changes in laws, rules, or regulations to you. However, you have not engaged us to and we do not undertake an obligation to advise you of changes in laws, rules, regulations, industry or market conditions, your own business practices, or other circumstances, except to the extent required by professional standards.

PUBLICATION - You agree to obtain our specific permission before using our report or our firm's name in a published document, and you agree to submit to us copies of such documents to obtain our permission before they are filed or published.

NO PUNITIVE OR CONSEQUENTIAL DAMAGES - Any liability of Crowe to you shall not include any special, indirect, consequential, incidental, punitive, or exemplary damages or loss nor any lost profits, savings, or business opportunity.

LIMIT OF LIABILITY - Except where it is judicially determined that Crowe performed its Services with gross negligence or willful misconduct, Crowe's liability shall not exceed fees paid by you to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid shall be the exclusive remedy for any damages. This limitation of liability is intended to apply to any and all claims to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including (without limitation) to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, statute or common law. This limitation of liability shall also apply after termination of this agreement.

INDEMNIFICATION FOR THIRD-PARTY CLAIMS – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed its Services with gross negligence or intentional misconduct, you agree to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs associated with such third-party claim, arising from or relating to any Services, work product, or other work performed by Crowe that you use or disclose to others or this engagement generally. This indemnification is intended to apply to any and all claims to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including (without limitation) to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, statute or common law. This indemnification shall also apply after termination of this agreement.

NO TRANSFER OR ASSIGNMENT OF CLAIMS - No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

TIME LIMIT ON CLAIMS - In no event shall any action against Crowe arising from or relating to this engagement letter or the services provided by Crowe relating to this engagement be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

RESPONSE TO LEGAL PROCESS - If we are requested by subpoena, other legal process, or other proceedings to produce documents pertaining to you and we are not a named party to the proceeding, you will reimburse us for our professional time, plus out-of-pocket expenses, as well as reasonable attorney fees we incur in responding to such request.

MEDIATION - If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between you or any of your affiliates or principals, and Crowe, and if the dispute cannot be settled through negotiation, you and Crowe agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. The results of mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation shall be shared equally by both parties.

JURY TRIAL WAIVER – FOR DISPUTES LITIGATED IN ANY FORUM OTHER THAN CALIFORNIA STATE COURT -- For all matters not brought in California state court, the parties agree to waive a trial by jury to facilitate judicial resolution and to save time and expense. Each party agrees that it has had the opportunity to have its legal counsel review this waiver. This waiver is irrevocable, may not be modified either orally or in writing, and shall apply to any subsequent amendments, renewals, or modifications to this Agreement. In the event of litigation, this Agreement may be filed as written consent to a trial by court.

FOR DISPUTES LITIGATED IN CALIFORNIA STATE COURT – Following mediation, all claims, causes of action or other disputes concerning this engagement (each a “Claim”), including questions of law or fact relating thereto, shall upon either party's request be determined by judicial reference pursuant to the California Code of Civil Procedure (“Reference”). The parties shall select a single neutral referee, who shall be an attorney who is also a certified public accountant. In the event that the parties cannot agree upon a referee, the referee shall be appointed by the court, but such referee shall be an attorney who is also a certified public accountant. The referee shall report a statement of decision to the court. Nothing in this paragraph shall limit the right of any party at any time to cease work or otherwise exercise or obtain self-help or provisional remedies. The parties shall bear the fees and expenses of the referee equally. The referee shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph. The parties acknowledge and agree that the Claims will not be adjudicated by a jury.

LEGAL AND REGULATORY CHANGE - The scope of services and the fees for the services covered by the accompanying letter are based on current laws and regulations. If changes in laws or regulations change your requirements or the scope of our work, you and we agree that our fees will be modified to a mutually agreed-upon amount to reflect the changed level of our effort.

NON-SOLICITATION - You and we acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement and for one year after its expiration or termination, neither party will solicit any personnel of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

AFFILIATES - Crowe Horwath LLP ("Crowe") is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe.

NOTIFICATION OF NON-LICENSEE OWNERSHIP - Crowe Horwath LLP ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide client services under this agreement. If you have any questions regarding licensure of the personnel performing services under this engagement, please do not hesitate to contact us.

Agenda Item H.4.

FINANCE COMMITTEE MEMBER APPOINTMENTS

ACTION ITEM

ISSUE: The Board of Directors will appoint new Finance Committee members to replace those members that are no longer with SCORE. Currently the Finance Committee is comprised of Treasurer, Linda Romaine, Ted Marconi and Stephanie Beauchaine. There are two vacant seats on this committee.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends appointing those members that volunteered to serve on the Finance Committee. The members that volunteered were Jared Hancock, Steve Baker and Muriel Howarth-Terrell.

BACKGROUND: SCORE has a standing Finance Committee which is made up of five (5) Board members whose duties include the following per our Bylaws:

Section 2 – Finance Committee

The Finance Committee shall consist of five members including the Treasurer. The Treasurer will act as Chair of the committee. It is desired that one member of the committee shall be a finance or assistant finance officer of a Member Agency. The Committee shall have all other authority as specifically granted it by the Board, including, but not limited to the following:

- A. In accordance with the Investment Policy, discusses strategies with the Investment Advisors and direct overall investment strategy.*
- B. On an annual basis the Finance Committee shall review cash management requirements and give direction to the accountant to make adjustments.*
- C. Review the independent auditors' proposed audit scope and approach.*
- D. Review the performance of the independent auditor(s).*
- E. Recommend the appointment to the Board or Executive Committee of the independent auditor(s) and review audit fees.*



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013**

F. At the direction of the Board or the Executive Committee, review with counsel any legal matters that could have significant impact on the financial statements.

G. Review and make recommendations to the Board or the Executive Committee to maintain or change the Investment Policy in accordance with California Government Code.

H. Advise the Board and the Executive Committee on other financial matters.

All committee meetings shall be held as open meetings in accordance with the Ralph M. Brown Act. Minutes shall be kept of all committee meetings and distributed to all committee and Board members.

Two of the five committee members are no longer with SCORE. Therefore, in early April staff inquired from members on who would be interested in serving on the committee noting that positions will be filled on a first-come first serve basis. The members that were the first to volunteer were Jared Hancock, Steve Baker and Muriel Howarth-Terrell which were all allowed to serve since Mr. Ted Marconi will retire at the end of October, 2013. Satwant Takhar also offered his services and when needed, will be asked to sit on this committee.

ATTACHMENT(S): None.



**RESOLUTION 13-01 ESTABLISHING FISCAL YEAR 2013-14
BOARD OF DIRECTORS MEETING DATES**

ACTION ITEM

ISSUE: The SCORE Board of Directors will need to review and adopt a resolution setting forth the meeting dates and locations for the 2013-2014 program year for the JPA.

RECOMMENDATION: Program Administrator recommends approval of Resolution 13-01 as presented.

FISCAL IMPACT: None

BACKGROUND: Annually the Staff presents a resolution to the Board with proposed dates of Board meetings and locations. Under the Brown Act, Government Code Section 54954(a), a regular meeting of the governing Board of a local agency is one where the date is established by ordinance or resolution.

SCORE has an attendance policy that will impose penalties for repeated non-attendance by a member.

ATTACHMENTS:

1. Resolution 13-01, Establishing Meeting Dates for 2013-14 Program Year
2. SCORE Attendance Policy

RESOLUTION No. 13-01

**RESOLUTION OF THE BOARD OF DIRECTORS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
ESTABLISHING MEETING DATES FOR THE PROGRAM YEAR 2013-2014**

BE IT RESOLVED THAT:

The following meeting dates are hereby established for the 2013 – 2014 program year:

Friday, August 23, 2013 commence at 10:00 a.m.	TBD
Thursday, October 24, 2013 commence at 10:00 a.m.	Napa, CA
Friday, October 25, 2013 commence at 9:30 a.m.	Napa, CA
Friday, January 24, 2014 commence at 10:00 a.m.	TBD
Friday, March 28, 2014 commence at 10:00 a.m.	TBD
Friday, June 27, 2014 commence at 10:00 a.m.	TBD

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on June 28, 2013 in Shasta County, California, by the following vote:

AYES: _____

ATTEST:

NOES: _____

ABSTAIN: _____

Roger Carroll, SCORE President

ABSENT: _____

**SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
BOARD OF DIRECTORS
MEETING ATTENDANCE POLICY**

To ensure the unimpeded conduct of Board meetings, each SCORE Member City shall make a good faith effort to have either its designated representative, designated alternate or both in attendance at all meetings of the Board.

It is the responsibility of the representative or alternate to notify the Program Administrator of SCORE within twenty-four (24) hours of the scheduled Board meeting if neither a designated representative nor alternate from a Member City is able to attend a Board meeting.

An "Excused Absence" shall be automatically granted provided the above notice is given to the Program Administrator of SCORE within twenty-four (24) hours of the Board meeting.

If a Member City does not have either a designated representative or alternate present at a meeting of the Board, and fails to provide the proper notice, such Member City shall incur an "Unexcused Absence".

Any "Unexcused Absence", or more than two "Excused Absences" at Board of Directors meetings during a calendar year regardless of cause, shall result in a penalty fee of \$500. All penalty fees collected under this policy shall be placed into a fund and used as a credit against SCORE's general administration expenses.

This policy shall be put into full force and become **effective as of June 26, 1999**.



APPROVAL OF SCORE'S LIABILITY MEMORANDUM OF COVERAGE

ACTION ITEM

ISSUE: SCORE's Liability coverage is provided by a Memorandum of Coverage (MOC). The Board annually adopts the Liability MOC pending any changes.

RECOMMENDATION: The Program Administrator recommends that the Board of Directors continue the current Memorandum of Coverage as written.

FISCAL IMPACT: None

BACKGROUND: SCORE's Liability coverage is provided by a Memorandum of Coverage (MOC). SCORE's MOC incorporates the CJPRMA Memorandum of Coverage form but with exclusion for Employment Practices Liability and inclusion of the CSAC-EIA Group Purchase Pollution Liability policy.

A new Declarations page will be issued for the new program year to each of the members separately.

ATTACHMENTS: SCORE's 2013-2014 Liability Memorandum of Coverage



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

1. INSURING AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, Small Cities Organized Risk Effort (SCORE) agrees to pay on behalf of the Member City Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority Memorandum of Coverage or the CSAC-EIA Group Purchase Pollution Liability Policy, as that Policy applies to SCORE, effective concurrently with the period stated on the declarations, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability stated under Item 3a of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the California Joint Powers Risk Management Authority Memorandum of Coverage.

The Limits of Liability stated under Item 3b of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the CSAC-EIA Group Purchase Pollution Liability Policy.

3. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

4. AMENDMENTS

A. Exclusion #4 and Endorsement #1 of the California Joint Powers Risk Management Authority Memorandum of Coverage do not apply to this Memorandum of Coverage and the following exclusion is effective:

This Memorandum of Coverage does not apply to claims by a potential, present or former employee arising out of employment-related practices, policies, acts or omissions, including any violation of civil rights, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, sexual harassment, harassment, humiliation or discrimination directed at that person. This exclusion extends to claims of the spouse, child, unborn child or fetus, parent, brother or sister of that person as a consequence of injury to the person at whom any of the employment-related practices, policies, acts or



omissions described above are directed. This exclusion applies to claims of negligent supervision and/or claims of failure to prevent such employment-related practices, policies, acts or omissions.

- B. This Memorandum of Coverage does not apply to claims arising out of skateboard parks.
- C. Exclusion #14 of the California Joint Powers Risk Management Authority Memorandum of Coverage includes the following:

This exclusion shall not apply to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the *covered party* may be legally responsible.

- D. This Memorandum of Coverage does not apply to claims arising out of paintball courses owned, operated or maintained by the member city or claims arising out of paintball parks existing on property owned or leased to the member city.

5. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS-means the ultimate net loss as defined in the Memorandum of Coverage issued by CJPRMA for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY- a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

6. OTHER INSURANCE

The coverage afforded by the Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

7. NOTICE OF OCCURRENCE



Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice, either written or oral, as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to identify the Member City and fullest information obtainable at the time. If legal proceedings are begun, the Member City shall forward to the SCORE Claims Administrator each paper therein, or a copy thereof, received by the Member City or the Member City's representative, together with copies of reports or investigations with respect to such claim proceedings.

8. DEFENSE

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

9. PAYMENT OF LOSS

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

10. SUBROGATION

In the event of any payment under this Memorandum of Coverage, SCORE will be subrogated to all the Member City's rights of recovery against any person or organization and SCORE shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

11. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.

To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 1

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park in Loyalton, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 2

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park in the Miner Street Park located in Yreka, California

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 3

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park located at 441 South Gulling Street in Portola, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 5

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park at 1200 North Street in Susanville, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 6

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park at 1525 Median in Shasta Lake, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 7

It is understood and agreed that the coverage provided under Form No LIAB-14 to the member of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the skateboard park at 9th and B Streets in Biggs, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-14

ENDORSEMENT NO. 8

It is understood and agreed that the coverage provided under Form No LIAB-14 to the members of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

ARBITRATION OF COVERAGE DISPUTES

(a) Coverage Determinations

The Administrator, in conjunction with the claims adjuster, shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the *Authority's* right to deny coverage on all or part of a claim, if a loss subsequently exceeds the *retained limit*.

A decision by the Administrator to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing to the administrator within thirty (30) calendar days of the date of the Administrator's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Administrator, in conjunction with the claims adjuster, and the *covered party* will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the *covered party* must be submitted to the administrator within thirty (30) calendar days from the date of the noticed decision by the Board of Directors.

(a) Arbitration Procedures for Resolving Disputes

1) Selection of Arbitrators

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot

agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the *Authority* or the *covered party or parties*.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension or chairperson grants an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.



(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

If the duty to defend is at issue, during the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

Mr. Roger Carroll, President

Date



**APPROVAL OF SCORE'S WORKERS' COMPENSATION
MEMORANDUM OF COVERAGE**

ACTION ITEM

ISSUE: SCORE's Workers' Compensation insurance coverage is provided by a Memorandum of Coverage (MOC). The SCORE Workers' Compensation Memorandum of Coverage is reviewed on an annual basis and updated, if needed. The Board annually adopts the Workers' Compensation MOC pending any changes.

RECOMMENDATION: The Program Administrator recommends that the Board of Directors continue the current Workers' Compensation Memorandum of Coverage as written.

FISCAL IMPACT: None

BACKGROUND: SCORE's MOC incorporates the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) Memorandum of Coverage form. LAWCX's MOC in turn incorporates the terms and conditions of the CSAC-EIA Excess Workers' Compensation MOC. SCORE does amend the adopted wording from LAWCX to exclude coverage for Labor Code Section 4850.

A Declarations page will be issued for the new program year, for each participating member separately.

ATTACHMENTS: SCORE's 2013-2014 Workers' Compensation Memorandum of Coverage



SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. WCOM-13

1. INSURING AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, SCORE agrees to pay on behalf of the Member City loss resulting from any accident or disease covered by the terms of the Local Agency Workers' Compensation Excess Joint Powers Authority Memorandum of Coverage effective for the Coverage Period shown under Item 2 of the Declarations to this Memorandum, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability applicable to this Memorandum of Coverage are as stated under Items 3a and 3b of the Declarations. This Memorandum of Coverage does not include a self-insured retention.

3. EXCLUSIONS

This Memorandum of Coverage shall not apply to benefits due to any Member City employee or volunteer under Labor Code Section 4850.

4. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS-means the ultimate net loss as defined in the Memorandum of Coverage issued by LAWCX for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY- a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.



5. OTHER INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

6. NOTICE OF LOSS

Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to identify the Member City and provide fullest information obtainable at the time. The Member City shall forward to SCORE Claims Administrator all written notices, demands or legal papers received by the Member City or the Member City's representative, together with copies of reports or investigations, with respect to such loss.

7. DEFENSE

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

8. PAYMENT OF LOSS

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

9. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.

To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date



2013-14 PROPERTY PROGRAM RENEWAL

ACTION ITEM

ISSUE: The Board of Directors should review discuss and approve the 2013-14 Property Program renewal.

The SCORE Property Program is currently placed through the Alliant Property Insurance Program (APIP) which renews July 1, 2013. Total Insurable Values increased 19.84 % as indicated by the recent property appraisals conducted throughout this past fiscal year. The total premium increased 22.38 % over last year. The main factors of the premium increase are the increased values made apparent by the recent appraisals as well as a small rate increase of 2.12 %. Below is a summary of value and coverage changes for the 2013-14 policy year.

<u>Small Cities Organized Risk Effort</u>	<u>12-13</u> <u>(at 01/23/2013)</u>	<u>13-14</u>	<u>Variance</u>
Total Insurable Values:	\$ 219,692,826	\$ 263,275,851	19.84%
Account Rate (per hundred dollars):	0.1092216	0.1115356	2.12%
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 239,952.00	\$ 293,646.40	22.38%

Major Coverage Changes effective 7/01/2013			
<u>Item</u>	<u>12-13 Coverage or Sublimit</u> <u>Per Occurrence</u>	<u>13-14 Coverage or Sublimit</u> <u>Per Occurrence</u>	<u>Status</u>
Claims Reporting Acknowledgement Form(s)	Documents were provided with Policies	Attached is a claims acknowledgment form outlining the loss reporting provisions for Property (including B&M), Cyber and Pollution claims. We are requesting that all members read this form and sign acknowledging the procedures have been provided, reviewed, and understood. If you have specific questions, please contact your Alliant representative or our Claims Advocacy Group at (877) 725-7695	Final
Excess Terrorism Limits (For those who purchase this Optional Coverage)	\$250,000,000 Per Member/Entity \$550,000,000 Per Occurrence \$850,000,000 Program Aggregate	\$300,000,000 Per Member/Entity Per Occurrence \$800,000,000 Program Aggregate	Final
Auto Physical Damage Deductible	Per Occurrence for Off Premises Vehicle Physical Damage	If Off-Premises coverage is included, the stated deductible will apply to vehicle physical damage both on and off premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises coverage is subject to the "All Risk" (Basic) Deductible.	Final
Cyber Liability Coverage	As Expiring	Enhancements: <ul style="list-style-type: none"> ▪ Single Retention for all respective Insuring Agreements ▪ Coinsurance for Public Relations and Credit Monitoring lower from 20% to 10% ▪ Increased First Party Business Interruption – Hourly and Forensic sub-limits increased from \$25,000 to \$50,000 for each and Dependent Business Interruption increased from \$100,000 to \$150,000 ▪ PCI Fines and Penalties Endorsement added with a sub-limit of \$100,000 	Final
Pollution Liability	A Summary of Changes for Pollution Liability is included with the Coverage Summary		Final



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013**

RECOMMENDATION: Staff recommends approval of the 2013-14 Property Insurance Renewal as per the APIP quote, and the 2013-14 Property Premium Deposit Calculations.

FISCAL IMPACT: The projected total premium of \$293,646 is based on total insured values of \$263,275,851.

BACKGROUND: SCORE provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

ATTACHMENT(S):

1. 2013-2014 Property Deposit Calculations
2. 2013-2014 SCORE APIP Property Renewal Proposal

**SMALL CITIES ORGANIZED RISK EFFORT
PROPERTY PROGRAM
July 1, 2013 to June 30, 2014**

Member Entity	Property Deductible	Real Property Values	Personal Property Values	Contractor's Equipment	Total Values	Property Premium	Excess Premium and Fees	Excess Boiler & Machinery Premium	Automobile Physical Damage Deductible	Automobile Physical Damage Values	Physical Damage Premium	Total Deposit	Last Year's Premium	Difference
Biggs	\$5,000	\$5,243,635	\$1,214,200	\$91,665	\$6,549,500	\$4,698	\$1,576	\$70	\$5,000	\$397,393	\$2,381	\$8,655	\$5,693	52%
Colfax	\$5,000	\$9,011,164	\$3,314,027	\$162,027	\$12,487,218	\$8,957	\$2,952	\$134	\$5,000	\$442,040	\$2,649	\$14,558	\$13,467	8%
Dorris	\$5,000	\$4,279,045	\$561,929	\$96,646	\$4,945,620	\$3,548	\$1,154	\$53	\$5,000	\$80,307	\$481	\$5,182	\$3,920	32%
Dunsmuir	\$5,000	\$12,007,829	\$1,063,674	\$0	\$13,089,503	\$9,389	\$3,018	\$141				\$12,408	\$7,522	65%
Etna	\$5,000	\$5,340,718	\$452,500	\$0	\$5,801,218	\$4,161	\$1,400	\$62	\$5,000	\$381,388	\$2,285	\$7,847	\$6,331	24%
Fort Jones	\$5,000	\$2,734,300	\$1,450,600	\$0	\$4,191,900	\$3,007	\$1,052	\$45	\$5,000	\$517,683	\$3,102	\$7,161	\$6,257	14%
Live Oak	\$5,000	\$21,183,002	\$10,541,390	\$0	\$31,855,392	\$22,850	\$7,387	\$343	\$5,000	\$253,000	\$1,516	\$31,754	\$35,346	-10%
Loomis	\$5,000	\$1,521,400	\$230,200	\$0	\$1,751,600	\$1,256	\$461	\$19	\$5,000	\$347,363	\$2,082	\$3,799	\$3,320	14%
Loyalton	\$5,000	\$5,052,770	\$1,695,014	\$229,393	\$6,988,177	\$5,013	\$1,918	\$75	\$5,000	\$1,866,662	\$11,186	\$18,117	\$14,285	27%
Montague	\$5,000	\$7,038,105	\$1,403,062	\$194,260	\$8,635,427	\$6,194	\$2,156	\$93	\$5,000	\$1,000,000	\$5,992	\$14,342	\$11,155	29%
Mt. Shasta	\$5,000	\$7,955,357	\$2,001,100	\$0	\$9,991,457	\$7,167	\$2,304	\$107				\$9,471	\$6,113	55%
Portola	\$5,000	\$5,232,700	\$1,141,900	\$0	\$6,374,600	\$4,573	\$1,490	\$69	\$5,000	\$121,929	\$731	\$6,793	\$4,805	41%
Rio Dell	\$5,000	\$7,561,185	\$3,652,366	\$126,534	\$11,345,085	\$8,138	\$2,652	\$122	\$5,000	\$219,852	\$1,317	\$12,108	\$10,102	20%
Shasta Lake	\$5,000	\$42,385,027	\$5,213,783	\$492,798	\$48,091,608	\$34,496	\$11,425	\$517	\$10,000	\$2,038,576	\$10,091	\$56,012	\$55,402	1%
Susanville	\$5,000	\$17,454,990	\$5,694,154	\$58,800	\$23,351,944	\$16,750	\$5,437	\$251	\$5,000	\$318,414	\$1,908	\$24,096	\$20,669	17%
Tulelake	\$5,000	\$4,206,800	\$691,996	\$0	\$4,898,796	\$3,514	\$1,191	\$53	\$5,000	\$371,988	\$2,229	\$6,934	\$6,311	10%
Weed	\$5,000	\$8,206,050	\$1,249,580	\$26,033	\$9,532,489	\$6,838	\$2,198	\$103				\$9,036	\$6,321	43%
Yreka	\$5,000	\$30,511,274	\$10,693,871	\$2,720,649	\$44,183,094	\$31,693	\$10,329	\$475	\$10,000	\$854,628	\$4,230	\$46,252	\$22,936	102%
Total:		\$196,925,351	\$52,265,346	\$4,198,805	\$254,064,628	\$182,241		\$2,732		\$9,211,223	\$52,182	\$294,524	\$239,952	22.74%



Alliant Property Insurance Programs (APIP)

PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)

JULY 1, 2013-JULY 1, 2014 PROPOSAL

SMALL CITIES ORGANIZED RISK EFFORT

JUNE 5, 2013



Including: Schools Insurance Property Program & Public Utility Business





**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

PROPERTY PROPOSAL

This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter.

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Small Cities Organized Risk Effort

DECLARATION: 4-Cities 4

POLICY PERIOD: July 1, 2013 to July 1, 2014

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 263,275,851 as of June 05, 2013

**ALL RISK
COVERAGES &
LIMITS:**

\$	1,000,000,000	Per Occurrence: All Perils, Coverages (subject to policy exclusions) and Insureds/Members combined, subject to the following per occurrence and/or aggregate sub-limits as noted.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
	Not Covered	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A , V, and all other 100 year exposures. This Sublimit does not increase the specific flood limit of liability for those Members(s)/Entity(ies) that purchase this optional dedicated coverage.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
\$	100,000,000	Combined Business Interruption, Rental Income and Tax Interruption and Tuition Income (and related fees) - except \$500,000 per Member/Entity subject to maximum of \$2,500,000 Per Occurrence limit if specific values for such coverage have not been reported as part of the Member(s)/Entity(ies) schedule of values held on file with Alliant Insurance Services, Inc. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense

2013-2014 Alliant Property Insurance Program (APIP) Property Proposal
 Small Cities Organized Risk Effort

\$	25,000,000	Miscellaneous Unnamed Locations for existing Members Excluding Earthquake coverage for Alaska and California Members. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
See Policy Provisions		\$25,000,000 Automatic Acquisition up to \$100,000,000 or a member's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sublimit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sublimit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item
\$	5,000,000	Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item. Higher limits available for members with scheduled values greater than \$5,000,000 for an additional premium with underwriting approval
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sublimit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval
\$	2,500,000	Money & Securities for named perils only as referenced within the policy
\$	2,500,000	Unscheduled Fine Arts
\$	250,000	Accidental Contamination per occurrence and annual aggregate per member with \$500,000 annual aggregate for all insureds / members per declaration
\$	500,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)

2013-2014 Alliant Property Insurance Program (APIP) Property Proposal
 Small Cities Organized Risk Effort

\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
\$	25,000,000	Transit
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
\$	2,500,000	Unscheduled Watercraft up to 27 feet
	Included	Per Occurrence for Off Premises Vehicle Physical Damage
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
\$	5,000,000	Per Occurrence and Annual Aggregate for Earthquake shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Earthquake coverage
\$	5,000,000	Per Occurrence and Annual Aggregate for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Flood coverage
\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
\$	1,000,000	Claims Preparation Expenses
\$	50,000,000	Expediting Expenses
\$	1,000,000	Personal Property Outside of the USA
\$	100,000,000	Per Member/Entity Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18, 19, 20, 21, 26, 27, 28, 29, 30, 32, 33 and 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)
\$	300,000,000	Per Occurrence, Per Member/Entity for Terrorism (Excess Layer) subject to;
\$	800,000,000	Annual Aggregate shared by all Members/Entities combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary

for details of coverage terms, limits and deductibles

Included See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles

VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor’s Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS
 (Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

**“ALL RISK”
 DEDUCTIBLE:**

\$ 5000 Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

**DEDUCTIBLES FOR
 SPECIFIC PERILS
 AND COVERAGES:**

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V

Not Covered Per Occurrence for Flood Zones A & V

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.

\$ 1,000 Per Occurrence for Specially Trained Animals

\$ 500,000 Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)

\$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Earthquake for members who do not purchase dedicated Earthquake limits

\$ 50,000 Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of

		Earthquake for members who do not purchase dedicated Earthquake limits
\$	10,000	Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Flood for members who do not purchase dedicated Flood limits
\$	50,000	Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Flood for members who do not purchase dedicated Flood limits
	24 Hour Waiting Period	for Service Interruption for All Perils and Coverages
	2.5% of Annual Tax Value	per Location for Tax Interruption
Indication *		
\$	5,000	except for \$10,000 for City of Shasta Lake and City of Yreka. Per Occurrence for Off Premises Vehicle Physical Damage
Indication *		
	ACV Vehicle Valuation Basis	
\$	5,000	Per Occurrence for Contractor's Equipment
\$	5,000	Per Occurrence for Primary Terrorism
\$	500,000	Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles. (Cyber Liability)

TERMS & CONDITIONS:

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 100% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 273,802.00
Excess Boiler:	\$ 3,310.00
ABS Fee:	\$ 7,974.00
SLT&F's (Estimate)	\$ 8,887.55
Broker Fee:	\$ 0.00
TOTAL COST: (Including Taxes and Fees)	\$ 293,973.55
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. This Pricing is an Indication Only - It cannot be Bound until confirmed by the underwriter.	

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

QUOTE VALID

UNTIL: July 1, 2013

BROKER: **ALLIANT INSURANCE SERVICES, INC.**

License No. 0C36861

Susan Adams
 Associate Broker

Laurence Voiculescu
 Assistant Account Representative

NOTES:

- Major pending and approved changes to the APIP Program are described in the Executive Summary.
- Change in Total Insurable Values will result in adjustment in premium
- Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized
- Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194 Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.



2013-14 APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

ACTION ITEM

ISSUE: Alliant Property Insurance Program (APIP) has developed APIP Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. APIP requires its members to sign the Acknowledgement Form which outlines the steps that should be taken at the time of property, cyber liability and pollution losses occur to assure that the insurance coverage available through APIP remains in force and available for claims payment.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends authorizing the Board President, Mr. Roger Carroll, to sign the acknowledgement form on behalf of SCORE.

BACKGROUND: The Alliant Property Insurance Program (APIP) includes property coverage for Members owned locations, Cyber Liability coverage and Pollution coverage for Public Entity clients.

ATTACHMENT(S): APIP Claims Reporting Acknowledgement(s) Receipt Form

ALLIANT INSURANCE SERVICES

APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

APIP Property Claims Reporting

Cyber Claims Reporting (*this is a claims made policy*)

Pollution Liability Claims Reporting (*this is a claims made policy*)

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

In effect: July 1, 2013 until further notice

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

Insured Entity Name: _____

Authorized Signature: _____

Print Name

Date

Title



ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM SUMMARY OF CLAIMS REPORTING

I. First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Bob Frey First Vice President, Claims Manager Voice: (415) 403-1445 Email: rfrey@alliant.com Cell: (415) 518-8490 <i>After hours claims reporting number</i>	Diana Walizada Assistant Vice President Voice: (415) 403-1453 Email: dwalizada@alliant.com
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Address: Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

Please be sure to copy APIP's Claim Administrator on all Claims correspondence:

Cathryn O'Meara
McLaren's
1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mclarens.com

II. Cyber Carrier Beazley NY needs to also be provided with Notice of Claim immediately (If coverage applies):

Bob Frey First Vice President, Claims Manager Voice: (415) 403-1445 Cell: (415) 518-8490 After hours Email: rfrey@alliant.com	Beth Diamond Beazley Group 1270 Avenue of the America's, Suite 1200 New York, NY 10020 Telephone: (646) 943-5900 Fax: (546) 378-4039 Email: tmbclaims@beazley.com
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Elaine G. Kim, CISR
Claims Advocate, Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1458 Fax: (415) 403-1466
Email: ekim@alliant.com

III. Pollution Liability Carrier ACE Environmental, Risk Claims Manger (if coverage applies):

Bob Frey First Vice President, Claims Manager Voice: (415) 403-1445 Cell: (415) 518-8490 After hours Email: rfrey@alliant.com	ACE USA Claims PO Box 5103 Scranton, PA 18505-0510 Environmental Emergency: (888) 310-9553 Fax: (800) 951-4119 Email: CasualtyRiskEnvironmentalFirstNotice@acegroup.com
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David Sutton
Claims Executive, Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: dsutton@alliant.com

PROPERTY LOSS REPORTING:

- 1) Follow your organization's procedures for reporting and responding to an incident*
- 2) Alert local emergency authorities, as appropriate*
- 3) Report the incident to Alliant Insurance Services immediately at:*

877-725-7695

All property and boiler & machinery losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) Report the incident to McLarens AND your Alliant representative*



PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: dwalizada@alliant.com

COPY APIP Claims Administrator: cathryn.omeara@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- Real Property
- Vehicles
- Personal Property
- Other

Insured's Name & Contact Information

Company Name: _____
Point of Contact: _____
Phone #: _____
Address: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Diana Walizada
 Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111
 Phone #: 1-877-725-7695 Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: 07/01/2013 to 07/01/2014
 Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible: _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

CYBER LOSS REPORTING:

- 1) *Follow your organization's procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

646-943-5900

All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley claims response vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

SEND TO: Beazley Group

BY MAIL: 1270 Avenue of the America's, Suite 1200, New York, NY 10020

BY FAX: (546) 378-4039

BY EMAIL: tmbclaims@beazley.com

CC Alliant Claims Department: ekim@alliant.com And your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Company Name: _____ **Point of Contact:** _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims **Point of Contact:** Elaine G. Kim, CISR

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

Policy Information

Policy Number: C121280 **Policy Period:** 7/1/13 to 7/1/14

Limits of Liability: _____ per _____ agg **Self-Insured Retention/Deductible** _____

Loss Information

Date of Incident/Claim: _____ **Location:** _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

CYBER LOSS REPORTING

A. REFER TO YOUR POLICY FOR COMPLETE CLAIM REQUIREMENTS

B. IMPORTANT POLICY LANGUAGE REGARDING:

NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
 - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 - b. the injury or damage which may result or has resulted from the circumstance; and
 - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

POLLUTION CLAIMS REPORTING



Environmental Risk

IN THE EVENT OF AN ENVIRONMENTAL EMERGENCY:

- 1) *Follow your organization's procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately at:*

888-310-9553

All pollution incidents must be reported within 7 days of discovery

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

- 4) *Report the incident to your Alliant representative*

DO follow your organization's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager

BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

BY FAX: (800) 951-4119

BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

CC Alliant Insurance: dsutton@alliant.com And your Alliant representative

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident
- Third-Party Claim
- Potential Claim
- Litigation Initiated
- Other _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: David Sutton

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 415-403-1400

Policy Information

Policy Number: PPL G24544837 002 Policy Period: 7/1/13 to 7/1/14

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

A. REFER TO YOUR POLICY FOR COMPLETE CLAIM REQUIREMENTS

B. IMPORTANT POLICY LANGUAGE REGARDING:

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” must also take all reasonable measures to provide immediate verbal notice to the Insurer.

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.



Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013

Agenda Item H.9.

RETROSPECTIVE RATING DISTRIBUTIONS SUMMARY

INFORMATION ITEM

ISSUE: The Board will receive a report reflecting the distributions approved at the March 22, 2013 Board meeting by member by program. Members will be asked to advise how their refunds are to be distributed, applied to the 2013/14 contributions or receive a check.

RECOMMENDATION: None

FINANCIAL IMPACT: Total of \$750,000 from both programs -- \$500,000 distribution from the Liability program and \$250,000 from the Workers' Compensation program.

BACKGROUND: The Board approved the distribution of dividends at the March 22, 2013 meeting. The Board agreed to be conservative on this distribution and approved the sum of \$500,000 out of the Liability Shared Risk layer and \$250,000 out of the Workers' Compensation Shared Risk layer.

If a member has a negative balance in a program and funds available for distribution for the other program, those funds are used to reduce the deficit first before being returned.

ATTACHMENTS: Retrospective Distributions by program by member.

SCORE WC AND LIABILITY RETROSPECTIVE RATING DISTRIBUTIONS
APPROVED BY THE BOARD March 22, 2013

CITY	LIABILITY	WORKERS' COMPENSATION	DISTRIBUTIONS FROM WC APPLIED TO NEGATIVE LIABILITY BALANCE	NEW LIABILITY BALANCE AFTER PROGRAM BALANCE ADJUSTMENT	TOTAL DISTRIBUTION
BIGGS	\$ 15,718	\$ 7,566		\$0	\$ 23,284
COLFAX	\$ (4,824)	\$ 11,175	\$ 4,824	\$0	\$ 6,351
DORRIS	\$ 2,960	\$ 2,930		\$0	\$ 5,890
DUNSMUIR	\$ (49,380)	\$ 927	\$ 927	-\$48,452	\$ -
ETNA	\$ (34,062)	\$ 5,654	\$ 5,654	-\$28,408	\$ -
FORT JONES	\$ 9,363	\$ 2,696		\$0	\$ 12,059
ISLETON	\$ (18,512)	\$ -		-\$18,512	\$ -
LIVE OAK	\$ 38,605	\$ 10,712		\$0	\$ 49,317
LOOMIS	\$ 14,423	\$ 14,826		\$0	\$ 29,249
LOYALTON	\$ 10,900	\$ 471		\$0	\$ 11,371
MONTAGUE	\$ (29,272)	\$ 3,235	\$ 3,235	-\$26,038	\$ -
MOUNT SHASTA	\$ 7,541	\$ 15,147		\$0	\$ 22,688
PORTOLA	\$ (1,093)	\$ 12,322	\$ 1,093	\$0	\$ 11,229
RIO DELL	\$ 19,792	\$ 13,400		\$0	\$ 33,192
SHASTA LAKE	\$ 118,382	\$ 58,763		\$0	\$ 177,145
SUSANVILLE	\$ 145,841	\$ 42,389		\$0	\$ 188,230
TULELAKE	\$ (2,449)	\$ -		-\$2,449	\$ -
WEED	\$ (47,591)	\$ 20,675	\$ 20,675	-\$26,917	\$ -
YREKA	\$ 116,476	\$ 27,115		\$0	\$ 143,591
TOTAL	\$500,000	\$250,000	\$36,408		\$713,594

2011-12 Retro Distribution - Liability Program (\$500K)

CITY	AVAILABLE			ESTIMATED REFUND			FINAL ASSET COMPOSITION			
	BANKING	SHARED RISK	Combined	BANKING	SHARED	Combined	BANKING	AVAIL SHARE	UNAVAIL	ADJ. TOTAL
BIGGS	9,651	30,221	39,872	-	15,718	15,718	9,651	14,502	42,705	66,858
COLFAX	(4,823)	(1)	(4,824)	-	-	-	(4,823)	(1)	58,307	53,483
CRESCENT CITY	(0)	231,872	231,872	-	-	-	(0)	231,872	237,801	469,673
DORRIS	2,325	5,690	8,015	-	2,960	2,960	2,325	2,731	11,787	16,842
DUNSMUIR	(49,378)	(1)	(49,380)	-	-	-	(49,378)	(1)	13,501	(35,878)
ETNA	(9,031)	(25,031)	(34,062)	-	-	-	(9,031)	(25,031)	26,288	(7,774)
FORT JONES	18,471	18,002	36,473	-	9,363	9,363	18,471	8,639	9,060	36,170
IONE	(35,562)	(311,700)	(347,261)	-	-	-	(35,562)	(311,700)	404,554	57,292
ISLETON	(18,512)	0	(18,512)	-	0	0	(18,512)	0	34,615	16,103
LIVE OAK	32,138	74,223	106,361	-	38,605	38,605	32,138	35,618	116,322	184,078
LOOMIS	16,635	27,730	44,364	-	14,423	14,423	16,635	13,307	75,357	105,298
LOYALTON	13,823	20,956	34,779	-	10,900	10,900	13,823	10,056	24,772	48,651
MONTAGUE	(29,272)	(0)	(29,272)	-	-	-	(29,272)	(0)	22,259	(7,013)
MOUNT SHASTA	40	14,499	14,539	-	7,541	7,541	40	6,958	139,905	146,903
PORTOLA	39	(1,132)	(1,093)	-	-	-	39	(1,132)	70,713	69,620
RIO DELL	51,530	38,052	89,583	-	19,792	19,792	51,530	18,260	78,906	148,697
SHASTA LAKE	172,228	227,602	399,830	-	118,382	118,382	172,228	109,221	330,688	612,137
SUSANVILLE	139,436	280,396	419,832	-	145,841	145,841	139,436	134,555	341,085	615,076
TULELAKE	(2,449)	-	(2,449)	-	-	-	(2,449)	-	13,974	11,525
WEED	(24,020)	(23,571)	(47,591)	-	-	-	(24,020)	(23,571)	125,675	78,083
WILLIAMS	(0)	40,118	40,118	-	-	-	(0)	40,118	134,693	174,810
YREKA	40	223,938	223,978	-	116,476	116,476	40	107,462	274,016	381,519
	<u>283,308</u>	<u>871,863</u>	<u>1,155,171</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>283,308</u>	<u>371,863</u>	<u>2,586,981</u>	<u>3,242,152</u>

961,309

2011-12 Retro Distribution - WC Program (\$250K)

CITY	AVAILABLE			ESTIMATED REFUND			FINAL ASSET COMPOSITION			
	BANKING	SHARED RISK	Combined	BANKING	SHARED	Combined	BANKING	AVAIL SHARE	UNAVAIL	ADJ. TOTAL
CRESCENT CITY	40,298	113,898	154,196	-	-	-	40,298	113,898	12,341	166,537
DUNSMUIR	0	4,825	4,825	-	927	927	0	3,898	20,068	23,966
IONE	(0)	38,398	38,398	-	-	-	(0)	38,398	27,242	65,640
LIVE OAK	49,225	55,733	104,958	-	10,712	10,712	49,225	45,021	94,557	188,803
MOUNT SHASTA	0	78,811	78,811	-	15,147	15,147	0	63,664	(20,021)	43,643
SHASTA LAKE	160,435	305,747	466,182	-	58,763	58,763	160,435	246,984	214,772	622,192
SUSANVILLE	237,854	220,555	458,409	-	42,389	42,389	237,854	178,165	299,776	715,796
WEED	13,515	107,572	121,087	-	20,675	20,675	13,515	86,897	48,371	148,784
WILLIAMS	(14,857)	(27,461)	(42,318)	-	-	-	(14,857)	(27,461)	110,543	68,225
YREKA	79,314	141,083	220,397	-	27,115	27,115	79,314	113,967	123,326	316,608
MINICITIES	32,084	386,447	418,530	-	74,273	74,273	32,084	312,174	203,389	547,646
	597,869	1,425,607	2,023,476	-	250,000	250,000	597,869	1,175,606	1,134,363	2,907,839

1,245,849

MINICITIES SPREAD

	% Contribution	Return
BIGGS	10.19%	7,566
COLFAX	15.05%	11,175
DORRIS	3.94%	2,930
ETNA	7.61%	5,654
FORT JONES	3.63%	2,696
LOOMIS	19.96%	14,826
LOYALTON	0.63%	471
MONTAGUE	4.35%	3,235
PORTOLA	16.59%	12,322
RIO DELL	18.04%	13,400
TOTAL	100.00%	74,273



RETROSPECTIVE RATING PLAN OF ACTION UPDATE

INFORMATION ITEM

ISSUE: Kevin Wong from Gilbert and Associates and Alliant will provide the Board with an update on this project. The Ad Hoc Committee met via teleconference on June 19, 2013 to hear a proposed plan that other JPA's are using. Much more work is needed and information to create a plan for future return of equity.

RECOMMENDATION: The Ad Hoc committee meets several times over the summer to continue to work on this project and present to the Board of Directors at the October 2013 meeting.

FISCAL IMPACT: Unknown

BACKGROUND: SCORE's current Retrospective Rating Plan (RRP) has been utilized since inception, 1986, to annually calculate the amount available for return to member cities and towns. It was originally introduced in the form of a paper ledger and it gradually evolved into the set of Excel spreadsheets that are being used today. Since taking over SCORE's accounting on July 1, 2010, substantial time and effort has been spent by Gilbert Associates, Inc. staff to correct the spreadsheet's formulas and data input errors from prior years. In addition, in 2012 the spreadsheet data was changed from utilizing data inputs as of December 31 to utilizing data inputs as of June 30. This effort was based on the goal to tie-out SCORE's net assets from the spreadsheets to the audited financial statements. The change to utilizing June 30 data revealed significant differences between the spreadsheets and SCORE's audited financial statement net asset balances. Since the spreadsheets contain data input as far back as 1986, and prior calculations were based on December 31 valuation data, it is unclear where the current differences originate from. Continued research on the possible causes of the differences could be attempted, however it is uncertain whether all of the differences can successfully be identified and reconciled.

ATTACHMENTS: Gilbert Associates, Inc. SCORE RRP Framework Document

Framework for New SCORE Retrospective Rating Plan

ISSUE/BACKGROUND:

SCORE's Retrospective Rating Plan (RRP) Excel spreadsheet has been utilized since inception to annually calculate the amount available for return to member cities and towns. Since taking over SCORE's accounting on July 1, 2010, substantial time and effort has been spent by Gilbert Associates, Inc. staff to correct the spreadsheet's formulas and data input errors from prior years. In addition, in 2012 the spreadsheet data was changed from utilizing data inputs as of December 31 to utilizing data inputs as of June 30. This effort was based on the goal to tie-out SCORE's net assets from the spreadsheets to the audited financial statements. The change to utilizing June 30 data revealed significant differences between the spreadsheets and SCORE's audited financial statement net asset balances. Since the spreadsheets contain data input as far back as 1987, and prior calculations were based on December 31 valuation data, it is unclear where the current differences originate from. Continued research on the possible causes of the differences could be attempted, however it is uncertain whether all of the differences can successfully be identified and reconciled.

RECOMMENDATION:

Utilize a new methodology for the RRP as of June 30, 2013 which is simpler and will agree to the audited financial statement net asset balance for both the W/C and the Liability Program.

GOALS:

If creation of a new methodology for RRP calculation is approved, the new methodology should:

1. annually tie to the audited June 30 financial statements, by program
2. be easy to calculate
3. provide members an easy and accurate accounting of their Banking Layer balances
4. provide for flexibility with the amount of member's draw from their Banking Layer balances
5. fairly distribute the Shared Risk Layer available net assets

PROPOSED METHODOLOGY:

In general, we propose to restructure SCORE's accounting system to allow for the tracking of individual Banking Layer accounts as individual discrete "funds" of the financial statements, by program. RRP returns for the Banking Layer would be based on individual member Banking Layer balances. We further propose that the Shared Risk Layers be tracked as single "funds" for each program. RRP returns for the Shared Risk Layer would be based on overall Shared Risk Layer experience, and allocated based on historical premiums.

Banking Layer methodology

1. We believe that it is likely that the unidentified differences in the existing RRP spreadsheets are located within the Shared Risk data rather than the Banking Layer balances. Therefore, we propose to utilize the Banking Layer balances from the June 30, 2012 RRP spreadsheets as the agreed-upon starting point for each member's Banking Layer balances by program for the 2012-2013 year.
2. Activity will be tracked in SCORE's accounting records on an individual-member basis, by program, for each member for the 2012-2013 year. Each member will have its own separate balance sheet and income statement for its banking layer account for both its W/C and Liability Banking Layers.
3. Members may request distributions from Banking Layer to the extent that their banking layer equity exceeds certain agreed-upon benchmarks (for example, net assets in excess of 10x SIR and 90% confidence level for claims reserves). For consistency of calculation, Banking Layer withdrawals should be available at predetermined levels (i.e. 100% of available, 50%, 35%, etc.).

Shared Risk Layer methodology

1. The balance of the Shared Risk Layer as a whole would be *imputed* based on the ending net assets for W/C and Liability from the June 30, 2012 audited financial statements and the Banking Layer balances determined above. For example, the June 30, 2012 net asset balance of the Workers Compensation Program was \$2,387,991 and the Liability Program was \$5,132,626. Banking Layer balances from the Workers Compensation and Liability Program spreadsheets were \$636,401 and \$201,754, respectively. Therefore, the Shared Risk Layer for the W/C Program as of June 30, 2012 would be \$1,751,590 ($\$2,387,991 - \$636,401$) and the Liability program would be \$4,930,872 ($\$5,132,626 - \$201,754$).
2. Utilizing the above numbers as starting points for the Shared Risk Layer portions of SCORE, the 2012-2013 Shared Risk net asset balance would be calculated as a whole.
3. Activity for the Shared Risk Layer would be accounted for as two separate entities – one for W/C Shared Risk and one for Liability Shared Risk.
4. Calculation for the amount of refund available could be based on certain agreed-upon benchmarks (i.e. net assets in excess of claims liabilities and 90% confidence level and/or 5x SIR).
5. Distribution would be based upon Board approval of % distributable (i.e. 100%, 50%, etc.) and allocation would be based on historical premiums.

CONSIDERATIONS:

1. Will simplify the RRP calculation on a go-forward basis
2. Will be able to tie to audited financial data as of June 30
3. Board members will need to agree upon (or approve) certain allocation methodologies for investment income, administrative expenses, etc.
4. Will increase emphasis on shared risk, may require increased emphasis on experience rating component of premiums
5. Restating accounting for all of 2012-2013 in this manner may delay audit completion for 2013
6. May require increase in accounting fees (uncertain)



Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013

Agenda Item I.1

QUARTERLY FINANCIAL REPORTS FOR PERIOD ENDING

MARCH 31, 2012

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for Quarter ending March 31, 2013 to the Board of Directors for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown.

BACKGROUND: Each quarter the Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Report as of 03/31/13

Small Cities Organized Risk Effort
Statement of Net Assets
As of March 31, 2013

	Mar 31, 13	Mar 31, 12
ASSETS		
Current Assets		
Checking/Savings		
Scott Valley Bank - General	\$ 132,502.20	\$ 1,211,779.64
Scott Valley Bank Claims Accounts		
Scott Valley Bank - Liability	40,008.22	12,527.95
Scott Valley Bank - Workers' Comp	27,965.86	161,551.65
LAIF		
LAIF	2,095,892.48	2,487,581.75
Total Checking/Savings	2,296,368.76	3,873,440.99
Other Current Assets		
Chandler - Investment Account		
Chandler - Investments	9,996,792.40	10,337,143.85
Chandler - Unrealized Gain (Loss)	90,751.70	136,705.65
Union Bank	579,368.90	34,323.71
Total Chandler - Investment Account	10,666,913.00	10,508,173.21
Interest Receivable	50,614.48	72,584.75
Member Accounts Receivable	613,726.75	833,235.00
Due from TPA	7,938.54	-
Claim Recovery Receivable	89,622.37	8,892.50
Prepaid Expenses	235,435.56	200,508.75
Total Other Current Assets	11,664,250.70	11,623,394.21
Total Current Assets	13,960,619.46	15,496,835.20
TOTAL ASSETS	\$ 13,960,619.46	\$ 15,496,835.20

Small Cities Organized Risk Effort
Statement of Net Assets
As of March 31, 2013

	<u>Mar 31, 13</u>	<u>Mar 31, 12</u>
LIABILITIES		
Liabilities		
Current Liabilities		
Current Liabilities		
Claims Payable		
Claims Reserves - W/C	788,684.00	1,586,662.00
Claims Reserves - Liability	495,879.00	330,584.00
Total Claims Payable	<u>1,284,563.00</u>	<u>1,917,246.00</u>
Accounts Payable	44,426.23	106,736.32
Unearned Revenue	378,926.50	356,991.55
Dividend Payable to Members	1,261,898.00	466,684.00
Total Current Liabilities	<u>2,969,813.73</u>	<u>2,847,657.87</u>
Long Term Liabilities		
IBNR		
IBNR Reserves - W/C	3,016,727.00	1,726,284.00
IBNR Reserves - Liability	645,096.00	872,955.00
Total IBNR	<u>3,661,823.00</u>	<u>2,599,239.00</u>
ULAE		
ULAE - W/C	190,271.00	-
ULAE - Liability	57,049.00	-
Total ULAE	<u>247,320.00</u>	<u>-</u>
Total Long Term Liabilities	<u>3,909,143.00</u>	<u>2,599,239.00</u>
Total Liabilities	<u>6,878,956.73</u>	<u>5,446,896.87</u>
NET ASSETS		
Net Assets - Workers' Compensation		
Board Designated - W/C	1,250,000.00	1,221,000.00
Net Assets - Liability		
Board Designated - Liability	2,500,000.00	2,093,000.00
Unrestricted Net Assets	3,758,592.50	8,086,818.83
Net Revenues Over Expenditures	(426,929.77)	(1,350,880.50)
Total Net Assets	<u>\$ 7,081,662.73</u>	<u>\$ 10,049,938.33</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Assets
For the Nine Months and Quarter Ended March 31, 2013

	<u>Jan- Mar '13</u>	<u>Jul '12 - Mar '13</u>	<u>Jul '11 - Mar '12</u>
Ordinary Revenue			
Revenue			
Member Contributions	\$ 662,364.75	\$ 1,987,094.25	\$ 1,870,150.50
Member Assessment	-	-	580,454.00
Bank/LAIF Interest	1,543.75	5,653.77	10,275.56
Managed Portfolio	46,959.71	155,964.89	206,190.66
Miscellaneous Income	-	536.81	-
Total Operating Revenue	<u>710,868.21</u>	<u>2,149,249.72</u>	<u>2,667,070.72</u>
Operating Expenses			
General and Administrative Expenses			
Bank Service Charges	2,309.00	7,075.00	2,707.00
B of D Activities	4,331.04	16,450.01	12,947.11
Dues & Subscriptions	-	450.00	600.00
Office Supplies	-	37.90	53.85
Safety Training	9,838.78	17,931.62	38,238.36
Total Administration	<u>16,478.82</u>	<u>41,944.53</u>	<u>54,546.32</u>
Consulting Services			
Accounting Services	12,000.00	34,000.00	30,000.00
Actuarial Study	-	1,750.00	-
Administration Costs	53,687.50	161,062.50	153,394.50
Audit Services			
Claims Audit	-	-	6,785.00
Financial Audit	10,052.00	20,052.00	16,532.00
Total Audit Services	<u>10,052.00</u>	<u>20,052.00</u>	<u>23,317.00</u>
Claims Services			
Claims Management -WC	23,685.00	71,055.00	68,985.00
Claims Management - Liability	24,375.00	73,125.00	88,634.87
Risk Management Services	19,476.40	46,494.05	78,216.81
TPA - Annual Fees	7,500.00	22,500.00	31,000.00
Total Claims Services	<u>75,036.40</u>	<u>213,174.05</u>	<u>266,836.68</u>
Investment Fees	3,211.00	9,263.89	10,147.00
Legal	-	-	1,589.71
Total Consulting Services	<u>153,986.90</u>	<u>439,302.44</u>	<u>485,284.89</u>
Total General and Administrative Expenses	<u>170,465.72</u>	<u>481,246.97</u>	<u>539,831.21</u>
Insurance Expenses			
Insurance Premiums	146,357.13	490,029.25	480,127.94
Total Insurance Expenses	<u>146,357.13</u>	<u>490,029.25</u>	<u>480,127.94</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Assets
For the Nine Months and Quarter Ended March 31, 2013

	<u>Jan- Mar '13</u>	<u>Jul '12 - Mar '13</u>	<u>Jul '11 - Mar '12</u>
Claims Expenses			
Claims Payments			
Claim Payments - WC	182,078.26	560,304.24	527,169.98
Claim Payments - Liability	50,371.91	226,413.07	223,010.60
Total Claim Payments	<u>232,450.17</u>	<u>786,717.31</u>	<u>750,180.58</u>
Total Claims Expenses	<u>232,450.17</u>	<u>786,717.31</u>	<u>750,180.58</u>
Dividends	<u>750,000.00</u>	<u>750,000.00</u>	<u>2,235,983.00</u>
Total Expenses	<u>1,299,273.02</u>	<u>2,507,993.53</u>	<u>4,006,122.73</u>
Net Operating Revenue	(588,404.81)	(358,743.81)	(1,339,052.01)
Other Revenue (Expense)			
Investment Gain/Loss	<u>(32,223.14)</u>	<u>(68,185.96)</u>	<u>(11,828.49)</u>
Net Revenue Over Expenses	<u>\$ (620,627.95)</u>	<u>\$ (426,929.77)</u>	<u>\$ (1,350,880.50)</u>

ADOPTION OF THE 2013-2014 SCORE PROGRAM BUDGET

ACTION ITEM

ISSUE: The Board of Directors must adopt a budget for each fiscal year prior to the commencement of that year. The Preliminary Budget presented in March has been updated to reflect the increases in 1) Property Premiums, 2) LAWXC Refunds and Assessments as well as 3) the capped actuarial rate increases of 3% from the prior year. The Administrative Costs are discussed in more detail below.

ADMINISTRATIVE EXPENSES

1. **Independent Claims Audits** – \$8,000 is included to have our biennial Liability and Workers' Compensation claims audit done this year (\$4,000 for each program). The last audits were conducted during the 11/12 Fiscal Year.
2. **Financial Audit** reflects a decrease of \$6,280 from the prior year due to the new Financial Audit contract price of \$20,300 with Crowe Horwath.
3. **Actuarial Services** will remain the same at \$5,000 for Liability and \$5,000 for W.C.
4. **Risk Control and Safety Services** remains the same at \$75,000 allowing the Board to identify and direct training according to JPA needs.
5. **Online Risk Management/Training** Services for TargetSolutions remain the same at \$19,000.
6. **ACI Wellness** decreased to \$10,044 (down from \$10,557 in the prior year) combined total for all members.
7. **State Funding/Fraud Assessment** has been increased from approximately \$17,000 to \$20,000 to reflect the actual billing increase we received in 2012.
8. **Program Administration** services provided by Alliant increased from \$214,745 to \$230,856 per the new contract effective July 1, 2013.

FISCAL IMPACT: The FY 2013-2014 budget is \$2,722,412. Compared to last year, the budget has **remained relatively flat**, showing an increase of only 2.75%. **Administration costs have gone down** from \$745,065 in the prior year to \$705,738 for FY 2013-14. In addition, Total Expenses have increase to 2,761,782 (up from \$2,668,979 in FY 2012-13) mainly due to increased claims funding.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 28, 2013**

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate to calculate premium and expenses for SCORE member cities. The budget also recognizes the calculation of experience modification factors as adopted by the program's Master Plan Documents. In addition, at the October 2012 LRP meeting, the Board decided to implement a cap on actuarial rate increases used in the premium calculations for the Liability and Workers' Compensation programs. As such, staff has limited both program rate increases to 3% from the prior year.

The format of the budget discloses both administrative expense and also the loss funding charges for the banking and shared risk layers, as well as the excess insurance for liability and worker's compensation coverage. It includes other group purchase programs, i.e. the Property (APIP) program, Employee Assistance Program, Employment Practices Liability coverage, and Pollution liability program.

The budget is the master plan for revenue and expenditures during the fiscal year. Although expenses are budgeted by line item, midterm amends to the budget are not required to adjust payments.

ATTACHMENTS: SCORE 2013-14 Budget

SMALL CITIES ORGANIZED RISK EFFORT

SUMMARY OF DEPOSITS BY CITY

July 1, 2013 to June 30, 2014

Member Entity	Liability Program Contribution	EPLI Coverage	Workers' Compensation Contribution	Property Premium	EAP	Total Deposit for Fiscal Year	Total Deposit for Prior Year	TOTAL DEPOSIT WITH 3% CAP	Percentage Change	Deposit Due July 1, 2013	WC Quarterly Installments	Equity Subsidy
Biggs	\$ 29,711	\$ -	\$ 26,087	\$ 8,655	\$ 243	\$ 66,467	\$ 63,048	\$ 64,697	3%	\$ 45,131	\$ 6,522	\$ 1,770
Colfax	\$ 33,609	\$ 2,570	\$ 29,313	\$ 14,558	\$ 270	\$ 82,313	\$ 68,163	\$ 80,320	18%	\$ 58,335	\$ 7,328	\$ 1,993
Dorris	\$ 20,000	\$ 896	\$ 10,201	\$ 5,182	\$ 324	\$ 37,248	\$ 32,400	\$ 36,604	13%	\$ 28,953	\$ 2,550	\$ 644
Dunsmuir	\$ 41,302	\$ -	\$ 50,391	\$ 12,408	\$ 270	\$ 106,678	\$ 103,853	\$ 104,370	0%	\$ 66,577	\$ 12,598	\$ 2,308
Etna	\$ 24,587	\$ -	\$ 20,097	\$ 7,847	\$ 1,242	\$ 55,127	\$ 47,091	\$ 53,773	14%	\$ 38,700	\$ 5,024	\$ 1,354
Fort Jones	\$ 20,277	\$ -	\$ 13,567	\$ 7,161	\$ -	\$ 41,918	\$ 35,467	\$ 41,005	16%	\$ 30,829	\$ 3,392	\$ 913
Isleton	\$ 25,130	\$ -	\$ -	\$ -	\$ 135	\$ 25,358	\$ 31,012	\$ 25,265	-19%	\$ 25,265	\$ -	\$ 93
Live Oak	\$ 67,422	\$ 5,481	\$ 81,988	\$ 31,754	\$ 540	\$ 191,768	\$ 205,601	\$ 187,185	-9%	\$ 125,693	\$ 20,497	\$ 4,583
Loomis	\$ 41,113	\$ 2,872	\$ 43,437	\$ 3,799	\$ 216	\$ 94,375	\$ 96,242	\$ 91,436	-5%	\$ 58,859	\$ 10,859	\$ 2,939
Loyalton	\$ 20,000	\$ -	\$ 7,463	\$ 18,117	\$ 135	\$ 46,194	\$ 46,305	\$ 45,715	-1%	\$ 40,117	\$ 1,866	\$ 479
Montague	\$ 24,781	\$ -	\$ 18,730	\$ 14,342	\$ -	\$ 59,125	\$ 51,360	\$ 57,854	13%	\$ 43,806	\$ 4,683	\$ 1,271
Mt. Shasta	\$ 105,756	\$ 9,121	\$ 158,388	\$ 9,471	\$ 918	\$ 294,093	\$ 295,981	\$ 283,654	-4%	\$ 164,863	\$ 39,597	\$ 10,439
Portola	\$ 38,994	\$ 2,814	\$ 42,759	\$ 6,793	\$ 297	\$ 94,523	\$ 75,698	\$ 91,657	21%	\$ 59,588	\$ 10,690	\$ 2,866
Rio Dell	\$ 52,108	\$ 4,126	\$ 62,529	\$ 12,108	\$ -	\$ 135,075	\$ 121,583	\$ 130,871	8%	\$ 83,974	\$ 15,632	\$ 4,204
Shasta Lake	\$ 123,387	\$ 13,206	\$ 153,189	\$ 56,012	\$ 1,215	\$ 356,010	\$ 369,631	\$ 347,009	-6%	\$ 232,118	\$ 38,297	\$ 9,001
Susanville	\$ 140,061	\$ 14,668	\$ 204,677	\$ 24,096	\$ 1,674	\$ 397,677	\$ 327,549	\$ 385,176	18%	\$ 231,668	\$ 51,169	\$ 12,501
Tulelake	\$ 30,293	\$ -	\$ -	\$ 6,934	\$ 432	\$ 37,735	\$ 47,376	\$ 37,659	-21%	\$ 37,659	\$ -	\$ 76
Weed	\$ 107,369	\$ -	\$ 117,156	\$ 9,036	\$ 810	\$ 241,617	\$ 235,547	\$ 234,371	0%	\$ 146,504	\$ 29,289	\$ 7,246
Yreka	\$ 151,663	\$ 12,272	\$ 212,282	\$ 46,252	\$ 1,323	\$ 437,826	\$ 395,548	\$ 423,792	7%	\$ 264,581	\$ 53,070	\$ 14,034
Total:	\$ 1,097,564	\$ 68,026	\$ 1,252,255	\$ 294,524	\$ 10,044	\$ 2,801,127	\$ 2,649,455	\$ 2,722,412	3%	\$ 1,783,221	\$ 313,064	\$ 78,715

SMALL CITIES ORGANIZED RISK EFFORT

BUDGET

July 1, 2013 to June 30, 2014

CATEGORY		PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	EPLI	PROPERTY
Chart of Acc't							
REVENUES:							
400	Program Administration	\$214,745	\$230,856	\$59,123	\$171,733		
400	Claims Administration	\$192,240	\$195,082	\$97,582	\$97,500		
400	Other Expenses	\$1,156,004	\$972,730	\$144,400	\$828,330		
400	Banking Layer Deposit	\$536,487	\$587,079	\$303,875	\$283,203		
400	Shared Risk Layer Deposit	\$710,623	\$892,242	\$499,018	\$393,224		
400	Excess Coverage Deposit (LAWCX and CJPRMA)	\$350,155	\$203,373	\$174,723	\$28,650		
400	Group Purchase Coverage	\$326,649	\$373,350		\$10,800	\$68,026	\$294,524
499	Reimbursement from CJPRMA for Liability Safety Training	\$0	\$0		\$0		
	Total Revenues	\$3,486,902	\$3,454,712	\$1,278,722	\$1,813,441	\$68,026	\$294,524
EXPENSES:							
710	Program Administration	\$214,745	\$230,856	\$59,123	\$171,733		
720	Claims Administration (Unallocated Claims Expense)	\$192,240	\$195,082	\$97,582	\$97,500		
	Claims Administration (ULAE) Per Member Annual Fee	\$30,000	\$27,000	\$8,000	\$19,000		
	Other Expenses						
505	Accounting Services Provided by Fort Jones	\$1,000	\$1,000	\$500	\$500		
505	Accounting Management	\$48,000	\$48,000	\$24,000	\$24,000		
699	User Funding Assessment	\$17,000	\$20,000	\$20,000	\$0		
506	Financial Audit	\$26,580	\$20,300	\$10,150	\$10,150		
507	Actuarial Review	\$10,000	\$10,000	\$5,000	\$5,000		
675	Safety Services	\$75,000	\$75,000	\$37,500	\$37,500		
675	Target Solutions	\$25,000	\$25,000	\$12,500	\$12,500		
610	Conferences	\$19,000	\$19,000	\$9,500	\$9,500		
670	CAJPA Accreditation	\$0	\$0	\$0	\$0		
	Property Appraisal	\$60,000	\$0	\$0	\$0		
506	Claims Audit	\$0	\$8,000	\$4,000	\$4,000		
625	Employee Dishonesty	\$500	\$500	\$250	\$250		
640	Board Expense	\$15,000	\$15,000	\$7,500	\$7,500		
615	Membership	\$1,000	\$1,000	\$500	\$500		
	Website	\$0	\$0	\$0	\$0		
	Rating Plan Database	\$0	\$0	\$0	\$0		
690	Contingent Reserve	\$10,000	\$10,000	\$5,000	\$5,000		
	Total Administration Expenses	\$745,065	\$705,738	\$301,105	\$404,633		
875	Excess Coverage (LAWCX and CJPRMA)	\$350,155	\$203,373	\$174,723	\$28,650		
875	Group Purchase Coverage	\$326,649	\$373,350		\$10,800	\$68,026	\$294,524
810	Expected Loss Costs for the FY	\$1,247,110	\$1,479,321	\$802,894	\$676,427		
	Total Expenses	\$2,668,979	\$2,761,782	\$1,278,722	\$1,120,511	\$68,026	\$294,524
REVENUES IN EXCESS OF EXPENSES:		\$817,923	\$692,930	\$0	\$692,930	\$0	\$0
Total Administrative Expenses:		\$500,320	\$447,882				

SMALL CITIES ORGANIZED RISK EFFORT
ADMINISTRATION ALLOCATION
July 1, 2013 to June 30, 2014

Total Administrative Expenses	\$705,738	Liability Participants	19
Liability Administrative Expenses	\$404,633	Workers' Comp Participants	8
W.C. Administrative Expenses	\$301,105	Regular Pool	7
		Mini-cities	10

Member Entity	DE6 Payroll Inflated	Percentage of Total	Expense Allocated By Payroll	Expense Allocated Equally	Liability Administration Expense
Biggs	\$416,247	2.10%	\$4,257	\$10,648	\$14,906
Colfax	\$465,312	2.35%	\$4,759	\$10,648	\$15,407
Dorris	\$162,155	0.82%	\$1,659	\$10,648	\$12,307
Dunsmuir	\$528,092	2.67%	\$5,401	\$10,648	\$16,050
Etna	\$319,396	1.61%	\$3,267	\$10,648	\$13,915
Fort Jones	\$215,268	1.09%	\$2,202	\$10,648	\$12,850
Isleton	\$289,632	1.46%	\$2,962	\$10,648	\$13,611
Live Oak	\$1,323,093	6.69%	\$13,532	\$10,648	\$24,181
Loomis	\$693,312	3.50%	\$7,091	\$10,648	\$17,739
Loyalton	\$120,505	0.61%	\$1,233	\$10,648	\$11,881
Montague	\$297,991	1.51%	\$3,048	\$10,648	\$13,696
Mt. Shasta	\$1,651,196	8.35%	\$16,888	\$10,648	\$27,536
Portola	\$679,159	3.43%	\$6,946	\$10,648	\$17,595
Rio Dell	\$996,062	5.04%	\$10,188	\$10,648	\$20,836
Shasta Lake	\$3,187,690	16.11%	\$32,603	\$10,648	\$43,252
Susanville	\$3,540,673	17.90%	\$36,214	\$10,648	\$46,862
Tulelake	\$340,528	1.72%	\$3,483	\$10,648	\$14,131
Weed	\$1,592,344	8.05%	\$16,286	\$10,648	\$26,935
Yreka	\$2,962,259	14.98%	\$30,298	\$10,648	\$40,946
Mini Cities					
Total:	\$19,780,914	100.00%	\$202,317	\$202,317	\$404,633

Workers' Compensation DE6 Payroll	Percentage of Total	Expense Allocated By Payroll	Expense Allocated Equally	Workers' Compensation Expense	Total Administration Expenses
					\$14,906
					\$15,407
					\$12,307
\$528,092	2.76%	\$4,152	\$18,819	\$22,971	\$39,020
					\$13,915
					\$12,850
					\$13,611
\$1,323,093	6.91%	\$10,401	\$18,819	\$29,220	\$53,401
					\$17,739
					\$11,881
					\$13,696
\$1,651,196	8.62%	\$12,981	\$18,819	\$31,800	\$59,336
					\$17,595
					\$20,836
\$3,187,690	16.65%	\$25,060	\$18,819	\$43,879	\$87,130
\$3,540,673	18.49%	\$27,835	\$18,819	\$46,654	\$93,516
\$1,592,344	8.31%	\$12,518	\$18,819	\$31,337	\$58,272
\$2,962,259	15.47%	\$23,288	\$18,819	\$42,107	\$83,053
\$4,365,406	22.79%	\$34,318	\$18,819	\$53,137	\$53,137
\$19,150,754	100.00%	\$150,553	\$150,553	\$301,105	\$691,607

SMALL CITIES ORGANIZED RISK EFFORT

LIABILITY PROGRAM

July 1, 2013 to June 30, 2014

Funding Confidence Level:	0% Confidence Level	Banking Layer Rate:	1.43	1.44
Minimum Deposit:	\$20,000	Shared Risk Rate:	1.99	1.96
Maximum Deposit:	\$250,000	CJPRMA Rate:		
Number of Member Entities:	19	Combined Rate:	3.4196	3.40
Payroll Inflation Factor:	3.00%	CSAC/CPEIA Pollution Coverage	\$10,800	
		Total Administrative Expense:	\$404,633	

2014/2015

CSAC EIA Member Total Payroll	\$18,831,358
CSAC EIA Pollution Rate per \$100 of payr	0.000573511

Member Entity	Banking Layer Deposit	Shared Risk Layer Deposit	CJPRMA Premium	CSAC/CPEIA Pollution Coverage	Admin Expense	Total Deposit	Total Deposit Last Year	Percentage Change	Minimum Deposit	Payroll Adjusted for Ex. Mod.	DE6 Payroll Inflated	DE6 Payroll Used Last Year	Change in Payroll
Biggs	\$6,099	\$8,468	\$543	\$239	\$14,906	\$29,711	\$33,769	-12%	29,473	425,987	\$416,247	\$450,163	-8%
Colfax	\$7,509	\$10,426	\$607	\$267	\$15,407	\$33,609	\$31,895	5%	33,342	524,469	\$465,312	\$382,384	22%
Dorris	\$2,403	\$3,336	\$211	\$93	\$12,307	\$20,000	\$20,000	0%	20,000	167,826	\$162,155	\$144,415	12%
Dunsmuir	\$10,446	\$14,504	\$689	\$303	\$16,050	\$41,302	\$42,022	-2%	40,999	729,593	\$528,092	\$516,174	2%
Etna	\$4,468	\$6,204	\$416		\$13,915	\$24,587	\$24,909	-1%	24,587	312,077	\$319,396	\$281,737	13%
Fort Jones	\$3,058	\$4,246	\$281	\$123	\$12,850	\$20,277	\$20,284	0%	20,153	213,572	\$215,268	\$172,122	25%
Isleton	\$4,823	\$6,697	\$378		\$13,611	\$25,130	\$30,877	-19%	25,130	336,873	\$289,632	\$346,295	-16%
Live Oak	\$17,786	\$24,696	\$1,725	\$759	\$24,181	\$67,422	\$75,426	-11%	66,663	1,242,319	\$1,323,093	\$1,298,514	2%
Loomis	\$9,619	\$13,356	\$904	\$398	\$17,739	\$41,113	\$48,503	-15%	40,715	671,880	\$693,312	\$761,906	-9%
Loyalton	\$1,762	\$2,447	\$157	\$69	\$11,881	\$20,000	\$21,414	-7%	20,000	123,097	\$120,505	\$201,932	-40%
Montague	\$4,570	\$6,345	\$389	\$171	\$13,696	\$24,781	\$25,739	-4%	24,610	319,169	\$297,991	\$278,959	7%
Mt. Shasta	\$32,352	\$44,920	\$2,153	\$947	\$27,536	\$105,756	\$116,153	-9%	104,809	2,259,692	\$1,651,196	\$1,576,457	5%
Portola	\$8,796	\$12,213	\$886	\$390	\$17,595	\$38,994	\$37,895	3%	38,604	614,385	\$679,159	\$579,010	17%
Rio Dell	\$12,854	\$17,847	\$1,299	\$571	\$20,836	\$52,108	\$55,298	-6%	51,537	897,803	\$996,062	\$994,776	0%
Shasta Lake	\$32,785	\$45,522	\$4,157	\$1,828	\$43,252	\$123,387	\$139,253	-11%	121,559	2,289,960	\$3,187,690	\$3,151,252	1%
Susanville	\$38,170	\$52,999	\$4,617	\$2,031	\$46,862	\$140,061	\$117,371	19%	138,031	2,666,070	\$3,540,673	\$2,570,118	38%
Tulelake	\$6,767	\$9,395	\$3,301		\$14,131	\$30,293	\$40,580	-25%	30,293	472,632	\$340,528	\$438,041	-22%
Weed	\$33,294	\$46,228	\$2,076	\$913	\$26,935	\$107,369	\$102,653	5%	106,456	2,325,464	\$1,592,344	\$1,530,875	4%
Yreka	\$45,643	\$63,375	\$3,863	\$1,699	\$40,946	\$151,663	\$123,436	23%	149,964	3,188,046	\$2,962,259	\$3,033,866	-2%
Total:	\$283,203	\$393,224	\$28,650	\$10,800	\$404,633	\$1,097,564	\$1,107,475	-1%	1,086,926	\$19,780,914	\$19,780,914	\$18,708,995	5.73%

2012/2013	\$267,857	\$371,916	\$30,816	\$14,820	\$451,792	\$1,107,475		-57%	1,092,773	\$19,270,263	\$19,270,263	\$19,869,093	-3.01%
<i>Difference</i>	<i>\$15,347</i>	<i>\$21,308</i>	<i>(\$2,166)</i>	<i>(\$4,020)</i>	<i>(\$47,159)</i>	<i>(\$9,912)</i>			<i>(\$5,847)</i>	<i>\$510,651</i>	<i>\$510,651</i>	<i>(\$1,160,098)</i>	<i>\$0</i>

Note: The Deposit Premium and the Shared Risk Deposit is calculated off of the Adjusted Payroll.

**SMALL CITIES ORGANIZED RISK EFFORT
Liability Experience Modification Calculation
July 1, 2013 to June 30, 2014**

Member Entity	LOSSES AS OF 12/31/12					
	PROGRAM YEARS					Total
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	
Biggs	783	553	24,233	0	0	25,570
Colfax	16,733	24,780	6,923	12,896	7,250	68,582
Dorris	2,409	0	1,721	3,412	0	7,542
Dunsmuir	6,290	8,187	13,478	58,244	38,983	125,182
Etna	512	0	0	0	2,751	3,263
Fort Jones	0	0	0	0	0	0
Isleton	50,000	0	1,201	751	36,278	88,229
Live Oak	53,885	2,893	824	1,344	250	59,197
Loomis	9,377	4,062	3,568	9,407	6,185	32,598
Loyalton	0	1,950	0	0	0	1,950
Montague	17,731	3,693	0	1,669	3,023	26,116
Mt. Shasta	6,862	61,362	65,623	71,748	59,360	264,955
Portola	290	2,359	2,642	603	1,137	7,031
Rio Dell	0	3,272	18,118	880	1,822	24,091
Shasta Lake	8,060	9,253	12,263	39,392	15,352	84,321
Susanville	6,979	5,323	55,147	7,239	48,001	122,688
Tulelake	0	31,866	15,690	50,000	35,000	132,556
Weed	15,656	14,009	38,662	63,339	128,973	260,638
Yreka	32,167	22,450	4,873	5,620	186,084	251,194
Total:	\$227,735	\$196,011	\$264,964	\$326,544	\$570,449	\$1,585,703

	DE6 PAYROLL					
	PROGRAM YEARS					Total
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	
	411,124	451,835	480,243	431,019	445,766	2,219,987
	657,319	656,193	580,511	436,657	395,698	2,726,378
	153,200	148,877	167,018	159,915	148,991	778,001
	426,844	431,426	464,934	515,786	512,461	2,351,451
	330,302	337,779	312,373	291,684	279,923	1,552,061
	145,893	141,416	166,009	167,341	188,617	809,276
	596,417	632,996	477,817	328,653	327,778	2,363,661
	1,222,742	1,219,689	1,227,755	1,313,687	1,297,193	6,281,066
	819,019	877,950	863,045	745,098	738,259	4,043,371
	267,295	264,734	267,592	205,921	162,672	1,168,214
	245,570	267,335	290,496	271,962	286,650	1,362,013
	1,781,557	1,945,079	1,786,481	1,633,025	1,581,096	8,727,238
	688,508	802,305	749,429	614,214	681,724	3,536,180
	748,356	850,004	874,079	1,005,352	979,793	4,457,584
	3,204,190	3,283,054	3,441,569	3,220,301	3,214,474	16,363,588
	3,712,665	3,810,263	3,500,852	3,574,246	3,635,582	18,233,608
	285,118	312,738	390,023	406,311	438,041	1,832,231
	1,329,788	1,514,614	1,496,349	1,531,847	1,547,554	7,420,152
	3,045,580	3,176,508	3,007,604	3,185,014	2,912,309	15,327,015
Total:	20,071,487	21,124,795	20,544,179	20,038,033	19,774,581	101,553,075

Loss Rate Per \$100	Relative Loss Rate	Experience Modification Factor					Adjusted Payroll
		2011-2012	Credibility	Experience	Payroll times	Ex.Mod.	
		Payroll	Factor	Modification	Ex.Mod.		
\$1.15	0.74	\$416,247	10.52%	0.97	\$404,760	\$425,987	
\$2.52	1.61	\$465,312	11.62%	1.07	\$498,335	\$524,469	
\$0.97	0.62	\$162,155	4.38%	0.98	\$159,463	\$167,826	
\$5.32	3.41	\$528,092	12.98%	1.31	\$693,237	\$729,593	
\$0.21	0.13	\$319,396	8.27%	0.93	\$296,527	\$312,077	
\$0.00	0.00	\$215,268	5.73%	0.94	\$202,930	\$213,572	
\$3.73	2.39	\$289,632	7.56%	1.11	\$320,086	\$336,873	
\$0.94	0.60	\$1,323,093	27.20%	0.89	\$1,180,414	\$1,242,319	
\$0.81	0.52	\$693,312	16.37%	0.92	\$638,400	\$671,880	
\$0.17	0.11	\$120,505	3.29%	0.97	\$116,963	\$123,097	
\$1.92	1.23	\$297,991	7.76%	1.02	\$303,265	\$319,169	
\$3.04	1.94	\$1,651,196	31.80%	1.30	\$2,147,091	\$2,259,692	
\$0.20	0.13	\$679,159	16.09%	0.86	\$583,770	\$614,385	
\$0.54	0.35	\$996,062	21.96%	0.86	\$853,065	\$897,803	
\$0.52	0.33	\$3,187,690	47.38%	0.68	\$2,175,851	\$2,289,960	
\$0.67	0.43	\$3,540,673	50.00%	0.72	\$2,533,219	\$2,666,070	
\$7.23	4.63	\$340,528	8.77%	1.32	\$449,081	\$472,632	
\$3.51	2.25	\$1,592,344	31.02%	1.39	\$2,209,586	\$2,325,464	
\$1.64	1.05	\$2,962,259	45.55%	1.02	\$3,029,185	\$3,188,046	
\$1.56	1.00	\$19,780,914			\$18,795,228	\$19,780,914	

2013-14 ACI - EAP Renewal Employee Count

CITY	# of Employees
City of Biggs	9
City of Colfax	10
City of Dorris	12
City of Dunsmuir	10
City of Etna	46
City of Isleton	5
City of Live Oak	20
Town of Loomis	8
City of Loyalton	5
City of Mount Shasta	34
City of Portola	11
City of Shasta Lake	45
City of Susanville	62
City of Weed	30
City of Yreka	49
Tulelake	16
Total	372

EMPLOYMENT PRACTICE LIABILITY
July 1, 2013 to June 30, 2014

Member Entity	Projected Payroll	Last Year's Payroll	Percentage Increase in Payroll	Deductible	Assessment	Premiums	Premium Last Year	2013/2014 Premium & Assessments
Biggs								
Colfax	\$ 451,759	\$ 382,384	18.14%	25,000	-	\$ 2,570	\$ 2,946	\$ 2,570
Dorris	\$ 157,432	\$ 144,415	9.01%	25,000	-	\$ 896	\$ 668	\$ 896
Dunsmuir								
Etna								
Fort Jones								
Isleton								
Live Oak	\$ 1,284,556	\$ 1,298,514	-1.07%	25,000	-	\$ 5,481	\$ 6,003	\$ 5,481
Loomis	\$ 673,118	\$ 761,906	0.00%	25,000	-	\$ 2,872	\$ 4,696	\$ 2,872
Loyalton								
Montague								
Mt. Shasta	\$ 1,603,103	\$ 1,576,457	1.69%	25,000	-	\$ 9,121	\$ 12,146	\$ 9,121
Portola	\$ 659,378	\$ 579,010	13.88%	25,000	-	\$ 2,814	\$ 2,677	\$ 2,814
Rio Dell	\$ 967,050	\$ 994,776	-2.79%	25,000	-	\$ 4,126	\$ 4,599	\$ 4,126
Shasta Lake	\$ 3,094,845	\$ 1,713,615	80.60%	25,000	-	\$ 13,206	\$ 7,921	\$ 13,206
Susanville	\$ 3,437,547	\$ 2,570,118	33.75%	25,000	-	\$ 14,668	\$ 15,841	\$ 14,668
Tulelake								
Weed								
Yreka	\$ 2,875,980	\$ 3,033,866	-5.20%	25,000	-	\$ 12,272	\$ 14,025	\$ 12,272
Total:	\$ 15,204,768	\$ 13,055,061	16.47%		-	\$ 68,026	\$ 71,522	\$ 68,026

SMALL CITIES ORGANIZED RISK EFFORT WORKERS' COMPENSATION PROGRAM

July 1, 2013 to June 30, 2014

Funding Confidence Level:	70% LAWXCX Premium:	\$174,723
Banking Layer Funding	\$1.66 Administrative Expenses:	\$301,105
Shared Risk Layer Funding	\$2.73	

Experience Rating Losses Capped at \$50,000

MEMBER ENTITY	BANKING LAYER	SHARED RISK	LAWCX PREMIUM (1)	ADMIN. EXPENSE	LAWCX Premium Adjustment Refund	LAWCX 13-14 Assessment	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	PERCENTAGE CHANGE	Payroll	Adjusted Payroll
Biggs											
Colfax											
Dorris											
Dunsmuir	8,715	14,345	5,023	\$22,971	\$1,121	\$458	\$50,391	\$54,038	-6.75%	\$528,092	\$525,562
Etna					\$0						
Fort Jones					\$0						
Isleton					\$0						
Live Oak	17,539	28,868	10,108	\$29,220	\$3,747	\$0	\$81,988	\$87,666	-6.48%	\$1,323,093	\$1,057,631
Loomis					\$0						
Loyalton					\$0						
Montague					\$0						
Mt. Shasta	40,589	66,808	23,392	\$31,800	\$5,590	\$1,390	\$158,388	\$160,652	-1.41%	\$1,651,196	\$2,447,619
Portola					\$0						
Rio Dell					\$0						
Shasta Lake	34,608	56,964	19,945	\$43,879	\$4,590	\$2,382	\$153,189	\$165,840	-7.63%	\$3,187,690	\$2,086,985
Susanville	48,654	80,082	28,039	\$46,654	\$2,343	\$3,591	\$204,677	\$171,994	19.00%	\$3,540,673	\$2,933,941
Tulelake					\$0						
Weed	27,317	44,962	15,743	\$31,337	\$3,472	\$1,269	\$117,156	\$125,764	-6.84%	\$1,592,344	\$1,647,275
Yreka	54,062	88,984	31,156	\$42,107	\$6,904	\$2,877	\$212,282	\$233,747	-9.18%	\$2,962,259	\$3,260,089
Mini-Cities	72,392	118,005	41,317	\$53,137	\$10,667	\$0	\$274,184	\$220,248	24.49%	\$4,365,406	\$4,323,309
Total	\$303,875	\$499,018	\$174,723	\$301,105	\$38,434	\$11,967	\$1,252,255	\$1,219,949	2.65%	\$19,150,754	\$18,282,411

**SMALL CITIES ORGANIZED RISK EFFORT
Workers' Compensation Experience Modification Calculation**

Member Entity	LOSSES AS OF 12/31/12					
	PROGRAM YEARS					Total
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	
Biggs						
Colfax						
Dorris						
Dunsmuir	-	-	-	45,743	-	\$45,743
Etna						
Fort Jones						
Isleton						
Live Oak	36	19,569	2,872	255	-	\$22,732
Loomis						
Loyalton	-	-	-	-	-	
Montague						
Mt. Shasta	103,285	1,194	120,447	127,208	65,654	417,788
Portola						
Rio Dell					9,844	
Shasta Lake	5,256	51,348	-	-	2,669	59,273
Susanville	50,149	2,612	8,600	92,733	45,882	\$199,976
Tulelake						
Weed	-	36,337	12,998	28,929	71,976	\$150,240
Yreka	71,990	8,025	100,201	35,917	117,780	\$333,913
Mini Cities	4,178	10,831	148,446	35,189	187,566	\$386,211
Total:	\$234,894	\$129,915	\$393,564	\$365,976	\$501,372	\$1,615,876

DE6 PAYROLL					
PROGRAM YEARS					Total
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	
426,844	431,426	464,934	515,786	512,461	2,351,451
1,222,742	1,219,689	1,227,755	1,313,687	1,297,193	6,281,066
1,781,557	1,945,079	1,786,481	1,633,025	1,581,096	8,727,238
3,204,190	3,283,054	3,441,569	3,220,301	3,214,474	16,363,588
3,712,665	3,810,263	3,500,852	3,574,246	3,635,582	18,233,608
1,329,788	1,514,614	1,496,349	1,531,847	1,547,554	7,420,152
3,045,580	3,176,508	3,007,604	3,185,014	2,912,309	15,327,015
4,466,586	4,798,428	4,750,795	4,329,163	4,308,093	22,653,065
19,189,952	20,179,061	19,676,339	19,303,069	19,008,762	97,357,183

Experience Modification Factor						
Loss Rate Per \$100	Relative Loss Rate	Credibility Payroll	Experience Modification Factor	Payroll times Ex.Mod.	Adjusted Payroll	
1.95	1.17	528,092	0.11	1.02	537,898	525,562
0.36	0.22	1,323,093	0.23	0.82	1,082,456	1,057,631
4.79	2.88	1,651,196	0.27	1.52	2,505,071	2,447,619
0.36	0.22	3,187,690	0.42	0.67	2,135,972	2,086,985
1.10	0.66	3,540,673	0.45	0.85	3,002,807	2,933,941
2.02	1.22	1,592,344	0.27	1.06	1,685,941	1,647,275
2.18	1.31	2,962,259	0.40	1.13	3,336,612	3,260,089
1.70	1.03	4,365,406	0.50	1.01	4,424,788	4,323,309
1.66	1.00	\$19,150,753			\$18,711,546	\$18,282,411

SMALL CITIES ORGANIZED RISK EFFORT
Mini-City Pool Allocation of Costs
 July 1, 2013 to June 30, 2014

ALLOCATION OF COSTS TO MEMBERS - with Experience Modification

COSTS TO BE ALLOCATED:			
BANKING LAYER	72,392	LAWCX Assesment Credit	\$5,375.52
SHARED RISK	118,005		
EXCESS WC	41,317		
ADMINISTRATION	53,137		
TOTAL	284,851		

Member	Payroll	Percentage	Banking	Shared Risk	Excess WC	Admin	LAWCX Refund	LAWCX Assesment Credit	Total	Last Year's	%Change
Biggs	\$404,123	9.54%	\$ 6,903	\$ 11,252	\$ 3,940	\$ 5,067	\$560.85	\$512.56	\$ 26,087	\$ 23,343	12%
Colfax	\$451,759	10.66%	\$ 7,716	\$ 12,578	\$ 4,404	\$ 5,664	\$476.41	\$572.98	\$ 29,313	\$ 19,828	48%
Dorris	\$157,432	3.71%	\$ 2,689	\$ 4,383	\$ 1,535	\$ 1,974	\$179.92	\$199.68	\$ 10,201	\$ 7,489	36%
Dunsmuir											
Etna	\$310,093	7.32%	\$ 5,297	\$ 8,634	\$ 3,023	\$ 3,888	\$351.01	\$393.30	\$ 20,097	\$ 14,609	38%
Fort Jones	\$208,998	4.93%	\$ 3,570	\$ 5,819	\$ 2,037	\$ 2,620	\$214.44	\$265.08	\$ 13,567	\$ 8,925	52%
Isleton											
Live Oak											
Loomis	\$673,118	15.88%	\$ 11,497	\$ 18,741	\$ 6,562	\$ 8,439	\$949.25	\$853.74	\$ 43,437	\$ 39,508	10%
Loyalton	\$116,995	2.76%	\$ 1,998	\$ 3,257	\$ 1,141	\$ 1,467	\$251.58	\$148.39	\$ 7,463	\$ 10,471	-29%
Montague	\$289,312	6.83%	\$ 4,942	\$ 8,055	\$ 2,820	\$ 3,627	\$347.55	\$366.94	\$ 18,730	\$ 14,465	29%
Mt. Shasta											
Portola	\$659,378	15.56%	\$ 11,262	\$ 18,359	\$ 6,428	\$ 8,267	\$721.38	\$836.31	\$ 42,759	\$ 30,024	42%
Rio Dell	\$967,050	22.82%	\$ 16,518	\$ 26,925	\$ 9,427	\$ 12,124	\$1,239.38	\$1,226.54	\$ 62,529	\$ 51,584	21%
Shasta Lake											
Susanville											
Tulelake											
Weed											
Yreka											
Total	4,238,258	100.00%	\$ 72,392	\$ 118,005	\$ 41,317	\$ 53,137	\$5,291.77	\$5,375.52	\$ 274,184	\$ 220,248	24%

**SMALL CITIES ORGANIZED RISK EFFORT
PROPERTY PROGRAM
July 1, 2013 to June 30, 2014**

Member Entity	Property Deductible	Boiler & Machinery Deductible	Real Property Values	Personal Property Values	Contractor's Equipment	Total Values	Property Premium	Excess Premium and Fees	Excess Boiler & Machinery Premium	Automobile Physical Damage Deductible	Automobile Physical Damage Values	Physical Damage Premium	Total Deposit	Last Year's Premium	Difference
Biggs	\$5,000	\$5,000	\$5,243,635	\$1,214,200	\$91,665	\$6,549,500	\$4,698	\$1,576	\$70	\$5,000	\$397,393	\$2,381	\$8,655	\$5,693	52%
Colfax	\$5,000	\$5,000	\$9,011,164	\$3,314,027	\$162,027	\$12,487,218	\$8,957	\$2,952	\$134	\$5,000	\$442,040	\$2,649	\$14,558	\$13,467	8%
Dorris	\$5,000	\$5,000	\$4,279,045	\$561,929	\$96,646	\$4,945,620	\$3,548	\$1,154	\$53	\$5,000	\$80,307	\$481	\$5,182	\$3,920	32%
Dunsmuir	\$5,000	\$5,000	\$12,007,829	\$1,063,674	\$0	\$13,089,503	\$9,389	\$3,018	\$141				\$12,408	\$7,522	65%
Etna	\$5,000	\$5,000	\$5,340,718	\$452,500	\$0	\$5,801,218	\$4,161	\$1,400	\$62	\$5,000	\$381,388	\$2,285	\$7,847	\$6,331	24%
Fort Jones	\$5,000	\$5,000	\$2,734,300	\$1,450,600	\$0	\$4,191,900	\$3,007	\$1,052	\$45	\$5,000	\$517,683	\$3,102	\$7,161	\$6,257	14%
Live Oak	\$5,000	\$5,000	\$21,183,002	\$10,541,390	\$0	\$31,855,392	\$22,850	\$7,387	\$343	\$5,000	\$253,000	\$1,516	\$31,754	\$35,346	-10%
Loomis	\$5,000	\$5,000	\$1,521,400	\$230,200	\$0	\$1,751,600	\$1,256	\$461	\$19	\$5,000	\$347,363	\$2,082	\$3,799	\$3,320	14%
Loyalton	\$5,000	\$5,000	\$5,052,770	\$1,695,014	\$229,393	\$6,988,177	\$5,013	\$1,918	\$75	\$5,000	\$1,866,662	\$11,186	\$18,117	\$14,285	27%
Montague	\$5,000	\$5,000	\$7,038,105	\$1,403,062	\$194,260	\$8,635,427	\$6,194	\$2,156	\$93	\$5,000	\$1,000,000	\$5,992	\$14,342	\$11,155	29%
Mt. Shasta	\$5,000	\$5,000	\$7,955,357	\$2,001,100	\$0	\$9,991,457	\$7,167	\$2,304	\$107				\$9,471	\$6,113	55%
Portola	\$5,000	\$5,000	\$5,232,700	\$1,141,900	\$0	\$6,374,600	\$4,573	\$1,490	\$69	\$5,000	\$121,929	\$731	\$6,793	\$4,805	41%
Rio Dell	\$5,000	\$5,000	\$7,561,185	\$3,652,366	\$126,534	\$11,345,085	\$8,138	\$2,652	\$122	\$5,000	\$219,852	\$1,317	\$12,108	\$10,102	20%
Shasta Lake	\$5,000	\$5,000	\$42,385,027	\$5,213,783	\$492,798	\$48,091,608	\$34,496	\$11,425	\$517	\$10,000	\$2,038,576	\$10,091	\$56,012	\$55,402	1%
Susanville	\$5,000	\$5,000	\$17,454,990	\$5,694,154	\$58,800	\$23,351,944	\$16,750	\$5,437	\$251	\$5,000	\$318,414	\$1,908	\$24,096	\$20,669	17%
Tulelake	\$5,000	\$5,000	\$4,206,800	\$691,996	\$0	\$4,898,796	\$3,514	\$1,191	\$53	\$5,000	\$371,988	\$2,229	\$6,934	\$6,311	10%
Weed	\$5,000	\$5,000	\$8,206,050	\$1,249,580	\$26,033	\$9,532,489	\$6,838	\$2,198	\$103				\$9,036	\$6,321	43%
Yreka	\$5,000	\$5,000	\$30,511,274	\$10,693,871	\$2,720,649	\$44,183,094	\$31,693	\$10,329	\$475	\$10,000	\$854,628	\$4,230	\$46,252	\$22,936	102%
Total:			\$196,925,351	\$52,265,346	\$4,198,805	\$254,064,628	\$182,241		\$2,732		\$9,211,223	\$52,182	\$294,524	\$239,952	22.74%

SCORE INPUT SHEET
July 1, 2013 to June 30, 2014

Program Participation at A11
 5 Year Payroll History at A36
 Liability 5 Year Claim History at A63
 WC 5 Years Claim History at A90

Run Macro "Setup" before changing any numbers

MEMBERS DATA

Member Entity	Prior Calendar 2012 Year Payroll	Payroll Used CY 2011 in Last Year's Budget	Percentage Change	GL Participant	Underground Storage Tank	ERMA Participant	WC Participant	Mini-Cities Participant	Property Participant	Auto Physical Damage
Biggs	\$404,123	\$450,163	-10%	TRUE			TRUE	TRUE	TRUE	TRUE
Colfax	\$451,759	\$382,384	18%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Dorris	\$157,432	\$144,415	9%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Dunsmuir	\$512,711	\$516,174	-1%	TRUE			TRUE		TRUE	
Ema	\$310,093	\$281,737	10%	TRUE			TRUE	TRUE	TRUE	TRUE
Fort Jones	\$208,998	\$172,122	21%	TRUE			TRUE	TRUE	TRUE	TRUE
Isleton	\$281,196	\$346,295	-19%	TRUE						
Live Oak	\$1,284,556	\$1,298,514	-1%	TRUE		TRUE	TRUE		TRUE	TRUE
Loomis	\$673,118	\$761,906	-12%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Loyalton	\$116,995	\$201,932	-42%	TRUE			TRUE	TRUE	TRUE	TRUE
Montague	\$289,312	\$278,959	4%	TRUE			TRUE	TRUE	TRUE	TRUE
Mt. Shasta	\$1,603,103	\$1,576,457	2%	TRUE		TRUE	TRUE		TRUE	
Portola	\$659,378	\$579,010	14%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Rio Dell	\$967,050	\$994,776	-3%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Shasta Lake	\$3,094,845	\$3,151,252	-2%	TRUE		TRUE	TRUE	TRUE	TRUE	TRUE
Susanville	\$3,437,547	\$2,570,118	34%	TRUE		TRUE	TRUE		TRUE	TRUE
Tulelake	\$330,610	\$438,041	-25%	TRUE					TRUE	TRUE
Weed	\$1,545,965	\$1,530,875	1%	TRUE			TRUE		TRUE	
Yreka	\$2,875,980	\$3,033,866	-5%	TRUE		TRUE	TRUE		TRUE	TRUE
Total/Number	\$19,204,771	\$18,708,995	3%	19	0	10	17	10	18	15

5 Year Payroll History FYE

Member Entity	2007-2008		2008-2009		2009-2010		2010-2011		2011-2012		Est. Safety P/R	Other P/R
	Year -5	Year -4	Year -3	Year -2	Year -1	Total						
Biggs	\$411,124	\$451,835	\$480,243	\$431,019	\$445,766	2,219,987						
Colfax	\$657,319	\$656,193	\$580,511	\$436,657	\$395,698	2,726,378						
Dorris	\$153,200	\$148,877	\$167,018	\$159,915	\$148,991	778,001						
Dunsmuir	\$426,844	\$431,426	\$464,934	\$515,786	\$512,461	2,351,451						
Ema	\$330,302	\$337,779	\$312,373	\$291,684	\$279,923	1,552,061						
Fort Jones	\$145,893	\$141,416	\$166,009	\$167,341	\$188,617	809,276						
Isleton	\$596,417	\$632,996	\$477,817	\$328,653	\$327,778	2,363,661						
Live Oak	\$1,222,742	\$1,219,689	\$1,227,755	\$1,313,687	\$1,297,193	6,281,066						
Loomis	\$819,019	\$877,950	\$863,045	\$745,098	\$738,259	4,043,371						
Loyalton	\$267,295	\$264,734	\$267,592	\$205,921	\$162,672	1,168,214						
Montague	\$245,570	\$267,335	\$290,496	\$271,962	\$286,650	1,362,013						
Mt. Shasta	\$1,781,557	\$1,945,079	\$1,786,481	\$1,633,025	\$1,581,096	8,727,238						
Portola	\$688,508	\$802,305	\$749,429	\$614,214	\$681,724	3,536,180						
Rio Dell	\$748,356	\$850,004	\$874,079	\$1,005,352	\$979,793	4,457,584						
Shasta Lake	\$3,204,190	\$3,283,054	\$3,441,569	\$3,220,301	\$3,214,474	16,363,588						
Susanville	\$3,712,665	\$3,810,263	\$3,500,852	\$3,574,246	\$3,635,582	18,233,608						
Tulelake	\$285,118	\$312,738	\$390,023	\$406,311	\$438,041	1,832,231						
Weed	\$1,329,788	\$1,514,614	\$1,496,349	\$1,531,847	\$1,547,554	7,420,152						
Yreka	\$3,045,580	\$3,176,508	\$3,007,604	\$3,185,014	\$2,912,309	15,327,015						
Total/Number	20,071,487	21,124,795	20,544,179	20,038,033	\$19,774,581	101,553,075	0				0	

SCORE INPUT SHEET
July 1, 2013 to June 30, 2014

Liability 5 Year Claim History

Valuation Date: 12/31/2012

Member Entity	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
	Year -5	Year -4	Year -3	Year -2	Year -1	
Biggs, City of	\$783	\$553	\$24,233			\$25,570
Colfax, City of	\$16,733	\$24,780	\$6,923	\$12,896	\$7,250	\$68,582
Dorris, City of	\$2,409		\$1,721	\$3,412		\$7,542
Dunsmuir, City of	\$6,290	\$8,187	\$13,478	\$58,244	\$38,983	\$125,182
Etna, City of	\$512				\$2,751	\$3,263
Fort Jones, Town of						\$0
Isleton, City of	\$50,000		\$1,201	\$751	\$36,278	\$88,229
Live Oak, City of	\$53,885	\$2,893	\$824	\$1,344	\$250	\$59,197
Loomis, Town of	\$9,377	\$4,062	\$3,568	\$9,407	\$6,185	\$32,598
Loyalton, City of		\$1,950				\$1,950
Montague, City of	\$17,731	\$3,693		\$1,669	\$3,023	\$26,116
Mt. Shasta, City of	\$6,862	\$61,362	\$65,623	\$71,748	\$59,360	\$264,955
Portola, City of	\$290	\$2,359	\$2,642	\$603	\$1,137	\$7,031
Rio Dell, City of		\$3,272	\$18,118	\$880	\$1,822	\$24,091
Shasta Lake, City of	\$8,060	\$9,253	\$12,263	\$39,392	\$15,352	\$84,321
Susanville, City of	\$6,979	\$5,323	\$55,147	\$7,239	\$48,001	\$122,688
Tulelake, City of					\$5,091	\$5,091
Weed, City of	\$15,656	\$14,009	\$38,662	\$63,339	\$128,973	\$260,638
Yreka, City of	\$32,167	\$22,450	\$4,873	\$5,620	\$186,084	\$251,194
Total/Number	\$227,735	\$164,145	\$249,274	\$276,544	\$540,540	\$1,458,238

Workers' Comp 5 Year Claim History

Valuation Date: 12/31/2012

ADD CLAIMS HISTORY FOR FIVE YEARS BY HAND FOR THOSE NOT IN THE POOL FOR THE FULL FIVE YEARS

Member Entity	2007-2008	2007-2008	2008-2009	2009-2010	2010-2011	Total
	Year -5	Year -4	Year -3	Year -2	Year -1	
Biggs, City of	\$2,142			\$167		\$2,309
Colfax, City of	\$939		\$56,458		\$923	\$58,320
Dorris, City of						\$0
Dunsmuir, City of				\$45,743		\$45,743
Etna, City of			\$51,914	\$75		\$51,989
Fort Jones, Town of			\$11,524			\$11,524
Isleton, City of						\$0
Live Oak, City of	\$36	\$19,569	\$2,872	\$255		\$22,732
Loomis, Town of			\$295			\$295
Loyalton, City of						\$0
Montague, City of			\$0		\$98,509	\$98,509
Mt. Shasta, City of	\$103,285	\$1,194	\$120,447	\$127,208	\$65,654	\$417,788
Portola, City of	\$1,098	\$838	\$177	\$34,746	\$88,134	\$124,993
Rio Dell, City of		\$9,993	\$28,078	\$201		\$38,272
Shasta Lake, City of	\$5,256	\$51,348			\$2,669	\$59,273
Susanville, City of	\$50,149	\$2,612	\$8,600	\$92,733	\$45,882	\$199,976
Tulelake, City of						\$0
Weed, City of		\$36,337	\$12,998	\$28,929	\$71,976	\$150,240
Yreka, City of	\$71,990	\$8,025	\$100,201	\$35,917	\$117,780	\$333,913
Total	\$234,894	\$129,915	\$393,564	\$365,976	\$491,528	\$1,615,876

SCORE INPUT SHEET
July 1, 2013 to June 30, 2014

Member Entity	Property Deductibles	Boiler & Machinery Deductible	Real Property Values	Income/Rents	Personal Property Values	Contractor's Equipment	Automobile Physical Damage Deductible	Automobile Physical Damage Values
Biggs	\$5,000	\$5,000	\$5,243,635	\$0	\$1,214,200	\$91,665	\$5,000	\$397,393
Colfax	\$5,000	\$5,000	\$9,011,164	\$0	\$3,314,027	\$162,027	\$5,000	\$442,040
Dorris	\$5,000	\$5,000	\$4,279,045	\$8,000	\$561,929	\$96,646	\$5,000	\$80,307
Dunsmuir	\$5,000	\$5,000	\$12,007,829	\$18,000	\$1,063,674	\$0		
Etna	\$5,000	\$5,000	\$5,340,718	\$8,000	\$452,500	\$0	\$5,000	\$381,388
Fort Jones	\$5,000	\$5,000	\$2,734,300	\$7,000	\$1,450,600	\$0	\$5,000	\$517,683
Live Oak	\$5,000	\$5,000	\$21,183,002	\$131,000	\$10,541,390	\$0	\$5,000	\$253,000
Loomis	\$5,000	\$5,000	\$1,521,400	\$0	\$230,200	\$0	\$5,000	\$347,363
Loyalton	\$5,000	\$5,000	\$5,052,770	\$11,000	\$1,695,014	\$229,393	\$5,000	\$1,866,662
Montague	\$5,000	\$5,000	\$7,038,105	\$0	\$1,403,062	\$194,260		\$1,000,000
Mt. Shasta	\$5,000	\$5,000	\$7,955,357	\$35,000	\$2,001,100	\$0		
Portola	\$5,000	\$5,000	\$5,232,700	\$0	\$1,141,900	\$0	\$5,000	\$121,929
Rio Dell	\$5,000	\$5,000	\$7,561,185	\$5,000	\$3,652,366	\$126,534	\$5,000	\$219,852
Shasta Lake	\$5,000	\$5,000	\$42,385,027	\$0	\$5,213,783	\$492,798	\$10,000	\$2,038,576
Susanville	\$5,000	\$5,000	\$17,454,990	\$144,000	\$5,694,154	\$58,800	\$5,000	\$318,414
Tulelake	\$5,000	\$5,000	\$4,206,800	\$0	\$691,996	\$0	\$5,000	\$371,988
Weed	\$5,000	\$5,000	\$8,206,050	\$50,826	\$1,249,580	\$26,033		
Yreka	\$5,000	\$5,000	\$30,511,274	\$257,300	\$10,693,871	\$2,720,649	\$10,000	\$854,628
Total		\$203,469,835	\$196,925,351	\$675,126	\$52,265,346	\$4,198,805		\$9,211,223

ERMA Premiums and Deductibles

Member Entity	Deductible	Premium
Biggs		
Colfax	25,000	2,570
Dorris	25,000	896
Dunsmuir		
Etna		
Fort Jones		
Live Oak	25,000	5,481
Loomis	25,000	2,872
Loyalton		
Montague		
Mt. Shasta	25,000	9,121
Portola	25,000	2,814
Rio Dell	25,000	4,126
Shasta Lake	25,000	13,206
Susanville	25,000	14,668
Weed		
Yreka	25,000	12,272
Total		\$68,026

CJPRMA Premium Calculation

Member	Payroll		Less 12/13			2013/2014		
			2013/2014 Premium	% of Premium	Investment Income	Add Excess Loss Fund	Less Deferred Redistribution	Net Liability Premium
	19,204,771	0.75300	\$ 144,612		\$ 85,000	\$ 30,000	\$ 63,819	\$ 28,746
Biggs	\$404,123	0.75300	\$ 3,043	2.10%	\$ 1,789	\$ 631	\$ 1,343	\$ 543
Colfax	\$451,759	0.75300	\$ 3,402	2.35%	\$ 1,999	\$ 706	\$ 1,501	\$ 607
Dorris	\$157,432	0.75300	\$ 1,185	0.82%	\$ 697	\$ 246	\$ 523	\$ 211
Dunsmuir	\$512,711	0.75300	\$ 3,861	2.67%	\$ 2,269	\$ 801	\$ 1,704	\$ 689
Etna	\$310,093	0.75300	\$ 2,335	1.61%	\$ 1,372	\$ 484	\$ 1,030	\$ 416
Fort Jones	\$208,998	0.75300	\$ 1,574	1.09%	\$ 925	\$ 326	\$ 695	\$ 281
Isleton	\$281,196	0.75300	\$ 2,117	1.46%	\$ 1,245	\$ 439	\$ 934	\$ 378
Live Oak	\$1,284,556	0.75300	\$ 9,673	6.69%	\$ 5,685	\$ 2,007	\$ 4,269	\$ 1,725
Loomis	\$673,118	0.75300	\$ 5,069	3.50%	\$ 2,979	\$ 1,051	\$ 2,237	\$ 904
Loyalton	\$116,995	0.75300	\$ 881	0.61%	\$ 518	\$ 183	\$ 389	\$ 157
Montague	\$289,312	0.75300	\$ 2,179	1.51%	\$ 1,280	\$ 452	\$ 961	\$ 389
Mt. Shasta	\$1,603,103	0.75300	\$ 12,071	8.35%	\$ 7,095	\$ 2,504	\$ 5,327	\$ 2,153
Portola	\$659,378	0.75300	\$ 4,965	3.43%	\$ 2,918	\$ 1,030	\$ 2,191	\$ 886
Rio Dell	\$967,050	0.75300	\$ 7,282	5.04%	\$ 4,280	\$ 1,511	\$ 3,214	\$ 1,299
Shasta Lake	\$3,094,845	0.75300	\$ 23,304	16.11%	\$ 13,698	\$ 4,834	\$ 10,284	\$ 4,157
Susanville	\$3,437,547	0.75300	\$ 25,885	17.90%	\$ 15,215	\$ 5,370	\$ 11,423	\$ 4,617
Tulelake	\$330,610	0.75300	\$ 2,489	1.72%	\$ 1,463	\$ 516	\$ 1,099	\$ 3,397
Weed	\$1,545,965	0.75300	\$ 11,641	8.05%	\$ 6,842	\$ 2,415	\$ 5,137	\$ 2,076
Yreka	\$2,875,980	0.75300	\$ 21,656	14.98%	\$ 12,729	\$ 4,493	\$ 9,557	\$ 3,863
TOTAL	\$19,204,771		\$ 144,612	100.00%	\$ 85,000	\$ 30,000	\$ 63,819	\$ 28,746



DELEGATION OF INVESTMENT AUTHORITY TO SCORE TREASURER

ACTION ITEM

ISSUE: Annually, the Board of Directors delegates' authority to invest or reinvest funds of SCORE during the period of July 1, 2013 to June 30, 2014 to SCORE's Treasurer.

RECOMMENDATION: The Program Administrator is recommending the Board to delegate investment authority to the Treasurer.

FISCAL IMPACT: None

BACKGROUND: Government Code 53607 provides for the delegation of authority of the legislative body of local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year. Thus, the Board will need to authorize the elected appointed treasurer to invest the funds for SCORE.

ATTACHMENTS: None



CITY OF ISLETON AND TULELAKE PREMIUM INSTALLMENT PLAN

ACTION ITEM

ISSUE: The Cities of Isleton and Tulelake have provided a written notice to the SCORE program administrator requesting an installment payment plan for the 2013/14 contributions.

RECOMMENDATION: If the Board agrees to the installment plan, Staff recommends collecting the equivalent of two(2) installments up front on July 1st, followed by 10 remaining equal installments as outlined in the attached payment plan.

FISCAL IMPACT: If paid in full, the total premium amounts are \$25,265 for the City of Isleton and \$37,659 for the City of Tulelake.

BACKGROUND: The City of Tulelake joined SCORE in 2011 and has paid their premiums in full. They have requested an installment premium payment plan for next year which the Board approved at the March 2013 meeting. The City of Isleton has also requested to maintain their prior payment arrangement format from the prior year for the 2013-14 FY. The Board is being asked to approve both requests at this time, maintaining the same terms as the expiring fiscal year for Isleton and the agreed terms from the March 2013 meeting for Tulelake.

ATTACHMENTS:

1. City of Tulelake Payment Plan Request
2. City of Isleton Payment Plan Request

2013-14 Tulelake Premium Installment Schedule

**Small Cities Organized Risk Effort
Premium Schedule Fiscal Year 2013-2014**

Member: Tulelake

Total Premium	\$40,000
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Down Payment	\$6,667.00	Due Date 7/1/13
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Remaining Balance	\$33,333
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Installment 1	\$3,333.30	Due Date 8/1/13
Installment 2	\$3,333.30	Due Date 9/1/13
Installment 3	\$3,333.30	Due Date 10/1/13
Installment 4	\$3,333.30	Due Date 11/1/13
Installment 5	\$3,333.30	Due Date 12/1/13
Installment 6	\$3,333.30	Due Date 1/1/14
Installment 7	\$3,333.30	Due Date 2/1/14
Installment 8	\$3,333.30	Due Date 3/1/14
Installment 9	\$3,333.30	Due Date 4/1/14
Installment 10	\$3,333.30	Due Date 5/1/14

Total Paid	\$40,000.00
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SCORE			
Isleton Payment Plan			
Total Premium: \$25,265	\$25,265		
Down payment from 4/15/13	\$3,100		
Total Premium Due from City	\$22,165		
Monthly Installments	10		
Due Date:	Amount Due	Payments	Due
July 1, 2013	2,216.50		2,216.50
August 1, 2013	2,216.50		2,216.50
September 1, 2013	2,216.50		2,216.50
October 1, 2013	2,216.50		2,216.50
November 1, 2013	2,216.50		2,216.50
December 1, 2013	2,216.50		2,216.50
January 1, 2014	2,216.50		2,216.50
February 1, 2014	2,216.50		2,216.50
March 1, 2014	2,216.50		2,216.50
April 1, 2014	2,216.50		2,216.50
May 1, 2014	-		-
June 1, 2014	-		-
Total Paid	25,265.00		
	(25,265.00)		

Agenda Item J.

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
ACTION ITEM**

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

**Request for Authority

1. Liability

- a. Hubbard vs. City of Yreka
- b. Arth vs. City of Dunsmuir
- c. Estate of Michael Parker vs. City of Susanville
- d. Drury vs. City of Susanville

2. Workers' Compensation

- a. Jay Banner vs. City of Mount Shasta**
- b. James Cummings vs. City of Weed**
- c. Steven Woldanski vs. City of Williams**

FISCAL IMPACT: Unknown

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

BACKGROUND: Confidential

ATTACHMENTS: None



California Association of Joint Powers Authorities

California Association of Joint Powers Authorities

2013 Fall Conference & Training Seminar



2013 Fall Conference & Training Seminar

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

Passport to Innovation

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

Exhibitors & Sponsorship Packet

Exhibitors & Sponsorship Registration Form

2012 Fall Conference Presentations

Platinum Sponsors





[2011 Fall Conference information is available here](#)

2013 Annual Conference

[Conference Home](#)

[Housing Information](#)

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

Fall Conference

Sept. 10-13, 2013

[Exhibitors & Sponsorship Packet](#)
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CONTACT

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E info@cajpa.org

California Association of Joint Powers Authorities 1215 K Street, Suite 940 Sacramento, CA 95814

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SCORE RESOURCE CONTACT GUIDE

June 2013

PROGRAM ADMINISTRATION		
<p>Alliant Insurance Services, Inc. www.Alliant.com Main: (916) 643-2700 Fax: (916) 643-2750</p>		
SUBJECT	MAIN CONTACT	
JPA MANAGEMENT ISSUES – coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<p>Susan Adams Laurence Voiculescu Joan Crossley Johnny Yang</p>	
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.	<p>Laurence Voiculescu Susan Adams Joan Crossley Johnny Yang</p>	
<p>COVERAGE / RISK MANAGEMENT ISSUES –</p> <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	<p>Laurence Voiculescu Susan Adams Joan Crossley Johnny Yang</p>	
<p>Susan Adams (916) 643-2704 / (916) 203-1541 (cell) Johnny Yang (916) 643-2712 Joan Crossley (916) 643-2708 Mike Simmons (415) 403-1425 / (925) 708-3374 (cell) Laurence Voiculescu (916) 643-2702</p>		<p>SAdams@alliant.com JYang@alliant.com JCrossley@alliant.com MSimmons@alliant.com LVoiculescu@alliant.com</p>
<p>ACCOUNTING SERVICES Gilbert Associates, Inc. 2880 Gateway Oaks Drive, Suite 100 Sacramento, California 95833 Main: (916) 646-6464 Fax: (916) 929-6836 www.gilbertcpa.com Kevin Wong – kswong@gilbertcpa.com Tracey Smith-Reed – tsmithreed@gilbertcpa.com</p>	<p>EMPLOYEE ASSISTANCE PROGRAM ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 Fax: (858) 452-7819 www.acieap.com Karen Reuben - (858) 736-3970 kreuben@acispecialtybenefits.com</p>	<p>RISK CONTROL PROGRAM SBK Risk Services 4521 Oxbow Ridge Place Fair Oaks, CA 95628 (916) 747-5225 Jack Kastorff Jack.kastorff@comcast.net</p>

SCORE RESOURCE CONTACT GUIDE

June 2013

CLAIMS ADMINISTRATION
York Risk Services Group, Inc.
www.yorkrsg.com
P.O. Box 619058
Roseville, CA 95661-9058
Main: (800) 922-5020 Fax: (800) 921-7683

SUBJECT	MAIN CONTACT	
ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues	Marcus Beverly – WC & Liability	
SUPERVISORIAL ISSUES – liability claims administration management, oversight of safety & loss control services	Tom Baber - Liability	
CLAIMS ISSUES – LIABILITY <i>All Members</i>	Angela Salsbury – Unit Manager Cameron Dewey – Unit Manager	
CLAIMS ISSUES – WORKERS’ COMPENSATION <i>All Members</i>	Debra Yokota – VP, WC Trisha Engle – Claims Manager Jodi Fink – Claims Examiner	
COMPUTER SERVICES TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations	Marcus Beverly – AVP (916) 746-8828	
Tom Baber	(916) 746-8834	Tom.Baber@yorkrsg.com
Marcus Beverly	(916) 746-8828	Marcus.Beverly@yorkrsg.com
<u>Liability Claims</u>		
Cameron Dewey	(530) 243-3249	Cameron.Dewey@yorkrsg.com
Angela Salsbury	(916) 746-8850	Angela.Salsbury@yorkrsg.com
<u>Workers’ Compensation Claims</u>		
Jodi Fink	(916) 580-2437	Jodi.Fink@yorkrsg.com
Tricia Ingles	(916) 580-2437	Tricia.Ingles@yorkrsg.com
Debra Yokota	(916) 580-5570	Debra.Yokota@yorkrsg.com