



President
 Steven Baker
 City of Yreka

Vice President
 Mr. Wes Heathcock
 City of Colfax

Secretary
 Mr. John Duckett
 City of Shasta Lake

Treasurer
 Mr. Roger Carroll
 Town of Loomis

SMALL CITIES ORGANIZED RISK EFFORT BOARD MEETING AGENDA

Location: Gaia Hotel
 4125 Riverside Place
 Anderson, CA 96007

Date: Friday, October 4, 2019

Time: Breakfast available at 8:45 am
 Pre-meeting Training at 9:00 am
 Board Meeting Call to Order 10:00 am

A	Action
I	Information
1	Attached
2	Hand Out
3	Separate Cover
4	Verbal

MORNING TRAINING SESSION

Time
Certain
 9:00 am –
 10:00 am
Pg.

SCORE Program Coverage Review **I 1**

The Board will receive a review of the SCORE coverage documents and will be provided with a summary of coverage for lines of coverage with an asterisk - with the goal to review additional lines of coverage at future Board Meetings.*

***ERMA Coverage**

BOARD MEETING

- A. CALL TO ORDER – 10:00 a.m.**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA AS POSTED** **A 1**
- D. PUBLIC COMMENTS** **I 4**
- 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. 5* 1. Board of Directors Teleconference Meeting Minutes – August 23, 2019
- Pg. 9* 2. SCORE Checking Register – August—September 25, 2019
- Pg. 10* 3. Investment Statements from Chandler Asset Management – August 2019
- Pg. 16* 4. US Bank Account Statement – August 2019
- Pg. 21* 5. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions

- F. ADMINISTRATIVE REPORT**
- 1. President’s Report** **I 4**
Steve Baker will address the Board on items pertaining to SCORE.

- 2. Alliant Update** **I 4**
The Program Administrator will address the Board on Alliant matters pertinent to SCORE.
a. Annual Vendor Service Provider Survey

G. FINANCIAL

- Pg. 24* **1. Chandler Asset Management Financial Portfolio Review** **A 2**
The Board will be presented with the Financial Portfolio Review from Carlos Oblites of Chandler Asset Management.
- Pg. 25* **2. SCORE Investment Policy** **A 2**
The Board will be presented with the current investment policy including any recommended changes from Chandler Asset Management.

H. JPA BUSINESS

- Pg. 42* **1. CAJPA 2019 Conference Feedback** **I 2**
Attendees of the Board will discuss the annual 2019 CAJPA conference.
- Pg. 43* **2. Case Law Update – Inverse Condemnation** **I 2**
The Board will receive information regarding the recent Supreme Court Case Decision as it relates to Sewer Backups and the requirements for Backflow Prevention Devices (BPD).
- Pg. 47* **3. Resolution Establishing Local Claims Procedure Regulations** **A 1**
The Board will be presented with a sample resolution establishing Claims Procedures for exempt Tort Claims.
- Pg. 60* **4. SCORE FY 19/20 Claims Reporting Manual** **I 2**
The Board will be presented with a binder which includes claims reporting instructions for lines of coverage.
- Pg. 61* **5. SCORE – RFP Responses for Workers’ Compensation Claims Audit** **A 1**
The Board will review the two responses received for the RFP for Workers’ Compensation Claims Audit and will be asked to select one vendor.
- Pg. 63* **6. SCORE Request for Proposal - Financial Audit** **A 1**
The Board will discuss the need for a Request for Proposal to find a Financial Auditor.
- Pg. 80* **7. SCORE FY 20/21 Meeting Dates and Locations** **A 1**
The Board is asked to approve dates and locations for the FY 20/21 meetings.
- Pg. 82* **8. Electronic Document Delivery Option** **A 1**
The Board will be notified of a new Alliant procedure and will be asked to sign a form authorizing Alliant to send documents to members electronically.

12:00 pm – **LUNCH PRESENTATION – WC Claims Reporting Advanced Session** I 2
 1:00 pm *Dori Zumwalt from York Risk Services Group will provide the members with*
 Pg. 84 *information about how to report a claim.*

Pg. 85 **I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY**

- 1. Liability** A 2
 - a. SCGA-01869A1 v. City of Dunsmuir**
- 2. Workers’ Compensation**
 - a. SCWA-556097 v. City of Yreka**
 - b. SCWA-556065 v. City of Yreka**
 - c. SCWA-555937 v. City of Yreka**
 - d. SCWA-556063 v. City of Montague**

Pg. 86 **J. REPORT FROM CLOSED SESSION**

Pg. 87 **K. ROUNDTABLE DISCUSSION** I 1
The Board is asked to review the feedback provided at the Planning Session and provide direction for action items to address the issues raised at the meeting.

L. INFORMATION ITEMS I

- Pg. 89 1. PARMA Conference, February 25-28, 2020, Monterey, CA 4
- Pg. 97 2. SCORE Resource Contact Guide 1
- Pg. 107 3. Glossary of Terms 1
- 4. SCORE Travel Reimbursement Form 1

M. CLOSING COMMENTS

N. ADJOURNMENT

UPCOMING MEETING: Board of Directors – January 24, 2020 at Gaia Hotel, Anderson, CA

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715. 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 2180 Harvard Street, Suite 460, Sacramento, CA 95815. Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item E.

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Board reviews items on the Consent Calendar, and if any item requires clarification or discussion a Member should ask that it be removed for separate action. Items requested to be removed from Consent will be placed back on the agenda in an order determined by the President.

RECOMMENDATION: Adoption of the Consent Calendar after review by the Board of Directors.

FISCAL IMPACT: None

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

ATTACHMENT(S):

1. Board of Directors Teleconference Meeting Minutes – August 23, 2019
2. SCORE Checking Register – August—September 25, 2019
3. Investment Statements from Chandler Asset Management – August 2019
4. US Bank Account Statement – August 2019
5. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Teleconference Meeting Minutes
August 23, 2019**

Member Cities Present:

Mark Sorensen, City of Biggs
Wes Heathcock, City of Colfax
Blake Michaelsen, City of Dunsmuir
Karl Drexel, Town of Fort Jones
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton
David Dunn, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta

Susan Scarlett, City of Portola
Karen Dunham, City of Rio Dell
John Duckett, City of Shasta Lake
Debi Savage, City of Susanville
Jenny Coelho, City of Tulelake
Emily Coulter, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

City of Etna
City of Isleton

City of Live Oak

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services

Jennifer Zraick, Gilbert Associates, Inc.
Jill Petraca, York Risk Services
Todd Juhasz, City of Dunsmuir

A. CALL TO ORDER

Mr. Steve Baker called the meeting to order at 10:01 a.m.

B. ROLL CALL

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

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: David Dunn

SECOND: Debi Savage

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

There were no public comments.



E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – June 14, 2019
2. US Bank Account Statements – June—July 2019
3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – June 30, 2019
4. Treasurer’s Report as of June 30, 2019
5. Investment Statements from Chandler Asset Management – June—July 2019
6. SCORE Checking Register as of June—July 2019
7. ACI Quarterly Utilization Report – April—June 2019
8. Target Solutions Administrative Summary as of June—July 2019
9. SCORE FY 19-20 Loss Control Grant Funding Usage as of August 16, 2019
10. PMIA Performance Report & LAIF Performance Report QE June 30, 2019

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

MOTION: Roger Carroll

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

Steve Baker noted there are currently two bills in the legislature that have to do with Workers’ Compensation: 1) SB 266 which deals with CalPERS and if a mistake is made this bill will push the burden of payment onto the Cities (not the retirees who are receiving payments from CalPERS; 2) SB 542 creates a rebuttable workers' compensation presumption for law enforcement officers and firefighters in instances where they sustain occupational post-traumatic stress injuries (PTSI).

F2. Alliant Update

Marcus Beverly provided the Board with a brief update regarding the required information needed for the renewal of the Excess Workers’ Compensation coverage. Michelle Minnick reminded members that a failure to submit the required information by the deadline of September 13, 2019 by 5pm will result in a fine to SCORE.

G. FINANCIAL

G1. Quarterly Financials for QE June 30, 2019

Jennifer Zraick from Gilbert Associates provided a summary of the Quarterly Financials for the QE June 30, 2019. It was noted that the LAIF account has seen some recent deposits from the general checking account and the funds are gaining more interest.

A motion was made to accept and file the Quarterly Financials for QE June 30, 2019.



MOTION: John Duckett

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

G2. Liability Premium Payment Plan Request - City of Weed

Marcus Beverly noted SCORE discourages payment plans and ask members to submit those requests before the budget is finalized. After the Board moved to a higher funding Confidence Level at the last meeting the city requested a payment plan for the liability program to assist with the increase.

A motion was made to approve the Payment Plan as presented.

MOTION: David Dunn

SECOND: Blake Michaelsen

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H1. October Long Range Planning & Board Meeting Topics

A discussion about the SCORE Board Agendas for the October meetings – each agenda was reviewed briefly and members were asked for comment.

This was an information item only.

I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

It was mentioned that the case CSAA vs. Palo Alto has been passed up to the Supreme Court for a ruling on inverse condemnation as respects to sewer backups – a decision is expected by the first week of September 2019. There was also discussion of the new Police standards for use of force and Public Records act in relation to body camera video – it was noted we have a service that can help produce the video and it would be included as a claim expense.

Lastly it was mentioned that Bernadette Haas is no longer with York and has been replaced with Brian Davis who will be handling some of the smaller losses.

J. INFORMATION ITEMS

J1. SCORE Resource Contact Guide

J2. SCORE Glossary of Terms

J3. CAJPA Conference—September 10-13, 2019 in South Lake Tahoe, CA

Items J1., J2., and J3. were provided as information items only.

K. CLOSING COMMENTS

There were no closing comments.



L. AJOURNMENT

The meeting was adjourned at 10:47 A.M.

NEXT MEETING DATE: October 3, 2019 in Anderson, CA

Respectfully Submitted,

John Duckett, Secretary

Date

DRAFT

Small Cities Organized Risk Effort
Transactions By Account Report
8/1/19 - 9/25/19

Type	Date	Num	Name	Memo	Class	Split	Debit	Credit	Balance
100-01 - Mechanics Bank - Main									1,357,804.49
General Journal	08/01/2019	Bill.com	DKF Solutions Group LLC	Inv 14605		1072 - Bill.com Money Out Clearing		8,750.00	1,349,054.49
Transfer	08/01/2019			Funds Transfer		150 - LAIF		500,000.00	849,054.49
Deposit	08/02/2019			Deposit		-SPLIT-	146,996.35		996,050.84
Check	08/02/2019			Service Charge	ADMINISTRATIVE	601 - Checking Account Bank Fees		20.00	996,030.84
Transfer	08/05/2019			Funds Transfer		106-01 - Trust - Liab - MB 7380		2,655.40	993,375.44
Transfer	08/05/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		32,307.24	961,068.20
Transfer	08/16/2019			Funds Transfer		106-01 - Trust - Liab - MB 7380		2,750.95	958,317.25
Transfer	08/16/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		39,079.01	919,238.24
Transfer	08/20/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		93,822.00	825,416.24
Transfer	08/20/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		13,000.00	812,416.24
Transfer	08/20/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		60,907.00	751,509.24
Transfer	08/20/2019			Funds Transfer		106-02 - Trust - WC - MB 7379		37,000.00	714,509.24
General Journal	08/21/2019	3	York Insurance Services Group, Inc	50019123 & 50019124		1072 - Bill.com Money Out Clearing		16,997.49	697,511.75
Deposit	08/23/2019			Deposit		-SPLIT-	15,455.47		712,967.22
General Journal	08/26/2019	2	City of Dunsmuir	Grant Fund		1072 - Bill.com Money Out Clearing		6,586.38	706,380.84
General Journal	08/26/2019	2	City of Loyalton	Grant Fund		1072 - Bill.com Money Out Clearing		890.14	705,490.70
Deposit	08/31/2019			Interest	ADMINISTRATIVE	Mechanics Bank		7.09	705,497.79
General Journal	09/05/2019	JLZ 82	Aces Up	Inv 10-3-19		1072 - Bill.com Money Out Clearing		909.50	704,588.29
General Journal	09/05/2019	JLZ 82	DKF	Inv 14669		1072 - Bill.com Money Out Clearing		8,750.00	695,838.29
Deposit	09/06/2019			Deposit		-SPLIT-	5,385.00		701,223.29
General Journal	09/09/2019	JLZ 85	Town of Loomis	Grant Fund		1072 - Bill.com Money Out Clearing		4,826.01	696,397.28
General Journal	09/11/2019	JLZ 86	Gibbons & Conley	19 Aug 476		1072 - Bill.com Money Out Clearing		314.50	696,082.78
General Journal	09/17/2019	JLZ 83	City of Shasta Lake	Grant Fund		1072 - Bill.com Money Out Clearing		11,818.61	684,264.17
General Journal	09/17/2019	JLZ 83	York Insurance Services Group, Inc.	50019202 & 50019203		1072 - Bill.com Money Out Clearing		16,997.49	667,266.68
General Journal	09/19/2019	JLZ 84	Champion Awards	46132		1073 - Bill.com Money Out Clearing		183.65	667,083.03
General Journal	09/19/2019	JLZ 84	Crowe Haorwath LLP	745-2268814		1074 - Bill.com Money Out Clearing		19,000.00	648,083.03
General Journal	09/19/2019	JLZ 84	Gilbert Associates	327310		1075 - Bill.com Money Out Clearing		14,691.11	633,391.92
Total 100-01 - Mechanics Bank - Main							167,843.91	892,256.48	633,391.92
106-01 - Trust - Liab - MB 7380									37,344.94
Transfer	08/05/2019			Funds Transfer	Liability	100-01 - Mechanics Bank - Main	2,655.40		40,000.34
Transfer	08/16/2019			Funds Transfer	Liability	100-01 - Mechanics Bank - Main	2,750.95		42,751.29
Check	08/31/2019	5547-5555	York Insurance Services Group, Inc-CA	5547-5555		Liability Claim Payments		26,872.49	15,878.80
General Journal	08/31/2019	JLZ 08-19		Mechanics Bank Interest	Liability	-SPLIT-		0.32	15,879.12
Total 106-01 - Trust - Liab - MB 7380							5,406.67	26,872.49	15,879.12
106-02 - Trust - WC - MB 7379									27,693.48
Transfer	08/05/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	32,307.24		60,000.72
Transfer	08/16/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	39,079.01		99,079.73
Transfer	08/20/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	93,822.00		192,901.73
Transfer	08/20/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	13,000.00		205,901.73
Transfer	08/20/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	60,907.00		266,808.73
Transfer	08/20/2019			Funds Transfer	Workers' Comp	100-01 - Mechanics Bank - Main	37,000.00		303,808.73
General Journal	08/31/2019	JLZ 08-19		Mechanics Bank Interest	Workers' Comp	106-01 - Trust - Liab - MB 7380		0.84	303,809.57
Check	08/31/2019	41682-41783	York Insurance Services Group, Inc-CA	41682-41783		Workers' Comp Claims Payments		284,398.21	19,411.36
General Journal	08/31/2019	JLZ 08-19Vo		Void check 41768	Workers' Comp	Workers' Comp Claims Payments	1,399.40		20,810.76
Total 106-02 - Trust - WC - MB 7379							277,515.49	284,398.21	20,810.76
150 - LAIF									1,678,268.42
Transfer	08/01/2019			Funds Transfer	ADMINISTRATIVE	100-01 - Mechanics Bank - Main	500,000.00		2,178,268.42
Total 150 - LAIF							500,000.00	0.00	2,178,268.42



Small Cities Organized Risk Effort - Account #590

MONTHLY ACCOUNT STATEMENT

AUGUST 1, 2019 THROUGH AUGUST 31, 2019

Chandler Team:

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

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.33
Average Coupon	2.09%
Average Purchase YTM	2.18%
Average Market YTM	1.68%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.44 yrs

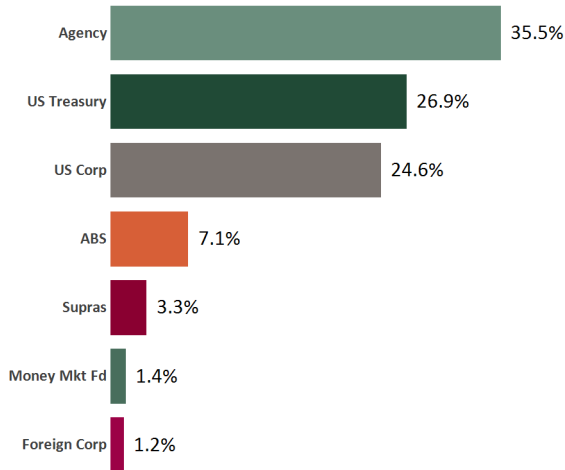
ACCOUNT SUMMARY

	Beg. Values as of 7/31/19	End Values as of 8/31/19
Market Value	11,583,077	11,703,033
Accrued Interest	51,964	55,331
Total Market Value	11,635,041	11,758,363
Income Earned	20,996	21,004
Cont/WD		-1,268
Par	11,521,870	11,535,902
Book Value	11,501,131	11,517,537
Cost Value	11,478,246	11,494,937

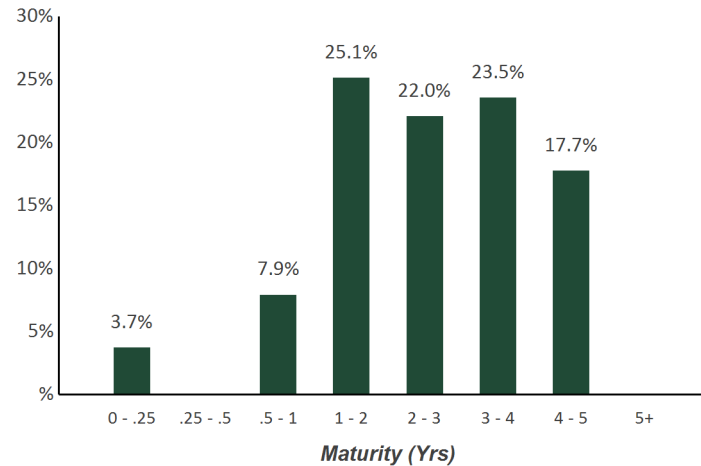
TOP ISSUERS

Government of United States	26.9%
Federal National Mortgage Assoc	15.7%
Federal Home Loan Bank	14.6%
Federal Home Loan Mortgage Corp	3.9%
Honda ABS	2.7%
John Deere ABS	2.6%
Intl Bank Recon and Development	1.7%
First American Govt Oblig Fund	1.4%
Total	69.5%

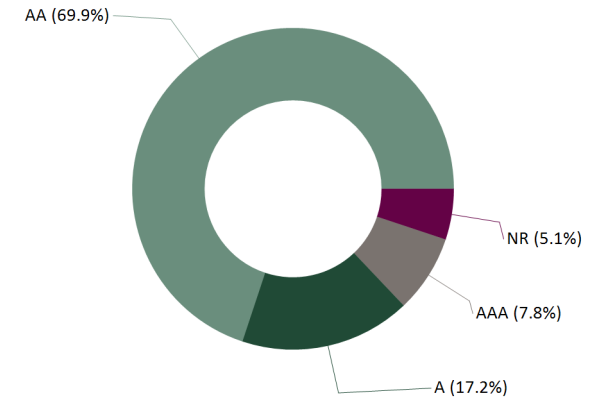
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	3/31/2006
Small Cities Organized Risk Effort	1.07%	1.70%	4.19%	5.48%	2.60%	2.00%	1.90%	1.92%	3.04%
ICE BAML 1-5 Yr US Treasury/Agency Index	1.17%	1.64%	4.06%	5.56%	2.43%	1.77%	1.72%	1.73%	2.80%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	1.16%	1.70%	4.24%	5.65%	2.51%	1.87%	1.82%	1.92%	2.88%

Statement of Compliance

As of August 31, 2019



Small Cities Organized Risk Effort

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

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$11,501,130.95
Acquisition		
+ Security Purchases	\$226,443.15	
+ Money Market Fund Purchases	\$212,689.13	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$439,132.28
Dispositions		
- Security Sales	\$149,846.95	
- Money Market Fund Sales	\$125,873.01	
- MMF Withdrawals	\$1,268.05	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$135,074.25	
- Principal Paydowns	\$11,516.21	
Total Dispositions		\$423,578.47
Amortization/Accretion		
+/- Net Accretion	\$815.08	
		\$815.08
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$36.66	
		\$36.66
ENDING BOOK VALUE		\$11,517,536.50

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$77,100.61
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$149,846.95	
Accrued Interest Received	\$911.02	
Interest Received	\$15,647.35	
Dividend Received	\$115.36	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$135,074.25	
Interest from Calls/Redemption	\$286.88	
Principal Paydown	\$11,516.21	
Total Acquisitions	\$313,398.02	
Dispositions		
Withdrawals	\$1,268.05	
Security Purchase	\$226,443.15	
Accrued Interest Paid	\$138.75	
Total Dispositions	\$227,849.95	
ENDING BOOK VALUE		\$162,648.68



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at www.chandlerasset.com.

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Yr US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit www.mlindex.ml.com for more information)

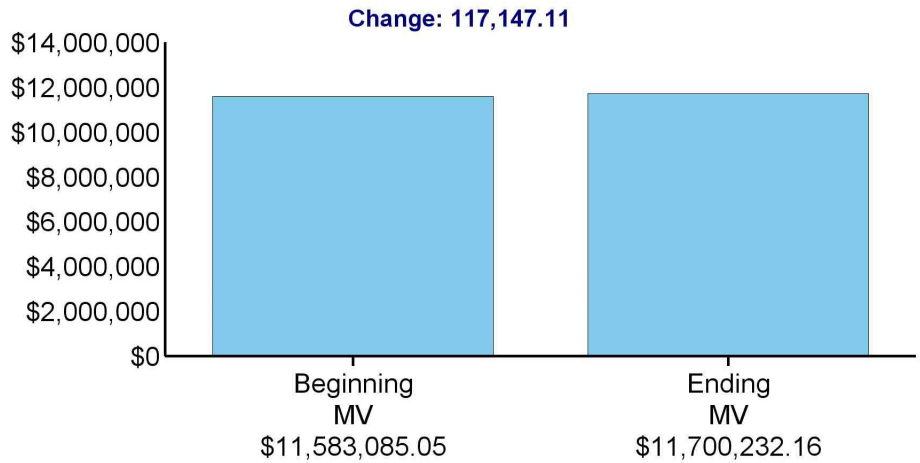


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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August 1, 2019 to August 31, 2019

MARKET VALUE SUMMARY

	Current Period 08/01/19 to 08/31/19
Beginning Market Value	\$11,583,085.05
Taxable Interest	14,009.36
Fees and Expenses	-1,268.05
Long Term Gains/Losses	1,136.58
Change in Investment Value	103,269.22
Ending Market Value	\$11,700,232.16



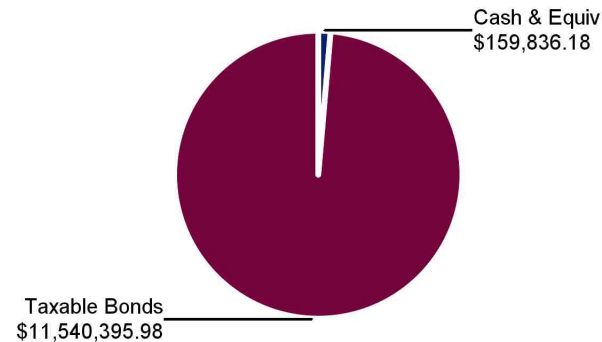


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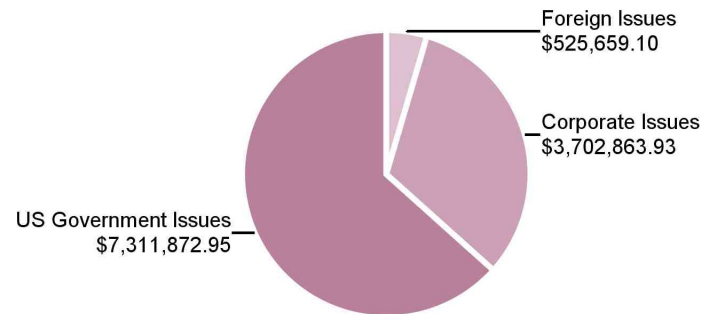
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August 1, 2019 to August 31, 2019

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	159,836.18	1.40	2,746.07
Taxable Bonds	11,540,395.98	98.60	238,563.10
Total Market Value	\$11,700,232.16	100.00	\$241,309.17



Fixed Income Summary

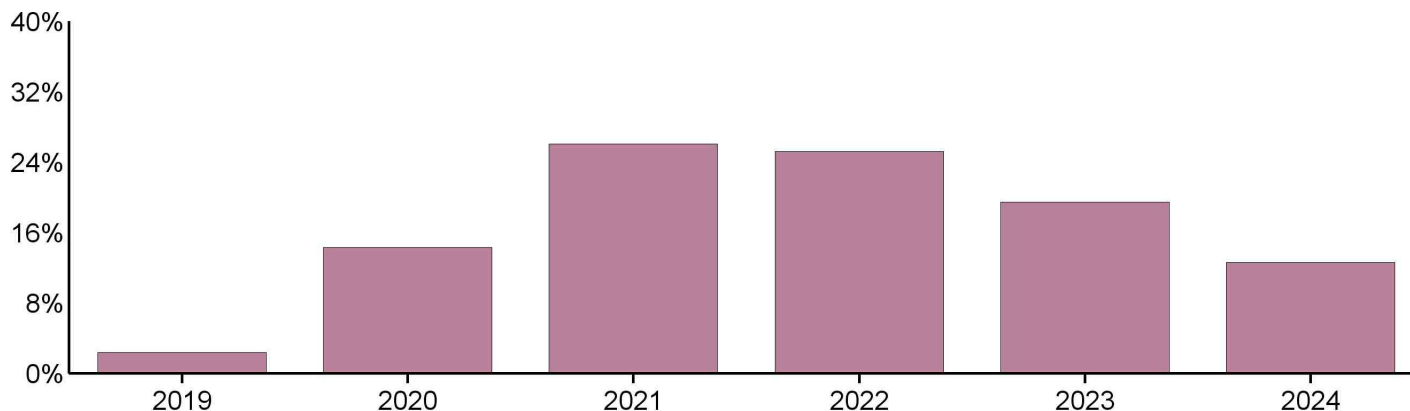




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August 1, 2019 to August 31, 2019

BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2019	270,000.00	270,013.50	2.34
2020	1,652,673.97	1,650,190.50	14.30
2021	3,012,579.42	3,010,616.06	26.09
2022	2,880,000.00	2,909,743.55	25.22
2023	2,160,000.00	2,243,547.60	19.44
2024	1,398,000.00	1,456,284.77	12.61
Total of Category	\$11,373,253.39	\$11,540,395.98	100.00

MOODY'S RATING

Aaa	8,455,253.39	8,571,500.66	74.28
Aa1	150,000.00	156,174.00	1.35
Aa2	395,000.00	406,286.30	3.52
Aa3	135,000.00	142,022.70	1.23
A1	755,000.00	762,493.20	6.61
A2	1,088,000.00	1,105,341.27	9.58
A3	150,000.00	150,588.00	1.30



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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August 1, 2019 to August 31, 2019



BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	245,000.00	245,989.85	2.13
Total of Category	\$11,373,253.39	\$11,540,395.98	100.00

S&P RATING			
	Par Value	Market Value	Percentage of Category
AAA	752,673.97	756,068.40	6.55
AA+	4,380,000.00	4,464,855.45	38.69
AA	545,000.00	561,692.30	4.87
A+	475,000.00	478,623.65	4.15
A	1,230,000.00	1,247,246.70	10.81
A-	273,000.00	279,168.82	2.42
N/A	3,542,579.42	3,571,568.41	30.95
NOT RATED	175,000.00	181,172.25	1.56
Total of Category	\$11,373,253.39	\$11,540,395.98	100.00

BOND SUMMARY MESSAGES

Data contained within this section excluded Mutual Funds, Exchange Traded Funds, and Closed-Ended Funds.

Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

Cost Basis (Book Value) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Book Value method maintains an average cost for each asset.

Cost Basis (Tax Basis) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Tax Basis uses client determined methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO), Average, Minimum Gain, and Maximum Gain.

Ending Accrual - (Also reported as Accrued Income) Income earned but not yet received, or expenses incurred but not yet paid, as of the end of the reporting period.

Estimated Annual Income - The amount of income a particular asset is anticipated to earn over the next year. The shares multiplied by annual income rate.

Estimated Current Yield - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by taking the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

Ex-Dividend Date - (Also reported as Ex-Date) For stock trades, the person who owns the security on the ex-dividend date will earn the dividend, regardless of who currently owns the stock.

Income Cash - A category of cash comprised of ordinary earnings derived from investments, usually dividends and interest.

Market Value - The price per unit multiplied by the number of units.

Maturity Date - The date on which an obligation or note matures.

Payable Date - The date on which a dividend, mutual fund distribution, or interest on a bond will be made.

Principal Cash - A category of cash comprised of cash, deposits, cash withdrawals and the cash flows generated from purchases or sales of investments.

Realized Gain/Loss Calculation - The Proceeds less the Cost Basis of a transaction.

Settlement Date - The date on which a trade settles and cash or securities are credited or debited to the account.

Trade Date - The date a trade is legally entered into.

Unrealized Gain/Loss - The difference between the Market Value and Cost Basis at the end of the current period.

Yield on/at Market - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

The terms defined in this glossary are only for use when reviewing your account statement. Please contact your Relationship Manager with any questions.

ALLIANT FACT SHEET

RETAIL BROKERAGE VS. WHOLESALE & SERVICE OPERATIONS RETAIL BROKERAGE vs. WHOLESALE & SERVICE OPERATIONS

Many insurance brokerage firms, including Alliant Insurance Services, Inc., have affiliate and/or subsidiary companies that perform services associated with the risk management and insurance procurement process. Alliant has numerous and varied client relationships that may involve any combination of Retail Brokerage, Wholesale Brokerage and other Loss Control or Risk Management Consulting work. In addition, Alliant's affiliates, such as Alliant Business Services (ABS), can provide clients with other services not necessarily directly related to the risk management or insurance procurement process such as Human Resources Consulting and/or Appraisal Services.

Normally when acting as clients' "Retail Broker" Alliant will collect a commission as compensation, or may have a *Fee for Service* compensation plan. Typically Alliant will then have a written Agreement with clients, and that document includes full disclosure concerning compensation including wording similar to the following:

In addition to the commissions that Broker receives, Alliant Underwriting Services (AUS), a division of a related entity, may receive compensation from Broker and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services (ABS) may receive compensation from Broker and/or the carrier for providing designated, value-added services. Services contracted for by the Client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Broker and/or the carrier.

This contract language is in addition to the standard disclosure wording contained in Alliant proposals. At the bottom of this **Fact Sheet** we have attached what we include on our Standard Proposals. (Additional disclosure wording is also included on Alliant invoices.) Full disclosure is a key component of client communication concerning compensation.

The **Retail Broker** activities, and Alliant's other services involved in Wholesale Brokering are distinctly separate. Our Retail Brokers and staff act as *advocates for the client* and are involved in the day-to-day delivery of services spelled out in our "Scope of Services." Such services include negotiating terms and conditions of coverage, issuance of certificates, tailoring coverages to meet specific needs, and assuring that all lines of coverages are properly provided to protect clients' assets.

Wholesale Broker activities are provided through Alliant Underwriting Services (AUS). These include administration of programs that Alliant companies manage and/or underwrite, and involve separate functions from Retail Brokerage service. Alliant Insurance Services, Inc. has other operations including, AUS and ABS, which provide non-retail brokerage services. The inclusion of these Wholesale Broker activities into a program has additional advantages that accrue to clients, primarily in the realm of cost savings, as needed services can generally be provided less expensively by a wholesale outfit than by a traditional insurer. This is especially the case when a program is large or complex.

As in any business, the cost of services will vary year by year based on program size, underwriting authority, and other factors. AUS receives compensation from carriers for which it provides underwriting and program administration services. There are numerous services involved in this Wholesale Broker function, including:

- Underwriting new and renewal business for the primary/excess markets
- PML Analysis
- Claims Analysis
- Program Management
- Program Administration/Information Technology associated with program management.

AS JUST ONE EXAMPLE, the Public Entity Property Insurance Program (PEPIP) - formed in 1993 to meet the unique property insurance needs of public entities – has grown from 65 members in one State to over 9,000 members in 45 States. This growth has fueled insurance cost savings for all members.

ALLIANT FACT SHEET

To achieve Program results, AUS annually:

- **Underwrites** over 6,000 renewal applications,
- **Reviews** Statement of Values and associated COPE (Construction, Occupancy, Protection & Exposure) information for over 262,303 PEPiP property locations,
- **Allocates** premium between 25 separate insurance markets,
- **Establishes** renewal pricing parameters in accordance with the underwriting/rating standards provided by the program markets, and
- Performs *Program Accounting* including individual member pricing billing, collections, and remittance to program markets.

Additional ABS services available to Program members include:

- **Loss Control Services** (no specific budget and can be tailored to individual clients).
- **Appraisals** (Buildings over \$5M appraised every 3-5 years. We currently do every 3 years, but we are evaluating doing every 5 years at renewal).
- **Infrared Testing** (again tailored to the client but not an unlimited number of days).
- **Business Interruption Consulting** (assistance by Forensic Accountant in determining Business Interruption values).
- **PEPiP Solution Center** (24 hr. hotline to address Property Loss Control questions).
- **Webinars** (8-10 web based training sessions per year on Property related topics).

Alliant Insurance Services, Inc., our Retail Brokers and colleagues all strive to provide the high level of service expected from our clients at a competitive level of compensation that should be clearly understood and documented.

Commissions are customarily paid by the insurance carriers to their agents and to brokers as a percentage of premiums. In addition to the commissions that Alliant receives, Alliant Underwriting Services. ("AUS"), a division of a related entity may receive compensation from Alliant and/or the carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, Alliant Business Services ("ABS") and/or Strategic HR may receive compensation from Alliant and/or the carrier for providing designated, value-added services. Services contracted for by the client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Alliant and/or the carrier. Further information is available upon written request directed to: Alliant Insurance Services, Attention: General Counsel, 701 B Street, San Diego, CA 92101.

06/25/2019

Small Cities Organized Risk Effort

2180 Harvard St. STE 460
Sacramento CA 95815

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions and a policy of disclosure as to the insurance carriers with which Alliant does business.

The commission Alliant will receive from the carrier as a result of this placement will be no greater than 11% of the premium.

Alliant Underwriting Services will also receive additional compensation from the carrier for providing Underwriting Services up to 16.9%. A fee of \$10,104.00 has been included on your invoice for Loss Control, Engineering and Appraisal services provided by Alliant Business Services.

Alliant Underwriting Services and Alliant Business Services are internal operating groups of Alliant Insurance Services, Inc.

Alliant has no ownership interest in any of the carriers or any other intermediaries (if any) that were a part of this placement.

Upon written request, Alliant will further disclose all quotes and indications sought and received by Alliant in connection with your insurance placement, and the terms, including any Alliant interest in or contractual agreement with any of the prospective insurers, of all compensation to be received by Alliant. Request should be mailed to:

Alliant Insurance Services, Inc.
701 B. Street, 6th Floor
San Diego, California 92101-8156
Attention: General Counsel



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item G.1.

CHANDLER ASSET MANAGEMENT FINANCIAL PORTFOLIO REVIEW

Action Item

ISSUE: Mr. Carlos Oblites, CFA, of Chandler Asset Management will be in attendance to provide the Board with a presentation of SCORE's investment portfolio with Chandler Asset Management as well as to provide an overview of how the current economic climate will impact future investment returns.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: SCORE has been working with Chandler as their long-term Investment Advisory since 2006. Prior to that our investments were placed solely in LAIF. Annually an Associate attends a Board of Directors meeting to provide a report on how the JPA's investment portfolio is performing.

ATTACHMENTS: None.



SCORE INVESTMENT POLICY

Action Item

ISSUE: The Board annually reviews and approves any recommended changes to the Investment Policy, or they reaffirm the Policy with changes. Attached is a red-line version of the Investment Policy with changes as suggested by Chandler Asset Management.

RECOMMENDATION: Review and approve the recommended changes.

FISCAL IMPACT: None

BACKGROUND: Each year, staff requests an Investment Policy review from the Investment Manager as well as the JPA Financial Accounting Services provider in order to determine if any changes should be made to the Investment Policy. *The Investment Policy must be reviewed and approved annually, even if there are no changes.*

ATTACHMENTS:

1. Chandler Investment Management – Recommended Changes Memo Dated 9-23-19
2. SCORE Investment Report – Redline Mark Up

September 23, 2019

Marcus Beverly, CPCU, AIC, ARM-P
First Vice President
Public Entity Group
Alliant Insurance Services, Inc.
2180 Harvard Street, Ste. 460
Sacramento, CA 95815

Dear Marcus,

We have completed our annual review the Small Cities Organized Risk Effort (“SCORE”) investment policy for compliance with the statutes of California Government Code (“Code”) that govern the investment of public funds, as well as for inclusion of current industry best practices. SCORE’s policy is well written and continues to effective. We do, however, recommend some minor modifications to adopt current best practices into SCORE’s investment program.

Please find a brief summary of the recommended changes below:

IV. OBJECTIVES

- Subsection F: Augmentation of paragraph describing the prudence standard to be used when conducting investment activities. The additional language is designed to reflect the exact language from Code.

V. REPORTING

- Inclusion of reporting requirement as described in Code Section 53607, as well as a description of the other listed requirements as “Additional.”

VI. INVESTMENT INSTRUMENTS AND MATURITIES

- Inclusion of language stating that:
 - SCORE’s policy seeks to further restrict eligible investments as described in the policy.
 - In the case of any discrepancies between the policy and Code, the more restrictive parameters will prevail.
 - Investments that do not meet updated requirements may be held until maturity.
 - The portfolio shall be diversified.
- Recommend removal of table of investments, as the table does not provide full detail of requirements like is already done in the paragraphs that follow.
- Subsection A.2: Federal Agencies. Recommend placing a limit 25% for any single Agency/GSE issuer, a maturity limit of five years, and a maximum concentration of 20% on agency callable securities.

- Subsection A.10: Medium Term Notes. Recommend including the words “...organized and...” to mirror Code requirements.
- Subsection B: Prohibited Investments. Recommend moving this section to the bottom of Section VI, and including the additional as prohibited:
 - Securities lending, or any other form of borrowing or leverage.
 - Inverse floaters, range notes, or mortgage derived interest-only strips.
 - Securities that could result in a zero-interest accrual if held to maturity
 - Trading solely for speculation on the future direction of interest rates
 - Investments in financial instruments of SCORE cities (previously listed with the table)

X. INVESTMENT RISKS

- Mitigating Credit Risk in the Portfolio, Subsection 2: A change of wording that describes exceptions to the 5% issuer limit from a list to “unless otherwise specified.”
- Mitigating Market Risk in the Portfolio, Subsection 1: Inclusion of language that recognizes investments longer than five years only as allowed by Code Section 53601.

APPENDIX A: Glossary

- Inclusion of a glossary to facilitate understanding of the policy by readers not familiar with certain investment and financial terms.

Please do not hesitate to contact us with any questions you may have, or if further review is needed.

Sincerely,

Carlos Oblites,
Senior Vice President/Portfolio Strategist
Chandler Asset Management

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

Reviewed November 2018

INVESTMENT POLICY

ADOPTED 3-30-
~~18XXX~~

I. POLICY STATEMENT

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

II. SCOPE OF POLICY

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

III. AUTHORITY

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

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

IV. OBJECTIVES

- A. Safety: The primary objective of this policy is to protect, preserve, and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return of a market-based index which has the same type of sector and

maturity requirements as the Authority's portfolio. This benchmark shall be determined by the Board.

- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. when-When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with ~~the California~~ Government Code Section 53607.

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

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

VI. INVESTMENT INSTRUMENTS AND MATURITIES

The Authority's investments are governed by California Government Code, Sections 53600 et seq. Within the investments permitted by the Code, the Authority seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

A. Included Investments:

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding‡
1. U.S. Treasury	N/A	5 years	100%	100%
2. Federal Agency	N/A	5 years	100%	100%
3. Supranational Securities	AA	5 years	30%	10%
4. California State and Municipal Obligations ***	A	5 years	20%	5%
5. Notes and bonds of the other 49 states	A	5 years	20%	5%
6. Negotiable Certificates of Deposit	A-1 or A	5 years	30%	5%
7. Bankers Acceptances	A-1	180 days	30%	5%
8. Commercial Paper	A-1	270 days	25%	5%
9. Repurchase Agreements	N/A	1 year	25%	5%
10. Medium Term Notes****	A	5 years	30%	5%
11. Local Agency Investment Fund (LAIF)	N/A	N/A	N/A	Up to statutory limits
12. Mutual and Money Market Funds	AAA	N/A	20%	10% for mutual funds, 20% for money market funds
13. Mortgage & Asset Backed Securities	AA	5 years	20%	5%

~~* Excluding U.S. Government, agency securities, supranationals and LAIF no more than 5% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.~~

~~**Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code §53601)~~

~~***No investments are allowed in financial instruments of SCORE cities.~~

~~****California Government Code assumes minimum credit ratings without regard to modifiers.~~

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

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

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

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

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

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

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

There are no limits on the dollar amount or percentage that the Authority may invest in Federal Agency obligations or GSEs, provided that:

- No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
- The maximum maturity does not exceed five (5) years.
- The maximum percent of agency callable securities in the portfolio will be 20%.

3. Supranationals provided that they are unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the rating category of "AA" or its equivalent or higher by a nationally recognized statistical rating organization. Purchases of Supranationals must not exceed 30% of the Authority's portfolio and no individual issuer shall exceed 10% of the Authority's portfolio. The maturity will not exceed 5 years.

4. Obligations issued by the State of California, any local agency within the state, which are rated in the rating category of "A" or its equivalent or higher by at least one Nationally Recognized Statistical Rating Organization (NRSRO). Purchases of Municipal securities may not exceed 5 years in maturity or 20% of the Authority's portfolio.

5. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California, which are rated in the rating category of "A" or its equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO). Purchases of this category may not exceed 5 years in maturity or 20% of the

Authority's portfolio.

6. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of five years or less, issued by a nationally or state-chartered bank, a state or federal savings and loan association, a state or federal credit union, or by federally-licensed or state-licensed branch of a foreign bank. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

~~7.~~ Purchases of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.

- ~~8.~~7. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by at least one NRSRO.

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

- ~~9.~~8. Commercial Paper rated in the highest short-term rating category, as provided by at least one NRSRO. The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having rating in the category of "A" or its equivalent or higher rating for its long-term debt, if any, as provided by at least one NRSRO.

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

- ~~10.~~9. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

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

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

- ~~11.~~10. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued only by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

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

~~42.11.~~ Local Agency Investment Fund (L.A.I.F.) - There are no limits on the dollar amount or percentage that the Authority may invest in LAIF, subject to statutory limits imposed by LAIF.

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

~~43.12.~~ Mutual Funds and Money market Mutual Fund that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 provided that:

- a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria in paragraphs (i) or (ii):
 - i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - iii. No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria in paragraphs (i) or (ii):
 - i. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 - iii. No more than 20% of the investment portfolio may be held in Money Market Mutual Funds.
- c. No more than 20% of the total portfolio may be invested in these securities

~~44.13.~~ Mortgage Pass-Through Securities and Asset-Backed Securities provided that:

Such securities shall have a maximum stated final maturity of five years; and shall be rate AAA at least one NRSRO; and issuers must be rated A or higher by at least one NRSRO; and purchase of securities authorized by this subdivision may not exceed 20% of the portfolio. Effective January 1, 2019, securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO, without regard to the issuer credit.

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

1. Purchase or sale of securities on margin

2. Reverse Repurchase Agreements, securities lending, or any other form of borrowing or leverage.
3. Financial Futures and financial options
4. In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
5. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
6. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
7. No investments are allowed in financial instruments of SCORE cities.

VII. INTERNAL CONTROLS

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

VIII. TRANSFER OF FUNDS

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

IX. BANKS AND SECURITIES DEALERS

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

X. INVESTMENT RISKS

Mitigating Credit Risk in the Portfolio

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

1. The diversification requirements included in Section VI are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, ~~other than the US Government, its agencies and instrumentalities, or Supranational securities~~ unless otherwise specified;
3. The Authority may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Authority's risk preferences; and
4. If securities owned by the Authority are downgraded below the quality required by this Investment Policy, it shall be the Authority's policy to review the credit situation and make a determination as to whether to sell or retain such securities

in the portfolio.

- a. If a security is downgraded two grades below the level required by the Authority, the security shall be sold immediately
- b. If a security is downgraded one grade below the level required by this policy, the Authority's Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
- c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Authority's Board.

Mitigating Market Risk in the Portfolio

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

1. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy (term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval—Government Code §53601):
2. The Authority shall maintain a minimum of three months of budgeted operating expenditures in short term investments; and
3. The duration of the portfolio typically will be equal to the duration of an index of US Treasury and Federal Agency Securities with maturities which meet the Authority's needs for cash flow and level of risk tolerance (the Benchmark Index) plus or minus 10%.

XI. DELIVERY, SAFEKEEPING AND CUSTODY

All investment transactions shall be conducted on a delivery-versus-payment basis.

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

XII. REVIEW OF INVESTMENT POLICY

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

XIII. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the President any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same

individual with whom business is conducted on behalf of the Agency.

Appendix A: Glossary

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating

institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT. A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT. Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC

was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERALLY INSURED TIME DEPOSIT. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is

specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SECURITIES AND EXCHANGE COMMISSION (SEC). The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15c3-1. An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member

countries.

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

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item H.1.

**CAJPA – 2019 CONFERENCE FEEDBACK
INFORMATION ITEM**

ISSUE: Members who attended the CAJPA 2019 Conference are encouraged to share their experience with other Board Members and highlight any information they feel will benefit the pool.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: The California Association of Joint Powers Authorities (CAJPA) annually hosts a conference to present topics and issues that are of relevance to their JPA members. This year the conference was held in South Lake Tahoe and featured speakers Mike Madrid (Principal at Grassroots Lab), Kai Kight (Classical Violinist & Innovative Composer) and Jason Hewlett (Becoming Legendary Leaders).

ATTACHMENTS: None.



CASE LAW UPDATE – INVERSE CONDEMNATION INFORMATION ITEM

ISSUE: Members should be aware of a “landmark” CA Supreme Court case involving a city’s liability for damages due to inverse condemnation.

The case, *Oroville v. Superior Court*, stands for the proposition that a city is not liable for a sewer backup into a business or residence if the damage could have been prevented with a backflow preventer, as required as part of the sewer system’s design. This ruling overturns a previous court decision, *CSAA v. Palo Alto*, which essentially placed strict liability on the city for such claims, regardless of the backflow issue.

While this case has favorable implications beyond sewer systems, it is now even more important to emphasize the need for backflow prevention as a requirement per your city code. SCORE’s risk management best practices cover this area of city operations and DKF Solutions is an expert resource to assist members with their sewer operations. While regular maintenance and inspection of the system remains an essential element of its operation, requiring backflow devices and publicizing their need and effectiveness is the best way to avoid a backup claim into a residence or business.

RECOMMENDATION: Review and distribute to public works staff.

FISCAL IMPACT: None.

BACKGROUND: Backflow devices have been required under certain conditions by the Uniform Plumbing Code since at least the early 1970’s. All modern sewer systems rely on their application to avoid sewer backups into private residences, though enforcement has not always been consistent. Since 2005 cities have had little defense against sewer backups due to the CSAA case that did not consider the lack of a required backflow device in its decision.

ATTACHMENTS: Oroville v. Superior Court case summary from www.inversecondemnation.com

August 16, 2019

Cal Supreme Court: Stop Saying Inverse Condemnation Is "Strict Liability"

The California Supreme Court's relatively short unanimous opinion yesterday in [City of Oroville v. Superior Court](#), No. S243247 (Aug. 15, 2019) may have a bigger impact outside of that case than within in.

While that is undoubtedly true in many decisions by a precedential court of last resort, we highlight that here because inverse condemnation is a trending topic in California right now due to the multiple [litigations spawned by a series of wildfires](#), and the *City of Oroville* case is all about the details of California's somewhat unique inverse condemnation doctrine.

Short story is that a dentist's office flooded with you-know-what when the municipal sewer backed up. Dentists said the City didn't maintain the sewer (sewer systems are supposed to take crap away in a one-way direction, not return it into habitable spaces). The City for its part argued that if the dentists had only installed the "legally-required [backwater valve](#)" none of this would have happened (the valves are required as part of the City's plumbing code).

The dentists raised an inverse condemnation claim. The Court of Appeal agreed, holding the City liable. But the California Supreme Court agreed to review the decision because "[t]he appellate court reached this decision without addressing a fundamental question: whether the inherent risks associated with the sewer system -- as deliberately designed, constructed, or maintained -- were the substantial cause of the damage to the private property." Slip op. at 1.

And here's the Supreme Court's bottom line:

Public entities are not strictly or otherwise automatically liable for any conceivable damage bearing some kind of connection, however remote, to a public improvement. To succeed on an inverse condemnation action, a plaintiff must ordinarily show — assuming the public entity made reasonable assumptions about the public improvement in question — that the damage to private property was substantially caused by inherent risks associated with the design, construction, or maintenance of the public improvement.

Slip op. at 1-2.

We've heard California's inverse condemnation jurisprudence described as a "strict liability" scheme. Governor Newsom, for example, said, "[\[w\]e are committed to continuing the exploration of the impact of strict liability on the costs to ratepayers, on wildfire victims and on the solvency of our utilities. If the trend of massive, catastrophic](#)

[wildfires persists, we may need to pursue additional changes.](#)" But this decision should make it clear that this is a misnomer.

Because the installation of the backwater valve "would have prevented or drastically mitigated the risk of damage" and was "legally required," the dentists could not make out a claim for inverse condemnation. The court awarded the City judgment as a matter of law (not merely vacating the judgment and sending it back for more).

Read the opinion. It isn't that long (24 pages) and see if you don't think there's a "torty" flavor to it. The court talks of "primary causation," "inherent risk," and the like. (The trial court concluded that the backup was primarily caused by root intrusion, but that a "significant secondary cause of the damage" was the lack of a backwater valve which had, unbeknownst to the dentists, *not* been installed in their building when constructed before they bought it.) See *also* slip op. at 9 ("To resolve inverse condemnation claims and the causal questions they raise, courts have garnered insights from tort and property law doctrines relevant to analogous disputes between private parties.").

The Supreme Court rejected the court of appeal's analysis that focused on the City's failure to prove that "other forces alone produced the injury." Slip op. at 6. The appeals court likened the City's argument to contributory negligence in tort law (to us it reminded of the "last clear chance" doctrine). Inverse condemnation isn't really a cause of action, "but instead a remedy for an already-existing cause of action." Slip op. at 9. The public has a responsibility to justly compensate owners "for those damages to private property resulting from the construction of a public improvement." *Id.* ("Common law doctrines may offer a useful analogy, but the roots of inverse condemnation liability lie in constitutional terrain rather than the common law.").

In some cases, the court concluded, the applicability of the remedy is easy to see: construction of a water system, flood control levee, or street construction, for example. But other situations like here are not as clear (at least according to the court). In those situations, the court sought to balance between the *Armstrong* principle (the cost of public benefits should not be focused on particular owners, but spread across the public), and the notion that public entities would be "discouraged from providing essential public works projects" if they are held liable to pay when the property owner could have prevented the damage by complying with the law (installing a backwater valve). Slip op. at 11.

We encourage you to read at least from page 10 onward. This isn't tort even though it might look a lot like it. Slip op. at 12 ("To mitigate confusion, we restated this test to eschew the term 'proximate.' What we used instead was the term "'substantial' causation."). To establish that causation, the owner must prove a "robust" nexus between the inherent risks of the public improvement and the resultant damage. Yes, the owner need not prove the improvement was the *sole* cause of the damage and was merely a factor, but it has to be significant and a risk inherent in the design of the improvement, and not the way it was maintained (that aspect, presumably, could be considered in tort). The court concluded:

Our conclusion follows from what we explained in *Customer Co.* and *Holtz*: a court assessing inverse condemnation liability must find more than just a causal connection

between the public improvement and the damage to private property. What we hold is that the damage to private property must be substantially caused by an inherent risk presented by the deliberate design, construction, or maintenance of the public improvement. This approach aligns with how we have previously analyzed inverse condemnation liability cases. It also protects private property owners by allocating the financial losses resulting from the public improvement across the community and provides public entities with an incentive to internalize the reasonable risks of their public improvements.

Slip op. at 14.

The remainder of the opinion is about how to apply these standards. The damage must be the "predominant" result of the improvement. "Inescapable or unavoidable consequence," as the court put it. And part of that calculus is the plaintiff's contribution to the damage. Compliance with the plumbing code is one of those things. "To prevail on its claim of inverse condemnation liability, then, WGS must ... demonstrate that the inherent risks posed by the sewer system as deliberately designed, constructed, or maintained manifested and were a substantial cause of its property damage." Slip op. at 18-19. Is not root intrusion an inherent risk of a sewer system? Yes, but that doesn't mean that mitigation isn't part of the equation. "Contrary to WGS's contention, *Belair* did not announce a rule triggering liability in all inverse condemnation cases based solely on the existence of any conceivable causal connection between a public improvement and private property damage." Slip op. at 19.

In short, inverse condemnation isn't "strict liability."

Instead, a court reviewing an inverse condemnation claim arising from sewage overflow must consider whether the damages to private property were the direct and necessary effect of the inherent risks posed by the public improvement as deliberately designed, constructed, or maintained. And in a case like this, a reviewing court must also assess whether the damages were the result of a risk created not by the public improvement, but by the acts of the private property owner. A causal connection between the public improvement and the property damage alone is insufficient to sustain a finding of inverse condemnation liability.

Slip op. at 20-21.

How this standard plays out in the wildfire cases we shall be watching. But we guarantee you that every lawyer involved in those cases is reading this opinion very carefully right now.

[City of Oroville v. Superior Court, No. S243247 \(Cal. Aug. 15, 2019\)](#)



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item H.3.

**RESOLUTION ESTABLISHING LOCAL CLAIMS PROCEDURE
REGULATIONS**

ACTION ITEM

ISSUE: Government Code Section 935 allows an agency (JPA or a member) to adopt a resolution prescribing a local claim filing procedure and deadlines to apply to claims exempt from the Government Claims Act. The types of claims that are specifically exempt from the requirements of the Government Claims Act, per Government Code Section 905, are referenced in the attached. The list of exceptions includes claims from the state or other public agencies as well as public employees for fees, salaries, wages, mileage, or other expenses and allowances.

The Program Administrators prepared the attached resolution that would adopt local claims procedures to apply to Government Claims Act-exempt claims filed against the JPA. This would also require member agencies to file written claims with the JPA within the Act's claim filing deadlines (i.e., six months for personal injury, wrongful death, or personal property damage claims and one year for breach of contract and real property damage claims).

Many agencies (likely including many JPA members) have adopted a local claims ordinance or rule under Section 935, and *if they have not they are encouraged to do so*. As the attached 2003 League of California Cities paper noted, "The enactment of local claims procedures is of great benefit to cities.... all cities without such an ordinance are well-advised to adopt a claims filing ordinance, at a minimum to cover themselves for future claims."

RECOMMENDATION: Approve Resolution 01-2019 establishing local claims procedure regulations for the JPA

FISCAL IMPACT: None. Though rare, this could prevent claims v. JPA from other agencies as well as certain types of claims from a variety of other sources.

BACKGROUND: The Government Claims Act addresses claims against local government agencies, including filing requirements and deadlines. Under the Act, most claims for money or damages against the JPA (or a member) require the claimant to timely file a claim before proceeding to court. Claims concerning personal injury, wrongful death, personal property damage, or crop damage must be filed within six months



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

and all other claims (e.g., breach of contract, real property damage) must be filed within one year. These time periods are measured from the date of the accrual of the cause of action.

The purposes of the Act's claim requirements are to allow the agency to timely and promptly investigate claims based on information submitted by the claimant, to settle meritorious claims without the expense of litigation, and to enable the agency to make appropriate fiscal planning decisions based on pending claims.

Government Code Section 905 contains significant exceptions to the claim filing requirement under state law. If a claim is exempt, there are no claim filing requirements under the Act. The Section 905 exceptions include public employee claims for wages, fees, or expense reimbursement, claims by the state or another local government agency, and, certain tax, assessment, and fee refund actions (See Reference below with complete GC 905 text).

Government Code Section 935 allows an agency (JPA or a member) to adopt a resolution prescribing a local claim filing procedure and deadlines to apply to claims exempt from the Government Claims Act. Any local procedure and deadlines generally must be consistent with the Act. If the JPA adopts local claims procedure regulations, claims exempt from the Act would be subject to the local procedures and deadlines. A local claims regulation also would further the principal purposes of the Act by giving the JPA prompt notice of claims and allowing an opportunity for prompt investigation and, if appropriate, settlement of claims without litigation.

ATTACHMENT(S):

1. Resolution 19-01 Establishing Local Claims Procedure Regulations.
2. Government Code 905
3. Local Claims Filing Regulations, League of California Cities, 2003, attached

RESOLUTION NO. 19-03

**A RESOLUTION OF THE BOARD OF
DIRECTORS OF THE
SMALL CITIES ORGANIZED RISK EFFORT
ESTABLISHING LOCAL CLAIMS
PROCEDURE REGULATIONS**

BE IT RESOLVED by the Board of Directors of the SMALL CITIES ORGANIZED RISK EFFORT (“SCORE”) that the following local claims procedure regulations are hereby established:

- 1) Purpose and Authority.** The purpose of this resolution is to establish local claims procedure regulations to govern money claims brought against SCORE that are exempt from state law claims procedures under the Government Claims Act (Government Code § 900 et seq.). This resolution is adopted pursuant to Government Code section 935.
- 2) Local Claims Procedures.** SCORE hereby establishes the following claims procedure regulations to apply to and govern those claims against SCORE that, pursuant to Government Code section 905, are exempt from the Government Claims Act:
 - a. All claims for money or damages against SCORE that are exempt from the Government Claims Act, and that are not governed by any other statute or regulation expressly relating to such claim, shall be presented to SCORE within the time limitations and in the manner set forth in Government Code sections 910 through 915.4.
 - b. When a claim required by this resolution to be presented within a period of less than one year after the accrual of the cause of action is not presented within the required time, an application for leave to file a late claim may be made and processed in accordance with Government Code sections 911.4(b), 911.6 to 912.2, and 946.6. A late claim also shall be subject to Government Code section 946.4. (See Government Code § 935(e).)
 - c. Claims shall be subject to the provisions of Government Code section 945.4 relating to the prohibition of lawsuits until the timely presentation of and action on a claim. No lawsuit for money or damages may be brought against SCORE on a cause of action for which a claim is required to be presented in accordance with this resolution until a written claim has been timely presented to SCORE and has been acted upon by SCORE Board, or has been deemed to have been rejected by

the SCORE Board, in accordance with the procedures at Government Code sections 910 through 915.4. (See Government Code § 935(b).)

- d. Any lawsuit brought against SCORE on a claim subject to this resolution shall be subject to the provisions of Government Code sections 945.6 (lawsuit filing limitations) and 946 (lawsuit barred after claim allowed in full or part). Any lawsuit against SCORE on a claim subject to this resolution must be commenced within the time limitations of Government Code section 945.6. (See Government Code § 935(b).)

PASSED AND ADOPTED by the Board of Directors of the Small Cities Organized Risk Effort on the fourth day of October, 2019 by the following vote:

Votes in Favor: _____
Votes in Opposition: _____
Votes Abstaining: _____
Votes Absent: _____

President

ATTEST:

Secretary

California Government Code
Sec. 905

There shall be presented in accordance with Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) all claims for money or damages against local public entities except any of the following:

(a)

Claims under the Revenue and Taxation Code or other statute prescribing procedures for the refund, rebate, exemption, cancellation, amendment, modification, or adjustment of any tax, assessment, fee, or charge or any portion thereof, or of any penalties, costs, or charges related thereto.

(b)

Claims in connection with which the filing of a notice of lien, statement of claim, or stop notice is required under any law relating to liens of mechanics, laborers, or materialmen.

(c)

Claims by public employees for fees, salaries, wages, mileage, or other expenses and allowances.

(d)

Claims for which the workers compensation authorized by Division 4 (commencing with Section 3200) of the Labor Code is the exclusive remedy.

(e)

Applications or claims for any form of public assistance under the Welfare and Institutions Code or other provisions of law relating to public assistance programs, and claims for goods, services, provisions, or other assistance rendered for or on behalf of any recipient of any form of public assistance.

(f)

Applications or claims for money or benefits under any public retirement or pension system.

(g)

Claims for principal or interest upon any bonds, notes, warrants, or other evidences of indebtedness.

(h)

Claims that relate to a special assessment constituting a specific lien against the property assessed and that are payable from the proceeds of the assessment, by offset of a claim for damages against it or by delivery of any warrant or bonds representing it.

(i)

Claims by the state or by a state department or agency or by another local public entity or by a judicial branch entity.

(j)

Claims arising under any provision of the Unemployment Insurance Code, including, but not limited to, claims for money or benefits, or for refunds or credits of employer or worker contributions, penalties, or interest, or for refunds to workers of deductions from wages in excess of the amount prescribed.

(k)

Claims for the recovery of penalties or forfeitures made pursuant to Article 1 (commencing with Section 1720) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(l)

Claims governed by the Pedestrian Mall Law of 1960 (Part 1 (commencing with Section 11000) of Division 13 of the Streets and Highways Code).

(m)

Claims made pursuant to Section 340.1 of the Code of Civil Procedure for the recovery of damages suffered as a result of childhood sexual abuse. This subdivision shall apply only to claims arising out of conduct occurring on or after January 1, 2009.

(n)

Claims made pursuant to Section 701.820 of the Code of Civil Procedure for the recovery of money pursuant to Section 26680.

(o)

Claims made pursuant to Section 49013 of the Education Code for reimbursement of pupil fees for participation in educational activities.

City Attorneys Department
League of California Cities
Continuing Education Seminar
February 2003

Kevin D. Siegel
Anne Q. Pollack
Attorneys

LOCAL CLAIMS FILING REGULATIONS

INTRODUCTION

The Tort Claims Act generally requires the filing of an administrative claim for damages as a prerequisite to filing a civil action. Twelve classes of damage claims are exempted from the claim-presentation requirements under Government Code section 905. However, the Tort Claims Act provides local public agencies an opportunity to remove this exemption. Pursuant to Government Code section 935, local public agencies may adopt by charter amendment or local ordinance a claim-filing requirement for those classes of claims, which would otherwise be exempted under section 905. The purpose of this paper is to discuss the benefits of adopting such a requirement and to provide a sample ordinance for those who are interested in adopting a similar ordinance.

DISCUSSION

Local Agencies May Require The Filing Of An Administrative Claim For Those Claims That Would Otherwise Be Exempted From The Claims Presentation Requirements.

The Tort Claims Act (Gov. Code, § 810 et seq.) establishes the basic principals of public agency liability for damage claims, whether those claims sound in tort or contract. Aside from establishing the substantive rules for public agency damages liability, it establishes the procedural rules pursuant to which a claimant may seek a damage award from a public agency. Compliance with these procedural rules, including those requiring the filing of an administrative claim within the applicable six-month or one-year statute of limitation, operate as prerequisites to the filing of a civil action against the public agency. (See Gov. Code, §§ 945.6 and 946.)

Accordingly, where there may be substantive liability, the procedural requirements provide public agencies the opportunity to timely investigate claims and to reduce litigation expenses and potential judgments. In addition, procedural rules such as the statutes of limitations serve to bar some claims which would otherwise be substantively valid. (See *City of Ontario v. Superior Court* (1993) 12 Cal.App.4th 894, 902-03 (describing the purposes of the prescribed time limits as giving public agencies opportunities to timely investigate claims, to settle meritorious claims short of litigation, and to make appropriate fiscal planning decisions); see also *Crow v. State* (1990) 222 Cal.App.3d 192, 202.)

The Tort Claims Act, however, does not treat all claims the same. Specifically, the uniform procedures for claims against local public entities are limited by Government Code section 905,

which exempts some damage claims from the Tort Claims Act claims-presentation requirements (Gov. Code, § 900 et seq. and § 910 et seq.). Government Code section 905 excludes twelve categories of claims, many of which have specific claims procedures provided for them in other statutes. Included among the list of excluded categories of claims are:

- claims under the Revenue and Taxation Code or other statute for refunds of illegally collected taxes;
- claims for principal or interest upon any bond or other financial instrument;
- claims for employment benefits or salaries;
- claims by the State and other public agencies;
- welfare claims;
- claims by public employees for fees, salaries, wages, mileage or other expenses and allowances;
- public retirement or pension system claims.

(See Gov. Code, § 905 for complete list.)

What the Legislature takes with one hand, however, it gives with the other. Government Code section 935 provides that claims which are excluded from the claims presentation provisions, and which are not governed by other statutes or regulations expressly related thereto, may be covered by local agency charter, ordinance or regulation. As such, under section 935, municipalities and other local agencies may adopt ordinances which specifically require the filing of an administrative claim for those claims which would otherwise be excluded under section 905. This grant of this authority to local agencies has received judicial approval for

both charter and general law cities. (See *Pasadena Hotel Development Venture v. City of Pasadena* (1981) 119 Cal.App.3d 412; *City of Ontario*, supra, 12 Cal.App.4th 894.)¹

Local Claims Filing Ordinances Limit Liability.

The enactment of local claims procedures is of great benefit to cities. For instance, in *City of Ontario*, the State filed an action against the City for equitable indemnity in a flood damage case. The City demurred on the basis that the State had not filed a claim with the City and that the claim would be barred by the City's statute of limitations. The Court of Appeal agreed. It found that the express intent of the City's ordinance was to take advantage of section 935 and that section 935 "does not incorporate any suggestion whatsoever that it does not apply to claims by the State." (*City of Ontario*, supra, 12 Cal.App.4th at 902.) In fact, the Court found sections 905 and 935 and the relationship between the two to be exceedingly unambiguous: "Sections 905 and 935, read together, are perfectly clear. Section 905 creates exemptions from the state-mandated claims procedure; section 935 permits local public entities to enact their own procedures to cover the exempted claims." (*Id.* at 901-902.) Because the State did not comply and could not now comply, the City was saved from a possible indemnity judgment against it.

Even more clear and beneficial is the potential for such local claims-filing regulations to limit municipal liability in the tax refund claim context. As stated above, Government Code section 905 exempts from the claims filing provisions "[c]laims under the Revenue and Taxation Code or other statute providing procedures for the refund, rebate," etc. (Gov. Code, § 905(a).) Local regulations providing such refund procedures are not encompassed within the term "statute" either as commonly used or as particularly employed in section 905. Therefore, a city may adopt regulations requiring a Government Code claim as a prerequisite to a lawsuit for the refund of local taxes. (*Volkswagen Pacific, Inc. v. City of Los Angeles* (1972) 7 Cal.3d 48, 60-61.)

For example, in *Pasadena Hotel*, supra, 119 Cal.App.3d 412, an error in the tax assessed to a taxpayer resulted in a \$25,000 overpayment by the taxpayer to the City in 1976. The taxpayer filed a claim with the City in 1979 pursuant to the four year statute of limitations in the Revenue and Taxation Code. The City Charter and a municipal code provision, however, required that claims for tax refunds be filed within in one year. Because the Revenue and

¹ Some charter cities include such requirements both in their charter and in their municipal codes. (See, e.g., *Pasadena Hotel Development Venture*, supra, 119 Cal.App.3d 412.) The courts, however, have found the enactment of such claim filing procedures only by ordinance to be sufficient. (See *City of Ontario*, 12 Cal.App.4th at 899-902.)

Taxation code section did not expressly relate to the circumstances of the case, it did not apply and the shorter one year statute of limitations did apply resulting in the taxpayer's claim being untimely. Accordingly, local agencies that adopt a claims filing ordinance pursuant to Government Code section 935 may greatly limit their liability.

Consideration of the decision in *Howard Jarvis Taxpayers Assn. v. City of La Habra* (2001) 25 Cal.4th 809, demonstrates how the absence of such an ordinance can effectively increase a municipality's civil liability. At issue in *HJTA v. City of La Habra* was when the statute of limitations began running.

In *HJTA v. City of La Habra*, more than three years after the City's utility users tax ordinance was adopted, taxpayers sued the City claiming that the general tax was required by Proposition 62 to have been approved by the voters. The plaintiffs sought, among other things, a declaration that the tax was invalid, an injunction against its enforcement and a writ compelling the City to cease collecting the tax and refund illegally collected past taxes to the taxpayers. The City argued that the applicable statute of limitations period was three years pursuant to CCP § 338(a) (an action upon a liability created by statute) and that the limitations period commenced upon enactment of the tax ordinance. Thus, the City asserted, the claim was barred. Both the trial appellate courts upheld the City's position, but the Supreme Court reversed.

In reviewing the case, the Court held that while the plaintiffs could have brought suit as soon as the ordinance was enacted and did not have to wait for a court ruling that Proposition 62 was constitutional, their claim continually accrued every time the City collected the tax. Compounding the negative impact of the decision for the City of La Habra was that, for such tax liability claims exempted from the Tort Claims Act claims filing provisions, the applicable statute of limitations period was three years pursuant to CCP § 338. This meant the claim could proceed, and that should the ordinance ultimately be declared illegal, the City's liability would be three-fold that which it could have been had it enacted a one-year claims-filing procedure.

While this case specifically did not have anything to do with the Tort Claims Act or sections 905 and 935, the lesson that can be learned is clear. Those cities that have enacted an ordinance pursuant to section 935 providing for a claims-filing procedure for those claims exempted by section 905, may avoid altogether or at least greatly diminish their liability for such claims through the application of the one-year statute provided by the Tort Claims Act. In other words, as stated above, once a city establishes a claims-filing procedure, compliance with its provisions is a prerequisite to filing a lawsuit. A failure to file a claim within the Tort Claims Act's statute of limitations bars the lawsuit. Even where the statute continually accrues (e.g.,

the collection cases), the City's liability is reduced to only those claims accruing within the past year.²

CONCLUSION

As the experiences of many cities can attest, all cities without such an ordinance are well-advised to adopt a claims filing ordinance, at a minimum to cover themselves for future claims. A sample ordinance is attached to this paper for your reference.

² Cities should keep in mind that local regulations providing for claims-filing procedures generally do not apply retroactively unless they explicitly provide so. (*Adler v. Los Angeles Unified Sch. Dist.* (1979) 98 Cal.App.3d 280, 287.)

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**SCORE FY 19/20 CLAIMS REPORTING MANUAL
INFORMATION ITEM**

ISSUE: Michelle Minnick will provide the Board with the SCORE FY 19/20 Claims Reporting Manual which includes information about how to report a claim for lines of coverage.

RECOMMENDATION: None

FISCAL IMPACT: None.

BACKGROUND: Members previously expressed interest receiving information on how to file a claim – This is the first Claims Reporting Manual that has been created for members to help members understand their role and responsibilities they have to file claims timely and appropriately.

ATTACHMENTS: SCORE FY 19/20 Claims Reporting Manual (handout)



**SCORE – RFP RESPONSES FOR
WORKERS’ COMPENSATION CLAIMS AUDIT
ACTION ITEM**

ISSUE: SCORE contracts for an independent Workers’ Compensation claims audit every other year. The group issued a Request for Proposals for the audit to be conducted this fiscal year. The Board is presented a summary of the three responses and scoring by the Program Administrators.

RECOMMENDATION: Review and approve Workers’ Compensation Claim Auditor

FISCAL IMPACT: None.

BACKGROUND: The last Request for Proposals was completed in 2013 for Workers’ Compensation Claims Auditor at that time Tim Farley was selected to complete the audit. In an effort to ensure competitive pricing the Program Administration submitted a Request for Proposal and received 3 timely responses from ALC Claims Collaborations, Farley Consulting and North Bay Associates.

ATTACHMENTS: Summary of Proposals and Ratings

SUMMARY OF RESPONSES TO SCORE 2018 RFP FOR PROPERTY APPRAISAL SERVICES

VENDORS	ALC Claims Collaborations	SCORE	Farley Consulting Services	SCORE	North Bay Associates	SCORE
Total Cost	\$9,500	3	\$6,200	1	\$7,600	2
Submitted Proposal by deadline?	✓	5	✓	5	✓	5
Submitted Proposal to all correct contacts?	✓	5	Submitted only to MB (not MM)	4	✓	5
Will deliver final report by 1/17/20?	✓	5	✓	5	✓	5
Number of Files to be audited	20 Closed Files (w/in last 2 yrs with Total Incurred of \$25K+) 10 MO files	3	30 Open Files (at least 50% will have Total Incurred of \$25K+) 10 MO files closed in last 18 mo. 5 Open MO files	3	20 Open Files 20 Closed Files 10 MO Files (no cost for MO)	5
Can present audit report at 1/31/20 BOD Mtg?	Unknown	0	Via Teleconference	3	Available if required	3
Will provide Verified Certificate of Insurance (which names SCORE additional insured)	✓	3	✓	3	✓	3
On-time Submission of Proposal	✓	3	✓	3	✓	3
SCORE <i>5 points for each category with highest possible score of 45</i>		27		27		31

Rating Score: 5 = Excellent, 4 = Very Good, 3 = Good, 2 = Fair, 1 = Poor

blank = unclear/unknown



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item H.6.

SCORE REQUEST FOR PROPOSALS – FINANCIAL AUDIT

ACTION ITEM

ISSUE: The Program Administrators are prepared to issue a request for proposals for its annual financial audit. The Board expressed an interest in issuing an RFP for the financial audit in an effort to ensure competitive pricing. At this time the Board is asked if a Request for Proposal is needed to potentially select a new financial auditor for the Year Ending June 30, 2020.

RECOMMENDATION: Approve issuance of an RFP for SCORE’s annual financial audit.

FISCAL IMPACT: None.

BACKGROUND: SCORE has been using the same Financial Auditor since 2013 – Crowe LLP. Arthur Ngo has left Crowe LLP and has been replaced with Jennifer Hall at Crowe LLP. Jennifer Hall has previously presented the Audit findings to the SCORE Board at the October 27, 2017 meeting and is familiar with SCORE.

ATTACHMENTS: Draft RFP for Financial Auditor



ANNUAL FINANCIAL AUDIT SERVICES

REQUEST FOR PROPOSALS

ISSUE DATE: JANUARY 15, 2020

RESPONSES DUE: MARCH 2, 2020 AT 5 P.M.

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INFORMATION REGARDING THE PROPOSALS

INTRODUCTION

Small Cities Organized Risk Effort Joint Powers Authority, hereinafter referred to as SCORE, is soliciting proposals from qualified certified public accounting firms interested in providing financial auditing services for SCORE.

Currently, accounting services are provided by Gilbert Associates, Inc. CPAs and Advisors, with Roger Carroll from the Town of Loomis, a member of SCORE, serving as Treasurer.

SCORE is requesting a proposal that is inclusive of all financial audit services listed in the [Scope of Services](#) section of this document.

There is no express or implied obligation for SCORE to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Any inquiries concerning the request for proposals should be addressed to Alliant Insurance Services, Inc, SCORE's Program Administrators.

To be considered, the prospective Contractor must submit in a PDF document electronic copy of their proposal. The documents must be received by 5:00 p.m. on March 2, 2020. The JPA reserves the right to reject any or all proposals submitted. ALL LATE SUBMISSIONS WILL BE DISQUALIFIED, NO EXCEPTIONS.

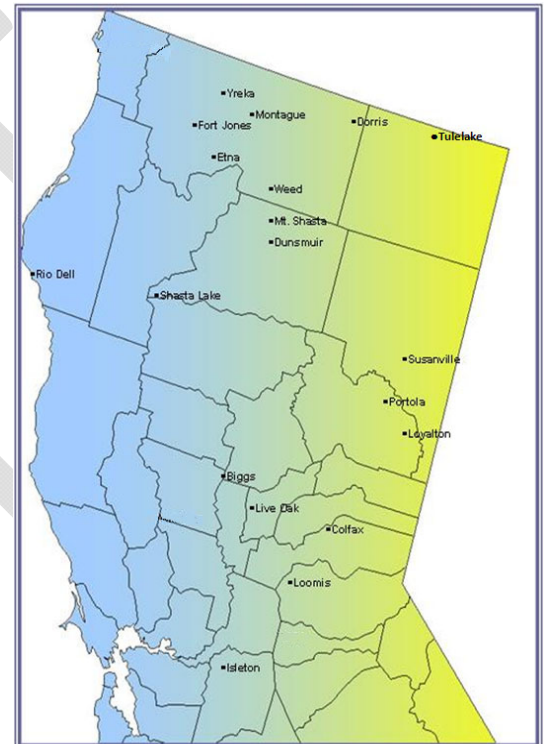
During the evaluation process the Finance Committee, Board of Directors and SCORE reserve the right, where it may serve SCORE's best interest, to request additional information or clarifications from proposals, or to allow corrections of errors or omissions. At the discretion of SCORE, Board of Directors and/or the Finance Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

SCORE reserves the right to retain all proposals submitted regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between SCORE and the firm selected.

BACKGROUND

Small Cities Organized Risk Effort (SCORE) is a California Joint Powers Authority comprised of 18 Cities in Northern California. Total insurable values are approximately \$220 million. The Members vary in size from the City of Susanville (largest) to the Town of Fort Jones (smallest). The JPA was established in 1986. SCORE’s Mission Statement sums up the intent of SCORE: *To protect the assets of members by reducing, sharing, controlling and stabilizing the cost of risk, while providing a high level of cost effective services.*

City	Pop.	Payroll	Emergency Services
Biggs	1,707	\$413,838	Police
Colfax	1,983	\$707,527	Vol. Fire
Dunsmuir	1,650	\$796,486	Vol. Fire
Etna	737	\$652,481	Police & Vol. Fire
Fort Jones	839	\$545,651	Vol. Fire
Isleton	804	\$348,933	Vol. Fire
Live Oak	8,500	\$1,428,199	None
Loomis	6,430	\$973,672	None
Loyalton	729	\$114,893	Vol. Fire
Montague	1,443	\$329,375	Vol. Fire
Mt. Shasta	3,394	\$2,253,506	Police & Fire
Portola	2,104	\$710,796	Vol. Fire
Rio Dell	3,369	\$1,047,932	Police Only
Shasta Lake	10,213	\$4,181,350	None
Susanville	16,616	\$4,112,518	Police & Fire
Tulelake	993	\$410,457	Police & Vol. Fire
Weed	2,941	\$2,186,857	Police & Vol. Fire
Yreka	7,679	\$3,595,296	Police & Vol. Fire
TOTAL		\$24,809,766	



IMPORTANT NOTICE

Read this **Request for Proposals (RFP)** carefully. By submitting a Proposal(s) in response to this RFP, you acknowledge that you have read, understand and agree to comply with all the provisions of this RFP. SCORE may modify this RFP or make relevant information available to potential Proposers. It is the responsibility of potential Proposers to refer daily to SCORE’s website (www.scorejpa.org) to check for any available addenda, responses to clarifying questions, or solicitation cancellations.

GENERAL INFORMATION

SCORE's Program Administrator will be your sole point of contact during the RFP process. All correspondence pertaining to this RFP should be appropriately addressed per the contact information below:

Marcus Beverly
SCORE Administrator
Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento, CA 95815
Marcus.Beverly@alliant.com
(916) 643-2704

Michelle Minnick
SCORE Account Manager
Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento, CA 95815
Michelle.Minnick@alliant.com
916-643-2715

GENERAL PROVISIONS

SCORE reserves the right to reject any and all Proposals received as a result of this RFP. In addition, SCORE may award a contract to the firm offering the best level of services in the opinion of SCORE and not necessarily to the lowest cost. SCORE may further negotiate terms with any firm who provides a response.

1. **Modification or Withdrawal of Proposal:** Any proposal may be modified or withdrawn at any time prior to the closing deadline, provided that a written request is received by the SCORE Administrator prior to the closing date. The withdrawal of a Proposal will not prejudice the right of a Proposer to submit a new proposal.
2. **Protests of Specifications:** Protests of the RFP specifications may be made only if a term or condition of the RFP violates applicable law. Protests of Specifications must be received in writing prior to the date and time indicated in the Schedule of Events, at the email address listed under General Information. Protests of the RFP Specifications must include the reason for the protest and any proposed changes to the requirements.
3. **Requests for Clarification and Requests for Change:** Proposers may submit questions regarding the specifications of the RFP. Questions must be received prior to the date and time indicated in the Schedule of Events at the email address listed under General Information. Requests for changes must include the reason for the change and any recommended modifications to the RFP requirements.

The purpose of this requirement is to permit SCORE to correct, prior to consideration of the Proposals, RFP terms or technical requirements that may be improvident or which unjustifiably restrict competition.

SCORE will consider all requested changes and, if appropriate, amend the RFP. SCORE will provide reasonable notice of its decision to all Proposers.

4. **Addenda:** If any part of this RFP is amended, addenda will be provided on the SCORE website (www.scorejpa.org). Proposers are exclusively responsible to checking the website to determine whether any addenda have been issued. **By submitting a Proposal, each Proposer thereby agrees that it accepts all risks and waives all claims associated with or related to its failure to obtain any addendum or addendum information.**
5. **Post-Selection Review and Protest of Award:** SCORE will name the apparent successful Proposer in a “Notice of Intent to Award” letter. Identification of the apparent successful Proposer is procedural only and creates no right in the named Proposer to ward of the contract. Competing Proposers will be notified in writing of the selection of the apparent successful Proposer and shall be given seven (7) calendar days from the date on the “Notice of Intent to Award” letter to request and review documents regarding the selection process and to file a written protest of award. Any award protest must be received in writing at the e-mail address listed under the General Information section of this document.

SCORE will consider any protests received and:

- a. reject all protests and proceed with final evaluation of, and any contract language negotiation with, the apparent successful Proposer and, pending the satisfactory outcome of this final evaluation and negotiation, enter into a contract with the named Proposer;
OR
- b. sustain a meritorious protest(s) and reject the apparent successful Proposer as nonresponsive if such Proposer is unable to demonstrate that its Proposal complied with all material requirements of the solicitation and California public procurement law; thereafter, SCORE may name a new apparent successful Proposer;

OR;
- c. Reject all Proposals and cancel the procurement.

SCORE will timely respond to any protests after receipt. The decision shall be final.

6. **Potential Selection of Finalists.** After the initial evaluation of Proposals, SCORE, at its sole discretion, may:
 - a. issue a Notice of Intent to Award based on the SCORE and Qualification section provided in this RFP;
 - b. select one or more Proposer(s) as designated finalists based on the Scope and Qualifications section provided in this RFP (“Finalists”). Finalists may be invited to

participate in oral interviews. These firms should be prepared to include in the interview, the proposed personnel who the firms plans to utilize to provide these services to SCORE.

- c. Proposers shall not materially alter the content or terms of the original Proposal. If the Administrator requests presentations to be made by the Finalists, SCORE's administrator will schedule the time and location for the presentations. **Note:** Oral presentations are at the discretion of SCORE's Program Administrator and may or may not be conducted; therefore, **written Proposals should be complete.**

If Finalists are selected, Proposers not selected as Finalists will be notified in writing of the Finalist selections. Proposers not selected as Finalists will be given seven (7) calendar days from the date on the notice of Finalist selection to file a written protest. Any protest must be received in writing at SCORE's Administrator's email address listed in the [General Information](#) section of this RFP document.

Acceptance of Contractual Requirements: Failure of the selected Proposer to execute the contract and deliver the required insurance certificates within ten (10) calendar days after notification of an award may result in cancellation of the award. This time period may be extended at the option of SCORE.

SCOPE OF SERVICES

A. The audit shall be made in accordance with *Auditing Standards generally accepted in the United States of America* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. *These standards include generally accepted auditing standards as adopted by membership of the American Institute of Certified Public Accountants (AICPA), and the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts.* The audit shall be made in accordance with generally accepted governmental auditing procedures prescribed by the AICPA and the Industry Audit Guide-Audit of State and Local Governmental Units and the appropriate sections of the Governmental Accounting Standards Board's Statements.

Auditors are expected to be knowledgeable of this program and have the experience to assist the JPA in achieving this reporting standard. Apply appropriate audit procedures to all required and other supplemental information including the combining financial statements, all individual fund financial statements, reconciliations of unpaid claim liabilities and loss development schedules and present an opinion regarding the fair presentation of all supplemental information "in relation to" the financial statements taken as a whole. Conduct an assessment of the JPA's internal controls. Obtain an understanding of the JPA's systems for internal controls sufficient to plan the audit by performing procedures to understand the design of controls relevant to an audit of financial statements, and whether they have been placed in operation. Prepare a written report with any recommendations regarding the auditor's assessment of the internal control structure and control risk including the control environment, risk assessments, control activities, information and communication, and monitoring. Perform tests of compliance with appropriate laws and regulation. Prepare a written report regarding

any material findings resulting from the auditor's test of compliance with applicable laws and regulations. Present discussion drafts of the auditor's reports at an exit conference with appropriate JPA personnel. The purpose of this conference is to sustain effective auditor-client communication and provide a check against misunderstandings. Final draft of the Auditor's Opinion letter, Report on Internal Controls, Letter to Management, and any other required communications should be presented to the Audit Committee during the month of (Date).

Working Papers - the auditor shall retain working papers for a period of three (3) years, unless otherwise specified by the JPA. Such working papers shall be available for review and audit by the JPA, representatives of Federal, State and/or County Governments and other individuals designated by the JPA.

B. The audit shall include a Report on Compliance and on Internal Controls over Financial Reporting in accordance with *Government Auditing Standards*.

C. Additionally, SCORE requires:

- As summarized under GASB 40
 - An evaluation of the credit risk;
 - An evaluation of investments;
- Statement of unpaid claims and claims adjustment expenses;
- Evaluation of liabilities separately for the liability program and the WC program;
- Ten year claims development triangle for the liability program and the WC program with premiums, investments, claims and expenses compared to net paid and incurred claims at year end for the past ten years;
- Combining statement of net assets for liability and workers' compensation;
- Statement of Net Assets by Member, Shared Risk Layer and Administration separately for liability and workers' compensation;
- Statement of Revenues, Expenditures, and changes in net assets by Member, Shared Risk Layer and Administration separately for liability and workers' compensation;

D. The auditor shall prepare a management letter, if necessary, with statements, observations, opinions, comments, or recommendations with regards to the financial statements of NCCSIF and its system of internal controls.

E. The first annual auditor's report must be completed and delivered to NCCSIF in DRAFT form no later than September 10th and in the FINAL format not later than October 7th following the end of the year being audited. Dates for subsequent year's audits will be determined annually. The auditors shall provide five (5) bound copies and an electronic (PDF) version of the audit report.

F. The auditor may be requested to present the DRAFT findings to the Finance or Executive Committee during the third week of September and will be requested to present the audit report to the Board of Directors annually at its autumn meeting, which is usually scheduled during the third week of October.

SCOPE OF PROPOSAL

Proposers shall submit proposals to provide the information requested in this section. Additional information may be provided.

- A. **Organization:** A brief description of your firm. Please include the name of the individual to contact for further information, size of your firm, as well as a summary of similar work or audits performed by your firm in the immediate past three years. Please also include at least three references that we may contact.
- B. **Personnel:** A description of the qualification of all professional personnel who will be assigned to conduct the audit for SCORE. Please include a brief resume of each professional and a summary of similar work of audits performed. In addition, please provide the name of the lead person who will conduct the audit. The Contractor will not be permitted to substitute the lead person without prior approval of the SCORE Board of Directors.
- C. **Methodology:** A description of your overall approach to the audit, including the work plan, specific techniques that will be used, specific administrative and operational management expertise, and auditing principles/standards that will be employed. Please provide a statement of assurance that the timeliness of the audit reports can be achieved.
- D. **Conflict of Interest:** Disclosure of any past or current business or other relationship with SCORE or any of its member housing authorities that may have an impact upon the outcome of the audit. Include a listing of any current clients that may have a financial interest in the outcome of the audit.
- E. **Cost(s) & Term:** It is the intent of SCORE to contract for a **three-year period** encompassing Fiscal Years ending June 30, 2020, June 30, 2021 and June 30, 2022. The compensation for any additional years will be negotiated on an annual basis. You are to disclose the total contract bid price or cost your firm is proposing to SCORE. The total cost must be an exact amount. The cost must be detailed as to classes of personnel to be used in the audit and include the estimated number of hours and cost for each class. Other costs including travel and out-of-pocket costs may also be included. The bid price must be submitted in a format very similar to what is shown below:

Auditor Classification Name _____ Name _____	Hours	Rate	Total Cost
Travel and other out-of-pocket costs			
Total First Year Fee			

We agree to perform the audit specified at a total cost not to exceed:

\$ _____ For the fiscal year ending June 30, 2020

\$ _____ For the fiscal year ending June 30, 2021

\$ _____ For the fiscal year ending June 30, 2022

INSURANCE REQUIREMENTS

Proposers shall procure and maintain, during the entire term of the agreement, insurance pertaining to the activities associated with the agreement. Proposers will be required to obtain, at their own cost and expense, all insurance required in Attachment A. Proposers shall provide evidence of such insurance and endorsements to SCORE prior to commencing work.

All insurance documents are to be sent to:

Michelle Minnick
SCORE Account Manager
Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento, CA 95815
Michelle.Minnick@alliant.com
916-643-2715

EVALUATION CRITERIA

1. Qualifications
2. Staffing and Project Organization
3. Fee

SELECTION PROCESS

Upon receipt of the proposal, SCORE staff will review each firm's response. Proposals will be reviewed and considered by the SCORE Finance Committee. The Finance Committee may elect to conduct interviews to further assist in the review process. If interviews are to take place, they will take place in March 2020 with the final firm selection being made by the SCORE Finance Committee and Board of Directors at their March 2020 meeting.

SCORE reserves the right to award the contract to the auditor at its discretion depending upon multiple criteria. Once selected, SCORE will enter into contract negotiations with the selected firm, as determined by the SCORE Finance Committee at its sole discretion.

Failure to properly address all the items set forth above may disqualify the prospective auditor's proposal. SCORE reserves the right to reject any and all proposals, to waive any informality, defect or irregularity in a proposal, to conduct contract negotiations with any firm (whether or not it has submitted a proposal), to alter the selection process in any way, to postpone the selection process for its own convenience at any time, to accept or reject any individual sub-consultant that a candidate firm proposes to use, and/or to decide whether or not to contract with any firm at its sole discretion. Nothing in this Request for Proposal shall be construed to obligate SCORE to negotiate or enter into a contract with any particular firm. This Request for Proposal shall not be deemed to be an offer to contract or to enter into a binding contract or agreement of any kind.

SUBMISSION DEADLINE

The prospective Contractor must submit three (3) legible copies of their proposal, with at least one (1) copy being in PDF format (be email is fine).

Questions concerning this Request for Proposal should be addressed to the Program Administrator by February 18, 2020:

All proposals must be received in our office (address below) by 5:00 p.m. on March 2, 2020. Late proposals will be rejected.

Marcus Beverly
SCORE Program Administrator
Alliant Insurance Services
2180 Harvard Street, Suite 460
Sacramento, CA 95815
Marcus.Beverly@alliant.com

SELECTION TIME TABLE

February 18, 2020	Last day to submit vendor questions to Program Administrator
February 24, 2020	Program Administrator will send and may publish responses to Vendor questions on the SCORE
March 2, 2020	Proposals due by 5:00 p.m. in Alliant Office & E-Mail Inbox
March 3-4, 2020	Proposal Review
March 5–13, 2020	Window for Interview of firms, if necessary and by Program Administration to Board of Directors
March 27, 2020	Vendor Selection by Board of Directors
March 31, 2020	Winning vendor selection notification & announcement

SCORE reserves the right to cancel and/or modify the above dates at anytime or to make a dual appointment.

ATTACHMENTS

1. Auditor Distribution List
2. SCORE Proposal Acknowledgment Form
3. Insurance Requirements
4. SCORE's Latest Financial Audit Report - as of 06/30/2019



SCHEDULE OF FIRMS THAT WILL RECEIVE THE RFP

Mr. Matthew Nathaway
Crowe Horwath
400 Capitol Mall, Suite 1200 Sacramento, CA 95833
(916) 441-1000
Matt.Nethaway@crowehorwath.com

James Marta CPA, ARM: Principal
James Marta & Company
Certified Public Accountants
701 Howe Avenue, STE E3
Sacramento, CA 95825
(916) 993-9494
JMarta@jpmcpa.com

Ms. Katherine Yuen
Maze and Associates
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523
Katheriney@mazeassociates.com

Mr. Robert T. Dennis - Owner
12223 Highland Avenue, Suite #106-625
Rancho Cucamonga, CA 91739
(909) 689-8219
rtdennis@dennis-cpa.com

Mr. Dan Sampson
Sampson & Sampson, Patterson LLP
3148 Willow Avenue
Clovis, CA 93612
(209) 291-0277
dansampson@sampsoncpa.com

Steve Drageset
Aiello, Goodrich & Teuscher
Certified Public Accountants
205 N. Mt. Shasta Blvd. #300 | P.O. BOX 158
Mt. Shasta, CA 96067
(530) 926-3881
Steve@agtcpa.com



SMALL CITIES ORGANIZED RISK EFFORT (SCORE)

Acknowledgment Form -- Annual Financial Audit Services RFP

Submitted below is our proposal to perform the annual financial audit for the Board of Directors of SCORE for the fiscal year ending June 30, 2020.

We propose to conduct the audit and submit the audit report in compliance with all above referenced criteria as well as generally accepted auditing standards. The following is a list of personnel, by classification, who will be assigned to this audit. The estimated number of hours and rate per hour are indicated for each participant.

<u>Classification</u>	<u>Hours</u>	<u>Rate</u>
Firm Partner	_____	_____
Managing Accountant	_____	_____
Senior Accountant	_____	_____
Junior Accountant	_____	_____

The undersigned agrees to perform the audit specified and, upon completion, provide 25 copies of the Audit Report to SCORE. The total fee for this service, including all costs of conducting the audit, will not exceed \$ _____.

The audit will be performed in accordance with the requirements outlined in the *Request for Proposal -- Annual Financial Audit Services*, and will be performed by the personnel identified in this document (*Annual Financial Audit Services Request for Proposals*). The firm will enter into an agreement with SCORE in accordance with the information provided in this document.

Name of Accounting Firm

By:

Date: _____

Title:



Attachment A

Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope and limit of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
(Not required if consultant provides written verification it has no employees)
4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the Consultant’s profession, with limit no less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, SCORE requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SCORE.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

SCORE, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed



by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects SCORE, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by SCORE, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to SCORE.**

Waiver of Subrogation

Consultant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Consultant may acquire against SCORE by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not SCORE has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by SCORE. SCORE may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to SCORE.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.



2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of ***five (5)*** years after completion of contract work.

Verification of Coverage

Consultant shall furnish SCORE with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) to SCORE before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide them. SCORE reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that SCORE is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

SCORE reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item H.7.

SCORE FY 20/21 MEETING DATES AND LOCATIONS

ACTION ITEM

ISSUE: The SCORE Board approved the meeting dates for the FY 19/20 year at their meeting in January of 2019. The three remaining dates this year are set for Friday, January 31, 2020, March 27, 2020 and Friday, June 26, 2020, all starting at 10:00 a.m. The meeting date resolution states the location as Anderson, CA. To help members avoid scheduling conflicts during the FY 20/21 we have proposed meeting dates.

RECOMMENDATION: Consider and approve dates and locations for the FY 20/21 meetings, including the annual retreat and Board meeting.

FISCAL IMPACT: T.B.D.

BACKGROUND: For the last fiscal year all SCORE meetings have been held at the Gaia Hotel in Anderson, CA as it is centrally located for all members.

ATTACHMENT(S): Resolution 20-21 Proposed Meeting Dates and Locations

RESOLUTION NO. 20-01

**RESOLUTION OF THE BOARD OF DIRECTORS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
ESTABLISHING MEETING DATES FOR THE PROGRAM YEAR 2020/21**

BE IT RESOLVED THAT:

The following meeting dates are hereby established for the 2020/21 Program Year:

Friday, August 28, 2020 commence at 10:00 a.m.	Teleconference
Thursday, October 22, 2020 commence at 8:00 a.m.	Anderson, CA
Friday, October 23, 2020 commence at 8:00 a.m.	Anderson, CA
Friday, January 29, 2021 commence at 10:00 a.m.	Anderson, CA
Friday, March 26, 2021 commence at 10:00 a.m.	Anderson, CA
Friday, June 25, 2021 commence at 10:00 a.m.	Anderson, CA

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on January 25, 2019 in Anderson, California, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

ATTEST:

Steve Baker, SCORE President



ELECTRONIC DOCUMENT DELIVERY OPTION

ACTION ITEM

ISSUE: In order to comply with federal and state laws regarding the use of electronic documents the Board shall consider the delivery options available to members.

RECOMMENDATION: The Board is asked to provide consent to receive documents electronically.

FISCAL IMPACT: Unknown. Potential increased costs for printing and mailing of: applications, proposals, invoices and policies.

BACKGROUND: Both the federal E-SIGN* law and UETA**, the state model law adopted in 47 states, permit the use of electronic signatures, electronic delivery and electronic records to satisfy the “in writing” legal requirements for transactions and permit companies to satisfy statutory record retention requirements solely through the use of electronic records. The statutes require that the party initiating the e-delivery obtain both the consent of the consumer to complete the transaction electronically and the consent to receive disclosures electronically.

If a member fails to provide a signed Electronic Document Delivery Form all requests for information will be submitted to those members via regular mail.

ATTACHMENTS: Electronic Document Delivery Form

Electronic Delivery Option Form

Alliant Insurance Services, Inc. may be required by law to obtain consent from insureds prior to providing electronic delivery of documents, including the policy. You may change your option at any time. Please select one of the following:

- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I elect to receive all my documents electronically and acknowledge I may no longer receive paper copies unless I sign a new form requesting both electronic and paper copies or specifically request them.
- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY AND PAPER DELIVERY**
I elect to receive both electronic and paper copies of my insurance policy and supporting documents.
- REJECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I reject the option to receive my insurance policy and supporting documents electronically. I will receive paper copies of such documents.
- ELECTION TO WITHDRAW CONSENT OF ELECTRONIC DELIVERY**
I withdraw my previous consent of electronic delivery of my insurance policy and supporting documents. I elect to receive paper copies of such document going forward.

Named Insured:

Print Name of Authorized Representative

Title

Signature of Authorized Representative

Date Signed

If you have selected electronic document delivery, please provide the email address for the individual(s) who should receive these documents. If this information changes, please provide updated details to your service team.

This selection remains intact until revised by you.

E-mail addresses:



WORKERS' COMPENSATION ADVANCED SESSION
LUNCHTIME PRESENTATION
INFORMATION ITEM

ISSUE: Dori Zumwalt from York Risk Services will provide the Board with a presentation on Workers' Compensation Claims Reporting, benefits, and best management practices.

RECOMMENDATION: None

FISCAL IMPACT: None.

BACKGROUND: York has provided training on the basics of Workers' Compensation claims at prior Board meetings. This session is geared to go beyond the basics to help members understand their roles and responsibilities during the course of the claim and its timely resolution.

ATTACHMENTS: Presentation at meeting



**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item I.

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:

**Request for Authority

1. Liability

- a. SCGA-01869A1 v. City of Dunsmuir**

2. Workers' Compensation

- a. SCWA-556097 v. City of Yreka**
- b. SCWA-556065 v. City of Yreka**
- c. SCWA-555937 v. City of Yreka**
- d. SCWA-556063 v. City of Montague**

FISCAL IMPACT: TBD

RECOMMENDATION: None

BACKGROUND: None

ATTACHMENTS: Provided at meeting



BACK TO AGENDA

**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item J.

**REPORT FROM CLOSED SESSION
INFORMATION ITEM**

ISSUE: The floor will be open to the Board for discussion.

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: This item is added to each agenda for any topics or ideas members would like to discuss.

ATTACHMENTS: None.



BACK TO AGENDA

**Small Cities Organized Risk Effort
Board of Directors Meeting
October 4, 2019**

Agenda Item K.

**ROUNDTABLE DISCUSSION
INFORMATION ITEM**

ISSUE: The floor will be open to the Board for discussion.

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: This item is added to each agenda for any topics or ideas members would like to discuss.

ATTACHMENTS: None.



INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for SCORE members.

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

BACKGROUND: None.

FISCAL IMPACT: None.

ATTACHMENT(S):

PARMA Conference, February 25-28, 2020 Monterey, CA: The Board is reminded of the upcoming Risk Management Conference to take place at the Monterey Conference Center, Monterey, CA. Annually each member has \$1,000 available in Conference Funds which can be used to help offset the cost of attendance.

FY 2019/20 Resource Contact Guide: The Board of Directors is provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources.

Glossary of Terms: A Glossary of terms has been created and added to the agenda packet per Member request. This will continue to be included in future Board agenda packets.

SCORE Travel Reimbursement Form: This form should be used to request reimbursement for travel expenses related to attending a SCORE meeting.

SCORE RESOURCE CONTACT GUIDE

FY 2019/20

PROGRAM ADMINISTRATION
 Alliant Insurance Services, Inc.
 2180 Harvard Street Ste 460
 Sacramento, CA 95815
 Main: (916) 643-2700 Fax: (916) 643-2750
www.Alliant.com

SUBJECT	MAIN CONTACT	PHONE	EMAIL
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	Marcus Beverly	(916) 643-2704 (916) 660-2725 (cell)	Marcus.Beverly@alliant.com
	Conor Boughey	(415) 403-1411	cboughey@alliant.com
	Michael Simmons	(415) 403-1425 (925) 708-3374 (cell)	msimmons@alliant.com
	Michelle Minnick	(916) 643-2715	Michelle.Minnick@alliant.com
	Joan Crossley	(916) 643-2712	jcrossley@alliant.com
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.	Michelle Minnick Marcus Beverly Joan Crossley		
COVERAGE / RISK MANAGEMENT ISSUES – <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 	Michelle Minnick Marcus Beverly Joan Crossley		

SCORE RESOURCE CONTACT GUIDE

FY 2019/20

CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619079
 Roseville, CA 95678
 Main: (800) 922-5020 Fax: (866) 548-2637
www.yorkrisk.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: center;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: center;"><u>Subrogation</u></p>	<p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p> <p>Shawn Millar, Property & Casualty Adjuster</p> <p>Brian Davis, Property & Casualty Adjuster</p> <p>Ariel Leonhard, Claims Examiner</p> <p>John Peshkoff, Senior Claims Manager</p> <p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p>	<p>(916) 746-8849</p> <p>(916) 746-8820 C:530-210-4910</p> <p>(916) 746-8832</p> <p>(916) 960-0974</p> <p>(916) 960-0956</p> <p>(916) 746-8849</p>	<p>jill.petrarca@yorkrisk.com</p> <p>shawn.millar@yorkrisk.com</p> <p>brian.davis@yorkrisk.com</p> <p>ariel.leonhard@yorkrisk.com</p> <p>john.peshkoff@yorkrisk.com</p> <p>jill.petrarca@yorkrisk.com</p>
<p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues</p> <p>COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p>	<p>Dori Zumwalt, Account Executive, Client Services</p> <p>Kelly Stewart, Vice President Property and Casualty Claims</p>	<p>(916) 960-1017</p> <p>(714) 620-1302</p>	<p>dorienne.zumwalt@yorkrisk.com</p> <p>kelly.stewart@yorkrisk.com</p>

SCORE RESOURCE CONTACT GUIDE

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CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIM REPORTING AND TRIAGE SERVICES – Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost</p> <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) 	<p>Chris Park, Account Executive</p>	<p>(480) 717-6842</p>	<p>service@companynurse.com</p>

ACCOUNTING SERVICES

Gilbert Associates, Inc.

Main: (916) 646-6464 Fax: (916) 929-6836

www.gilbertcpa.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p style="text-align: center;">Kevin Wong</p> <p style="text-align: center;">Jennifer Zraick</p>	<p>(916) 646-6464</p>	<p>kswong@gilbertcpa.com</p> <p>JZraick@gilbertcpa.com</p>

POLICE AND FIRE RISK MANAGEMENT SERVICES

Lexipol

Main: (949) 484-4444 Fax: (949) 484-4443

<http://www.lexipol.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members' Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events</p>	<p>Dale Cephers, West Region Market Development Executive</p>	<p>(469) 731-4685</p>	<p>dcephers@lexipol.com</p>

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ERMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.ermajpa.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p style="text-align: right;">Board Member - John Duckett</p> <p style="text-align: right;">Alternate - Roger Carroll</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training 	<p>Rob Kramer, Executive Director</p> <p>Jennifer Jobe, Assistant Executive Director</p>	<p>(530) 275-7427</p> <p>(916) 652-1840</p> <p>(916) 244-1117</p> <p>(916) 244-1139</p>	<p>info@ermajpa.org</p> <p>jduckett@cityofshastalake.org</p> <p>rcarroll@loomis.ca.gov</p> <p>rkramer@bickmore.net</p> <p>jjobe@bickmore.net</p>

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p style="text-align: right;">Board Member - Steve Baker</p> <p style="text-align: right;">Alternate – Marcus Beverly</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered 	<p>Jim Elledge, Executive Director</p> <p>Tammy Vitali, Claims Manager</p> <p>Terrie Norris, Risk Control Manager</p> <p>Kim Sackett, Administrative Analyst</p>	<p>(530) 841-2321</p> <p>(916) 643-2704</p> <p>(916) 244-1124</p> <p>(916) 244-1114</p> <p>(916) 290-4655</p> <p>(916) 290-4601</p>	<p>sbaker@ci.yreka.ca.us</p> <p>Marcus.Beverly@alliant.com</p> <p>jerlledge@bickmore.net</p> <p>tvitali@bickmore.net</p> <p>tnorris@bickmore.net</p> <p>kim.sackett@yorkrisk.com</p>

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CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p style="text-align: right;">Board Member - Roger Carroll</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact Tony Giles Assistant General Manager or Marinda Griese) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. 	<p style="text-align: right;">Marinda Griese, Claim Administrator</p> <p style="text-align: right;">Tony Giles, Assistant General Manager</p>	<p style="text-align: right;">(916) 652-1840</p> <p style="text-align: right;">(530) 275-7427</p> <p style="text-align: right;">(925) 290-1315</p> <p style="text-align: right;">(925) 290-1318</p>	<p style="text-align: right;">rcarroll@loomis.ca.gov</p> <p style="text-align: right;">jduckett@cityofshastalake.org</p> <p style="text-align: right;">marinda@cjprma.org</p> <p style="text-align: right;">tony@cjprma.org</p>

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LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"> • Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software • Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics • Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software • ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/ 	<p style="text-align: center;">David Patzer</p> <p style="text-align: center;">John Balestrini</p> <p style="text-align: center;">Katie Frassinelli</p>	<p style="text-align: center;">(707) 373-9709</p> <p style="text-align: center;">(916) 532-5802</p>	<p style="text-align: center;">dpatzer@dkfsolutions.com</p> <p style="text-align: center;">john@dkfsolutions.com</p> <p style="text-align: center;">Kfrassinelli@dkfsolutions.com</p>

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EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch ‘n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness 	Colleen Shuster	(858) 529-0171	cshuster@acieap.com

AQUATICS RISK MANAGEMENT

Total Aquatic Management
 Main: (510) 523-3155

www.totalaquaticmanagement.webs.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<ul style="list-style-type: none"> • Aquatic Safety services • Certified Pool Operator (CPO) Trainings 	Jim Wheeler	(510) 523-3155	jim@totalaquaticmanagement.com swimnjim@hotmail.com

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TRAINING SERVICES Target Solutions Main: (800) 840-8048 Fax: (858) 487-8762 www.targetsolutions.com			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
TRAINING SERVICES – a Web-based Safety Training Platform Services Offered <ul style="list-style-type: none"> • OSHA Training Documentation • Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&customerid=19258&customerpath=score • Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans) • Training Records management (i.e. Diplomas, Certificates of Completion) • Continuing Education Courses for Fire and Safety Personnel 	Karly Andrade , Account Specialist	(858) 376-1636	karly.andrade@vectorsolutions.com
CONCRETE CUTTING Precision Concrete Cutting Main: (866) 792-8006 Fax: (650) 240-3866 www.dontgrind.com			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
SIDEWALK TRIP HAZARD SERVICES Services Offered <ul style="list-style-type: none"> • Sidewalk Asset Management • Surveying Sidewalk Infrastructure • Repairing Uneven Sidewalk Panels 	Joseph Ortega Katrina Lynch	(650) 576-4303 (916) 847-7346	jortega@DontGrind.com Klynch@dontgrind.com
LEAGUE OF CALIFORNIA CITIES Main: (916) 658-8200 Fax: (866) 593-2927 www.cacities.org			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
The League of California Cities is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence policy decisions that affect cities.	Charles W. Anderson , Regional Public Affairs Manager	(916) 798-2231	canderson@cacities.org

GLOSSARY OF TERMS

Term	Definition
4850	Labor Code 4850
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it
Additional Insured	A type of status associated with general liability insurance policies that provides coverage to other individuals/groups that were not initially named. After endorsement, the additional insured will then be protected under the named insurer's policy and can file a claim in the event that they are sued.
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract)
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would "drop down" and pay losses within the JPIA's SIR, or pooled layer
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance

GLOSSARY OF TERMS

AGRIP (Association of Governmental Risk Pools)	A national organization of JPA’s and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists’ liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have “Bailment” or “care, custody and control” liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best’s Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
Binder	A legal agreement issued by either an agent or an insurer to provide temporary evidence of insurance until a policy can be issued. Binders should contain definite time limits, should be in writing, and should clearly designate the insurer with which the risk is bound.
BOD/BD (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California’s public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE’s Liability Program
California State Association of Governments (CSAC)	CSAC is a lobbying, advocacy and service organization representing the state’s 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority (CSAC-EIA)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987

GLOSSARY OF TERMS

Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
CIC (Certified Insurance Counselor)	an insurance agent professional certification designation
Certificate Of Insurance	A certificate of insurance is a document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals.
Certified Industrial Hygienist (CIH)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter (CPCU)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis</i>

GLOSSARY OF TERMS

	<i>counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions (DIC)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers (D&O)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss (DOL)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake (EQ)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
Employment Practices Liability (EPL)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority (ERMA)	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage

GLOSSARY OF TERMS

Errors and Omissions Insurance (E&O)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee (EC)	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)
Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board (FASB)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles (GAAP)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board (GASB)	GASB) is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member’s assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act (HIPAA)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported (IBNR)	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported

GLOSSARY OF TERMS

Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program (IIPP)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts (IRIC)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. (ISO)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning (LRP)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense (LAE)	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Payee	The party to whom the claim from a loss is to be paid. Loss payee can mean several different things; in the insurance industry, the insured or the party entitled to payment is the loss payee. The insured can expect reimbursement from the insurance carrier in the event of a loss.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement (MMI)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once

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	an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage (MOC)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation
Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached

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Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities
Public Entity Property Insurance Program (PEPIP)	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association (PRIMA)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost (RC)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)

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Risk and Insurance Management Society (RIMS)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention (SIR)	the maximum amount of exposure to a single loss retained by SCORE
Severability of Interests Clause	An insurance policy provision clarifying that the word "insured," as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants and permittees" policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer's right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the

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	surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833

Small Cities Organized Risk Effort Board of Directors Travel Expense Reimbursement Form

**Please remember to provide all receipts/proof of purchase along with this form
in order to receive reimbursement.**

Payee Name (who the check should be made out to):

Payee Address (where payment should be sent):

Member City:

Date of Meeting:

Meeting or Committee:

Location of Meeting:

Total Mileage:

Total miles driven _____ X 2019 IRS Rate (\$0.58 *per mile*) = \$

Parking: \$ _____

Auto Rental: \$ _____

Total Hotel Accommodations: \$ _____

Other Expenses: \$ _____

Please explain: _____

TOTAL AMOUNT SUBJECT TO REIMBURSEMENT: \$

**ALL REIMBURSEMENT CHECKS WILL BE MADE OUT TO THE CITY
UNLESS OTHERWISE INDICATED ON THIS FORM.**

Signature _____ Date _____