



**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

**Date:** Friday, October 23, 2020  
**Time:** 9:00 AM  
**Location:** TELECONFERENCE  
**Call in number:** 877-309-3457  
**Conference Code:** 171 870 1259

<b>A</b>	<b>Action</b>
<b>I</b>	<b>Information</b>
<b>1</b>	<b>Attached</b>
<b>2</b>	<b>Hand Out</b>
<b>3</b>	<b>Separate Cover</b>
<b>4</b>	<b>Verbal</b>

### MORNING TRAINING SESSION

*Time*  
*Certain*  
9:00 am –  
10:00 am  
*Pg.*

- I 1**

• **SCORE Program Coverage Review – ERMA**  
*The Board will receive a review of the SCORE coverage available through ERMA*
- **COVID-19 Work Comp Reporting Requirements**  
*Dori Zumwalt with Sedgwick will review the latest reporting requirements and the portal they have established for reporting COVID cases.*

### 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 28, 2020
- Pg. 11*           2. SCORE Checking Register – August—September 2020
- Pg. 12*           3. Chandler Asset Management Investment Statements – August—September 2020
- Pg. 20*           4. US Bank Account Statement – August—September 2020
- Pg. 36*           5. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – September 30, 2020
- Pg. 37*           6. Treasurer’s Report for Period Ending September 30, 2020
- Pg. 38*           7. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions
- Pg. 39*           8. SCORE FY 20-21 Loss Control Grant Funding Usage as of October 16, 2020

**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**
  - b. SCORE CAJPA Accreditation with Excellence**

*10:30 am –* **G. FINANCIAL**  
*11:15 am*

- Pg. 40* **1. Chandler Asset Management Financial Portfolio Review** **A 2**  
*The Board will be presented with a Financial Portfolio Review from Carlos Oblites of Chandler Asset Management.*
- Pg. 81* **2. SCORE Investment Policy** **A 1**  
*The Board will review the current investment policy including any recommended changes from Chandler Asset Management and approve or provide direction.*

*11:15 am –* **H. JPA BUSINESS**  
*12:00 pm*

- Pg. 95*  
*Pg. 99*  
*Pg. 102*  
*Pg. 106* **1. Policy & Procedure Review** **A 1**  
*The Board will review and may approve changes to the following policies:*
  - a. Underwriting Policy**
  - b. Teleconference Meetings**
  - c. Funding Policy**
  - d. Litigation Management Policy**
- Pg. 117* **2. Long-Range Planning Review and Wrap Up** **A 1**  
*The topics from the previous day’s planning session will reviewed for further discussion and direction as needed.*
- Pg. 118* **3. SCORE FY 21/22 Meeting Dates and Locations** **A 1**  
*The Board is asked to approve dates and locations for the FY 21/22 meetings.*

*12:00 pm –* **LUNCH TRAINING PRESENTATION** **I 2**  
*12:45 pm*  
*Pg. 120* **Wildfire, COVID and Sewer Risk Management**  
*DKF Solutions will address current Wildfire related regulations and best practices, new resources for COVID safety, and a preview of Sewer Smart resources to prevent backflow claims, including public education materials.*

*Pg. 121* **I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 \*\*REQUESTING AUTHORITY**

- 1. Workers' Compensation** **A 2**
  - a. SCWA-556037 v. City of Yreka\*\*
  - b. SCWA-556131 v. City of Susanville\*\*

*Pg. 122*     **J. REPORT FROM CLOSED SESSION**

*Pg. 123*     **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. 124*                     1. PARMA VIRTUAL Conference, February 3-5, 2021 **1**
- Pg. 133*                     2. SCORE Resource Contact Guide **1**
- 3. Glossary of Terms **1**

**M. CLOSING COMMENTS**

**N. ADJOURNMENT**

**UPCOMING MEETING: Board of Directors – January 29, 2021 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](http://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.*



## 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 28, 2020
2. SCORE Checking Register – August—September 2020
3. Chandler Asset Management Investment Statements – August—September 2020
4. US Bank Account Statement – August—September 2020
5. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – September 30, 2020
6. Treasurer’s Report for Period Ending September 30, 2020
7. Alliant Commission Disclosure Letter and Fact Sheet Retail vs. Wholesale Commissions
8. SCORE FY 20-21 Loss Control Grant Funding Usage as of October 16, 2020



**Small Cities Organized Risk Effort (SCORE)  
Board of Directors Meeting Minutes  
June 26, 2020**

**Member Cities Present:**

Mark Sorensen, City of Biggs  
Wes Heathcock, City of Colfax  
Blake Michaelsen, City of Dunsmuir  
Todd Juhasz, City of Dunsmuir  
Cate Trost, City of Etna  
Karl Drexler, Town of Fort Jones  
Robert Jankovitz, City of Isleton  
Aaron Palmer, City of Live Oak  
Roger Carroll, Town of Loomis  
Cricket Strock, Town of Loomis  
Kathy LeBlanc, City of Loyalton  
Sara Kleier, City of Montague

Muriel Howarth Terrell, City of Mt. Shasta  
Lauren Knox, City of Portola  
Kyle Knopp, City of Rio Dell  
John Duckett, City of Shasta Lake  
Wendy Howard, City of Shasta Lake  
Debi Savage, City of Susanville  
Gwenna MacDonald, City of Susanville  
Mike Wilson, City of Susanville  
Paulette Velador, City of Tulelake  
Diana Howard, City of Weed  
Steve Baker, City of Yreka  
Renee Hoisington, City of Yreka

**Member Cities Absent: NONE**

**Consultants & Guests**

Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Conor Boughey, Alliant Insurance Services  
Kevin Wong, Gilbert Associates, Inc.

Jennifer Zraick, Gilbert Associates, Inc.  
Dorienne Zumwalt, York Risk Services  
John Balestrini, DKF Risk Solutions  
Mike Harrington, Bickmore Risk Services

**A. CALL TO ORDER**

Mr. Steve Baker called the meeting to order at 10:06 a.m.

**B. ROLL CALL**

The above mentioned members were present constituting a quorum.

**C. APPROVAL OF AGENDA AS POSTED**

*A motion was made to approve the Agenda as amended.*

**MOTION: Kathy LeBlanc**

**SECOND: Roger Carroll**

**MOTION CARRIED  
UNANIMOUSLY**



## **D. PUBLIC COMMENT**

There were no public comments

## **E. CONSENT CALENDAR**

1. Board of Directors Meeting *Draft* Minutes – June 4, 2020
2. US Bank Custodial Account Statement – May 2020
3. Investment Statements from Chandler Asset Management – May 2020
4. Local Agency Investment Fund Quarterly Statement of Investment – March 31, 2020
5. Treasurer’s Report as of March 31, 2020
6. SCORE Checking Account Transaction List – March – May 2020
7. Target Solutions Utilization Report – March – May 2020

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

**MOTION: Wes Heathcock**

**SECOND: Jenny Coelho**

**MOTION CARRIED  
UNANIMOUSLY**

## **F. ADMINISTRATIVE REPORTS**

### **F1. President’s Report**

Mr. Steven Baker glad that everyone is present and encouraged everyone to stay safe.

### **F2. Excess Pool Reports**

#### **F.2.a. CJPRMA Update**

Mr. Roger Carroll indicated that CJPRMA had approved the rates and they were some indications – one carrier has backed out and there will be a special meeting on Tuesday and if it comes out less than anticipated they will cancel the meeting.

#### **F.2.b. ERMA Update**

No update was provided.

#### **F.2.c. LAWCX Update**

### **F.3. Alliant Update**

Marcus Beverly noted that he is hopeful that we can still have the October meeting but we may have to rent both meeting rooms to accommodate for space.

## **G. FINANCIAL**

### **G.1. Loss Control Grant Funds FY 20/21**



The Board has already provided direction to pull from the liability program only. After a brief discussion the board generally agreed to continue the program.

*A motion was made to approve the allocation as presented.*

**MOTION: Kathy LeBlanc**

**SECOND: Roger Carroll**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.2. Approval of SCORE Officer Positions**

Marcus Beverly noted that the current slate of officers has been nominated to continue in their same roles to serve for a two year term.

*A motion was made to approve the slate nominated officers as presented in the agenda.*

**MOTION: Jenny Coelho**

**SECOND: Kyle Knopp**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.3. Delegation of Investment Authority to SCORE Treasurer**

Marcus Beverly provided a review of the Resolution which provides authority to the Treasurer who was just appointed.

*A motion was made to approve the Resolution as presented.*

**MOTION: Wes Heathcock**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.4. Delegation of Treasurer Responsibilities**

There was a brief discussion that is resolution is to satisfy the bank requirements and noted that we will do present this resolution as it relates to the Officer Positions.

*A motion was made to approve the Resolution as presented.*

**MOTION: Lauryn Knox**

**SECOND: Jenny Coelho**

**MOTION CARRIED  
UNANIMOUSLY**

### **G.5. DKF Risk Control Services Update**

Marcus Beverly provided a review of the DKF work plan included in the agenda.

### **G.6.a. SCORE Property Renewal Proposal**



Marcus Beverly provided a review of the SCORE APIP 20-21 Proposal and indicated the total Limit has decreased from \$1B to \$500M. A communicable disease and cyber exclusions have been added.

*A motion was made to approve the 20-21 APIP Property Proposal as presented and provide Steve Baker authority to sign the binding forms on behalf of SCORE.*

**MOTION: Roger Carroll**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.6.b. Flood Coverage Offering Special Notice**

Marcus Beverly noted that members were recently sent a Flood Coverage Offering to determine if any SCORE members were interested in seeking flood coverage. After a brief discussion it was generally agreed to decline the coverage.

*A motion was made to decline Flood Coverage and provide Steve Baker authority to sign the binding forms on behalf of SCORE.*

**MOTION: Wes Heathcock**

**SECOND: Roger Carroll**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.6.c. Excess Cyber Coverage Options**

Marcus Beverly provided a review of the Excess Cyber Coverage options and after a general discussion the board did not want to bind coverage.

#### **G.6.d. Deadly Weapons Response Program**

Marcus Beverly provided a review of the Deadly Weapons Response Program and after a general discussion the board did not want to bind coverage.

#### **G.6.e. APIP Claims Reporting Acknowledgements**

*A motion was made to approve the SCORE President Steve Baker authority to sign the binding forms on behalf of SCORE.*

**MOTION: Roger Carroll**

**SECOND: Lauren Knox**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.7.a. Liability MOC Approval**





*A motion was made to approve the Liability MOC with the option to review and leave the option open*

**MOTION: Roger Carroll**

**SECOND: Kathy LeBlanc**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.7.b. Workers' Compensation MOC Approval**

*A motion was made to accept the Workers' Compensation MOC as presented.*

**MOTION: Jenny Coelho**

**SECOND: Kyle Knopp**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.8.a. Adoption of the FY 20/21 Program Budget – Liability**

It was noted that the Board has previously seen this budget but it included Fort Jones which has now been removed from the calculation.

*A motion was made to approve page 286 as presented for all programs.*

**MOTION: Kyle Knopp**

**SECOND: Roger Carroll**

**MOTION CARRIED  
UNANIMOUSLY**

#### **G.8.b. Adoption of the FY 20/21 Program Budget - WC**

The motion for this item was included in G.8.a.

#### **G.9. Long Range Planning Meeting Topics**

It was suggested that we review the potential reasons why people leave the pool.

#### **G.10. ERMA Coverage Restriction – Training Requirements**

Marcus Beverly noted that ERMA recently sent out a notification on a restriction on coverage as it relates to meeting training requirements. It was noted that the member must provide documentation evidencing mandated sexual harassment training has been completed or they will have their retained limit increased by 100% for submitted claim.

### **H. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES**

It was noted that the start of the next meeting may be early and members will be notified.

### **I. INFORMATION ITEMS**



There was no discussion.

**J. CLOSING COMMENTS**

It was noted there will be no CAJPA Conference this year.

**K. AJOURNMENT**

The meeting was adjourned at 12:07 P.M.

**NEXT MEETING DATE: August 28, 2020 Teleconference**

Respectfully Submitted,

\_\_\_\_\_  
John Duckett, Secretary

\_\_\_\_\_  
Date

DRAFT

Small Cities Organized Risk Effort  
Transactions by Account  
As of September 30, 2020

	Type	Date	Num	Adj	Name	Memo	Class	Split	Debit	Credit	Balance
100 · CASH IN BANK											3,286,473.89
100-01 · Mechanics Bank - Main											486,653.09
	General Journal	08/04/2020			DKF Solutions Group, LLC	15263		1072 · Bill.com Money Out Clearing		8,750.00	477,903.09
	Transfer	08/04/2020				Funds Transfer		106-01 · Trust - Liab - MB 7380		7.75	477,895.34
	Transfer	08/06/2020				Funds Transfer		106-02 · Trust - WC - MB 7379	27,543.37		450,351.97
	Deposit	08/06/2020				Deposit		-SPLIT-	37,758.87		488,110.84
	Deposit	08/07/2020				Deposit		-SPLIT-	492,482.71		980,593.55
	General Journal	08/11/2020			Gibbons & Conley	20 July 916		1072 · Bill.com Money Out Clearing		258.00	980,335.55
	General Journal	08/11/2020			York Services Group Inc.	Multiple				15,392.25	964,943.30
	Transfer	08/18/2020				Funds Transfer		106-01 · Trust - Liab - MB 7380		19,828.93	945,114.37
	Transfer	08/18/2020				Funds Transfer		106-02 · Trust - WC - MB 7379		12,988.78	932,125.59
	Deposit	08/20/2020				Deposit		-SPLIT-	2,207.30		934,332.89
	General Journal	08/25/2020	JLZ 7-22		York Risk Services Group Inc.	Multiple		1072 · Bill.com Money Out Clearing		15,392.25	918,940.64
	General Journal	08/27/2020	JLZ 7-21		Gibbons & Conley	20 June 880		1072 · Bill.com Money Out Clearing		222.00	918,718.64
	Deposit	08/31/2020				Interest	ADMINISTRATIVE	Mechanics Bank	7.26		918,725.90
	Transfer	09/01/2020				Funds Transfer		106-02 · Trust - WC - MB 7379		17,122.78	901,603.12
	General Journal	09/03/2020	JLZ 83		DKF Solutions, LLC	15320		1072 · Bill.com Money Out Clearing		8,750.00	892,853.12
	General Journal	09/09/2020	JLZ 82		City of Dunsmuir	CARE164517		1072 · Bill.com Money Out Clearing		4,990.55	887,862.57
	Transfer	09/11/2020				Funds Transfer		106-01 · Trust - Liab - MB 7380		7.06	887,855.51
	Transfer	09/16/2020				Funds Transfer		106-02 · Trust - WC - MB 7379		12,789.97	875,065.54
	General Journal	09/17/2020	JLZ 87		York Risk Services Group, Inc	Multiple		1072 · Bill.com Money Out Clearing		15,392.25	859,673.29
	Transfer	09/17/2020				Funds Transfer		106-01 · Trust - Liab - MB 7380		2,173.00	857,500.29
	Deposit	09/18/2020				Deposit		-SPLIT-	108,133.22		965,633.51
	General Journal	09/18/2020	JLZ 86		Gilbert Associates, Inc.	331844		1072 · Bill.com Money Out Clearing		15,233.32	950,400.19
	Transfer	09/23/2020				Funds Transfer		106-02 · Trust - WC - MB 7379		79,011.14	871,389.05
	General Journal	09/29/2020	JLZ 84		Gaia Hotel	Contract Dep 20-21		1072 · Bill.com Money Out Clearing		500.00	870,889.05
	Deposit	09/30/2020				Interest	ADMINISTRATIVE	Mechanics Bank	7.35		870,896.40
Total 100-01 · Mechanics Bank - Main									640,596.71	256,353.40	870,896.40
106-00 · TRUST ACCOUNTS											67,505.18
106-01 · Trust - Liab - MB 7380											39,992.94
	Transfer	08/04/2020				Funds Transfer	Liability	100-01 · Mechanics Bank - Main	7.75		40,000.69
	Transfer	08/18/2020				Funds Transfer	Liability	100-01 · Mechanics Bank - Main	19,828.93		59,829.62
	General Journal	08/31/2020	JLZ 8-20	0		Mechanics Bank Interest	Liability	-SPLIT-	0.35		59,829.97
	Check	08/31/2020	5598-5600		York Risk Services Group, Inc.	5598-5600		Liability Claim Payments		19,836.68	39,993.29
	Transfer	09/11/2020				Funds Transfer	Liability	100-01 · Mechanics Bank - Main	7.06		40,000.35
	Transfer	09/17/2020				Funds Transfer	Liability	100-01 · Mechanics Bank - Main	2,173.00		42,173.35
	Check	09/30/2020	5601-5605		York Risk Services Group, Inc.	5601-5605		Liability Claim Payments		5,474.80	36,698.55
	General Journal	09/30/2020	JLZ 9-20	0		Mechanics Bank Interest	Liability	-SPLIT-	0.33		36,698.88
Total 106-01 · Trust - Liab - MB 7380									22,017.42	25,311.48	36,698.88
106-02 · Trust - WC - MB 7379											27,512.24
	Transfer	08/06/2020				Funds Transfer	Workers' Comp	100-01 · Mechanics Bank - Main	27,543.37		55,055.61
	Transfer	08/18/2020				Funds Transfer	Workers' Comp	100-01 · Mechanics Bank - Main	12,988.78		68,044.39
	General Journal	08/31/2020	JLZ 8-20	0		Mechanics Bank Interest	Workers' Comp	106-01 · Trust - Liab - MB 7380	0.72		68,045.11
	Check	08/31/2020	42610-42656		York Risk Services Group, Inc.	42610-42656		Workers' Comp Claims Payments		25,167.17	42,877.94
	Transfer	09/01/2020				Funds Transfer	Workers' Comp	100-01 · Mechanics Bank - Main	17,122.78		60,000.72
	Transfer	09/16/2020				Funds Transfer	Workers' Comp	100-01 · Mechanics Bank - Main	12,789.97		72,790.69
	Transfer	09/23/2020				Funds Transfer	Workers' Comp	100-01 · Mechanics Bank - Main	79,011.14		151,801.83
	General Journal	09/30/2020	JLZ 9-20	0		Mechanics Bank Interest	Workers' Comp	106-01 · Trust - Liab - MB 7380	0.81		151,802.64
	Check	09/30/2020	42657-42705		York Risk Services Group, Inc.	42657-42705		Workers' Comp Claims Payments		108,761.08	43,041.56
Total 106-02 · Trust - WC - MB 7379									149,457.57	133,928.25	43,041.56
Total 106-00 · TRUST ACCOUNTS									171,474.99	159,239.73	79,740.44
150 · LAIF											2,732,315.62
Total 150 · LAIF											2,732,315.62
Total 100 · CASH IN BANK									812,071.70	415,593.13	3,682,952.46
<b>TOTAL</b>									<b>812,071.70</b>	<b>415,593.13</b>	<b>3,682,952.46</b>



# Small Cities Organized Risk Effort - Account #590

## MONTHLY ACCOUNT STATEMENT

AUGUST 1, 2020 THROUGH AUGUST 31, 2020

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	2.58
Average Coupon	2.02%
Average Purchase YTM	1.94%
Average Market YTM	0.29%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.79 yrs
Average Life	2.67 yrs

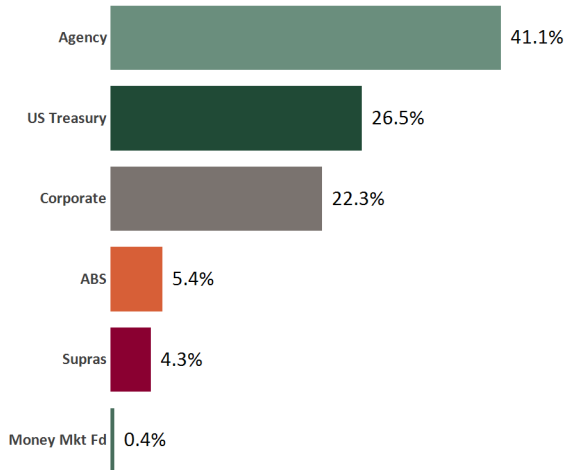
**ACCOUNT SUMMARY**

	Beg. Values as of 7/31/20	End Values as of 8/31/20
Market Value	12,217,269	12,214,060
Accrued Interest	53,170	58,556
<b>Total Market Value</b>	<b>12,270,439</b>	<b>12,272,617</b>
Income Earned	19,377	19,121
Cont/WD		-1,330
Par	11,693,724	11,707,708
Book Value	11,749,598	11,762,095
Cost Value	11,734,266	11,747,403

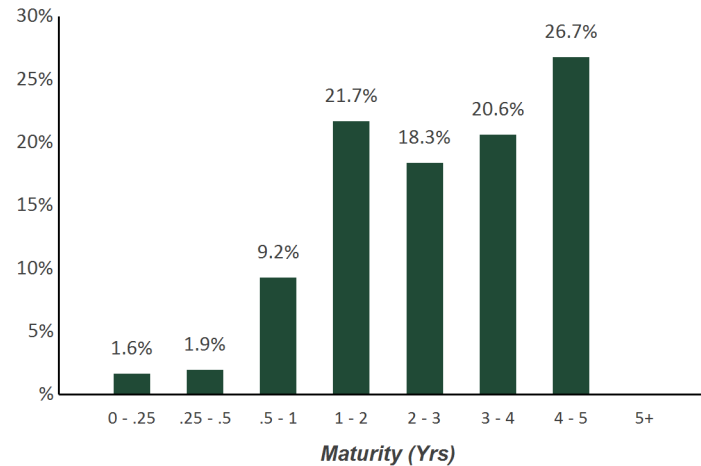
**TOP ISSUERS**

Government of United States	26.5%
Federal National Mortgage Assoc	17.1%
Federal Home Loan Bank	15.6%
Federal Home Loan Mortgage Corp	7.2%
Intl Bank Recon and Development	2.7%
Toyota ABS	1.5%
Honda ABS	1.4%
Nissan ABS	1.4%
<b>Total</b>	<b>73.3%</b>

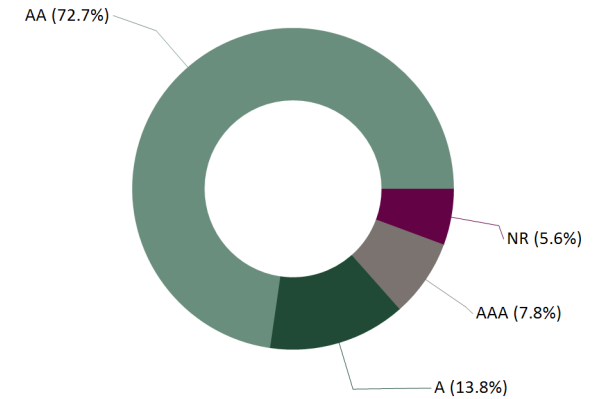
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	3/31/2006
Small Cities Organized Risk Effort	0.03%	0.45%	4.13%	4.51%	5.00%	3.23%	2.52%	1.92%	3.14%
ICE BAML 1-5 Year US Treasury/Agency Index	-0.05%	0.17%	4.17%	4.29%	4.92%	3.05%	2.29%	1.74%	2.91%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.03%	0.32%	4.25%	4.45%	5.05%	3.16%	2.43%	1.89%	2.99%

# Statement of Compliance

As of August 31, 2020



## 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		
<b>BEGINNING BOOK VALUE</b>		<b>\$11,749,597.76</b>
<b>Acquisition</b>		
+ Security Purchases	\$218,970.40	
+ Money Market Fund Purchases	\$213,575.83	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$432,546.23</b>
<b>Dispositions</b>		
- Security Sales	\$149,912.08	
- Money Market Fund Sales	\$218,970.40	
- MMF Withdrawals	\$1,329.91	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$49,291.89	
<b>Total Dispositions</b>		<b>\$419,504.28</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$637.02)	
		(\$637.02)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$91.86	
		\$91.86
<b>ENDING BOOK VALUE</b>		<b>\$11,762,094.55</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$53,516.14</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$149,912.08	
Accrued Interest Received	\$0.00	
Interest Received	\$14,371.44	
Dividend Received	\$0.42	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$49,291.89	
<b>Total Acquisitions</b>	<b>\$213,575.83</b>	
<b>Dispositions</b>		
Withdrawals	\$1,329.91	
Security Purchase	\$218,970.40	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$220,300.31</b>	
<b>ENDING BOOK VALUE</b>		<b>\$46,791.66</b>



# Small Cities Organized Risk Effort - Account #590

## MONTHLY ACCOUNT STATEMENT

SEPTEMBER 1, 2020 THROUGH SEPTEMBER 30, 2020

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	2.58
Average Coupon	1.99%
Average Purchase YTM	1.91%
Average Market YTM	0.30%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.79 yrs
Average Life	2.67 yrs

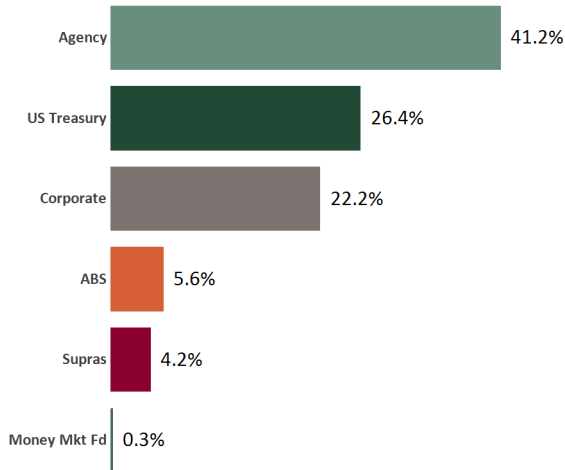
**ACCOUNT SUMMARY**

	Beg. Values as of 8/31/20	End Values as of 9/30/20
Market Value	12,214,060	12,225,978
Accrued Interest	58,556	47,278
<b>Total Market Value</b>	<b>12,272,617</b>	<b>12,273,256</b>
Income Earned	19,121	18,960
Cont/WD		-1,331
Par	11,707,708	11,739,545
Book Value	11,762,095	11,792,732
Cost Value	11,747,403	11,778,807

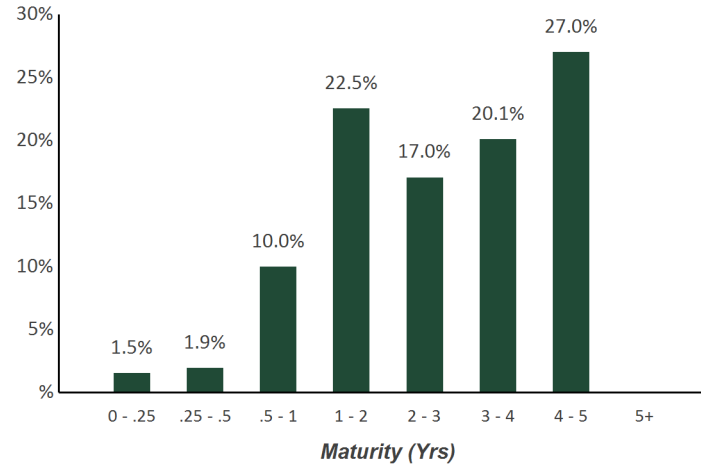
**TOP ISSUERS**

Government of United States	26.4%
Federal National Mortgage Assoc	17.1%
Federal Home Loan Bank	14.1%
Federal Home Loan Mortgage Corp	8.8%
Intl Bank Recon and Development	2.7%
Honda ABS	1.7%
Toyota ABS	1.5%
JP Morgan Chase & Co	1.3%
<b>Total</b>	<b>73.7%</b>

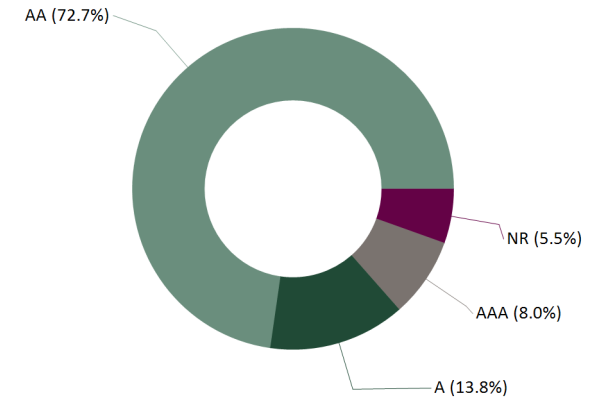
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	3/31/2006
Small Cities Organized Risk Effort	0.02%	0.27%	4.15%	4.68%	5.10%	3.32%	2.43%	1.89%	3.12%
ICE BAML 1-5 Year US Treasury/Agency Index	0.02%	0.13%	4.20%	4.57%	5.08%	3.17%	2.19%	1.72%	2.89%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.00%	0.18%	4.25%	4.68%	5.18%	3.26%	2.32%	1.86%	2.97%

# Statement of Compliance

As of September 30, 2020



## 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		
<b>BEGINNING BOOK VALUE</b>		<b>\$11,762,094.55</b>
<b>Acquisition</b>		
+ Security Purchases	\$264,388.45	
+ Money Market Fund Purchases	\$250,730.03	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$515,118.48</b>
<b>Dispositions</b>		
- Security Sales	\$176,717.75	
- Money Market Fund Sales	\$264,388.45	
- MMF Withdrawals	\$1,331.32	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$43,173.47	
<b>Total Dispositions</b>		<b>\$485,610.99</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$600.53)	
		(\$600.53)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$1,730.90	
		\$1,730.90
<b>ENDING BOOK VALUE</b>		<b>\$11,792,732.41</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$46,791.66</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$176,717.75	
Accrued Interest Received	\$628.13	
Interest Received	\$30,210.29	
Dividend Received	\$0.39	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$43,173.47	
<b>Total Acquisitions</b>	<b>\$250,730.03</b>	
<b>Dispositions</b>		
Withdrawals	\$1,331.32	
Security Purchase	\$264,388.45	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$265,719.77</b>	
<b>ENDING BOOK VALUE</b>		<b>\$31,801.92</b>



**QUESTIONS?**

If you have any questions regarding your account or this statement, please contact your Administrator.

KYLE TOLLE  
CN-OH-W5IT  
CN-OH-W5IT  
425 WALNUT STREET  
CINCINNATI OH 45202  
**Phone 513-629-8233**  
**E-mail kyle.tolle@usbank.com**

**Portfolio Manager:**  
TRADE SERVICES PORTLAND #4

**ACCOUNT NUMBER: 001050986308**  
**SMALL CITIES ORGANIZED RISK EFFORT**

**This statement is for the period from August 1, 2020 to August 31, 2020**

00001831 04 SP 000638564815620 P  
SMALL CITIES ORGANIZED RISK EFFORT  
2180 HARVARD STREET, SUITE 460  
SACRAMENTO, CA 95815-3329



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Bond Summary .....	24

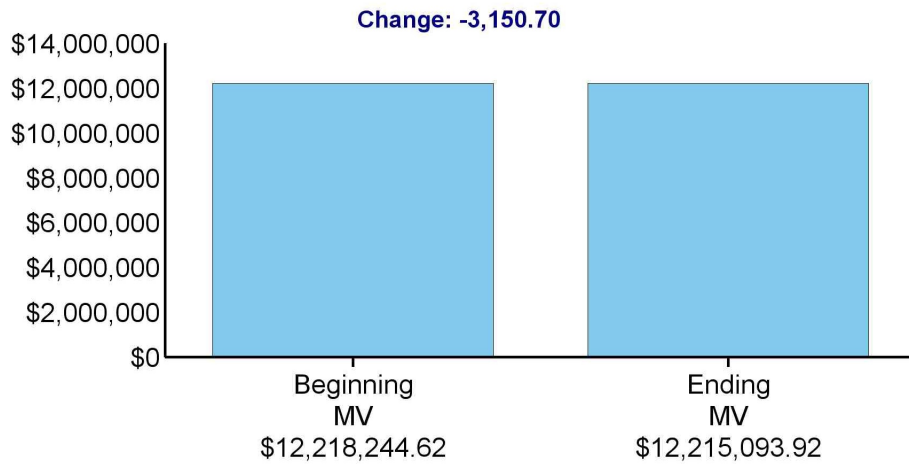


SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 1 of 25  
August 1, 2020 to August 31, 2020

**MARKET VALUE SUMMARY**

	<b>Current Period 08/01/20 to 08/31/20</b>
<b>Beginning Market Value</b>	<b>\$12,218,244.62</b>
Taxable Interest	14,463.72
Fees and Expenses	-1,329.91
Long Term Gains/Losses	2.56
Short Term Gains/Losses	0.45
Change in Investment Value	-16,287.52
<b>Ending Market Value</b>	<b>\$12,215,093.92</b>





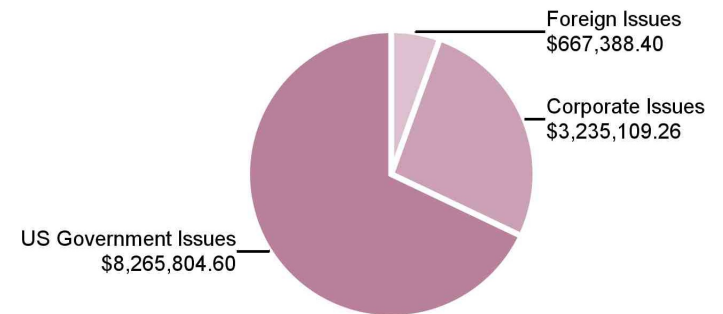
SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 2 of 25  
August 1, 2020 to August 31, 2020

### ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	46,791.66	0.40	2.92
Taxable Bonds	12,168,302.26	99.60	236,582.72
<b>Total Market Value</b>	<b>\$12,215,093.92</b>	<b>100.00</b>	<b>\$236,585.64</b>

### Fixed Income Summary





SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 3 of 25  
August 1, 2020 to August 31, 2020

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**INCOME SUMMARY**

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	<b>Income Received Current Period</b>
Taxable Interest	14,463.72
<b>Total Current Period Income</b>	<b>\$14,463.72</b>





SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

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August 1, 2020 to August 31, 2020

**CASH SUMMARY**

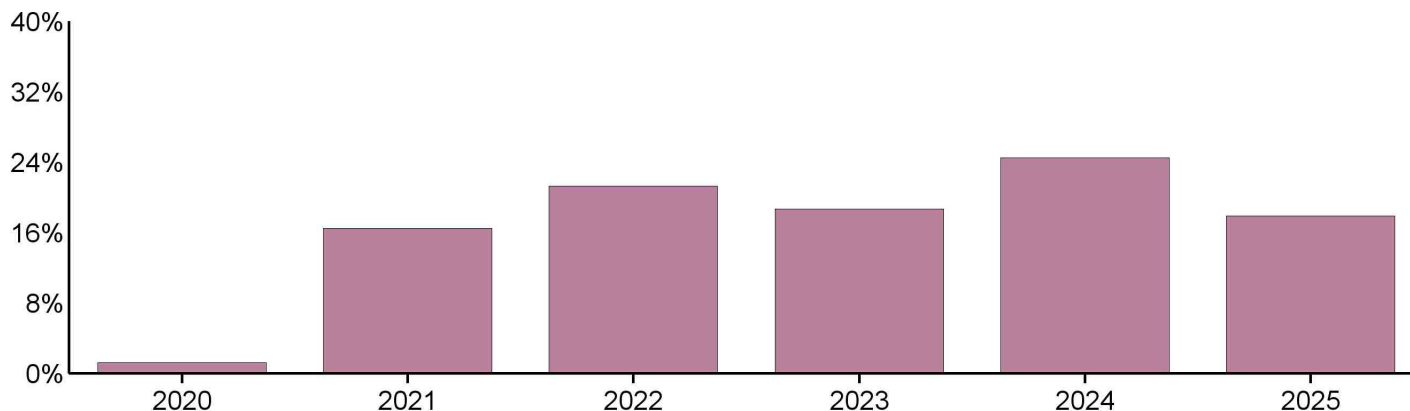
	Principal Cash	Income Cash	Total Cash
<b>Beginning Cash 08/01/2020</b>	<b>-\$1,292,053.33</b>	<b>\$1,292,053.33</b>	<b>\$0.00</b>
Taxable Interest		14,463.72	14,463.72
Fees and Expenses	-1,329.91		-1,329.91
Purchases	-218,970.40		-218,970.40
Sales	199,112.11		199,112.11
Net Money Market Activity	6,724.48		6,724.48
<b>Ending Cash 08/31/2020</b>	<b>-\$1,306,517.05</b>	<b>\$1,306,517.05</b>	<b>\$0.00</b>



SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

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August 1, 2020 to August 31, 2020

**BOND SUMMARY**



	Par Value	Market Value	Percentage of Category
<b>MATURITY</b>			
2020	150,000.00	150,270.00	1.24
2021	1,984,419.02	2,008,038.42	16.51
2022	2,520,412.57	2,590,596.83	21.29
2023	2,133,084.56	2,268,496.83	18.64
2024	2,783,000.00	2,978,627.58	24.47
2025	2,090,000.00	2,172,272.60	17.85
<b>Total of Category</b>	<b>\$11,660,916.15</b>	<b>\$12,168,302.26</b>	<b>100.00</b>

**MOODY'S RATING**

Aaa	9,166,872.94	9,543,709.18	78.44
Aa1	300,000.00	313,558.50	2.58
Aa2	395,000.00	413,692.10	3.40
Aa3	135,000.00	147,290.40	1.21
A1	360,000.00	375,280.80	3.08
A2	803,000.00	861,911.43	7.08
A3	450,000.00	461,406.00	3.79



SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

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August 1, 2020 to August 31, 2020

**BOND SUMMARY (continued)**

	Par Value	Market Value	Percentage of Category
N/A	51,043.21	51,453.85	0.42
<b>Total of Category</b>	<b>\$11,660,916.15</b>	<b>\$12,168,302.26</b>	<b>100.00</b>

<b>S&amp;P RATING</b>			
AAA	896,573.85	910,744.75	7.48
AA+	4,700,000.00	4,916,311.05	40.40
AA	545,000.00	564,916.10	4.64
AA-	150,000.00	160,144.50	1.32
A+	135,000.00	139,216.05	1.14
A	890,000.00	925,566.85	7.61
A-	573,000.00	620,961.23	5.10
N/A	3,596,342.30	3,743,076.23	30.76
NOT RATED	175,000.00	187,365.50	1.55
<b>Total of Category</b>	<b>\$11,660,916.15</b>	<b>\$12,168,302.26</b>	<b>100.00</b>

**BOND SUMMARY MESSAGES**

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



**QUESTIONS?**

If you have any questions regarding your account or this statement, please contact your Administrator.

KYLE TOLLE  
CN-OH-W5IT  
CN-OH-W5IT  
425 WALNUT STREET  
CINCINNATI OH 45202  
**Phone 513-629-8233**  
**E-mail [kyle.tolle@usbank.com](mailto:kyle.tolle@usbank.com)**

**Portfolio Manager:**  
TRADE SERVICES PORTLAND #4

**ACCOUNT NUMBER: 001050986308**  
**SMALL CITIES ORGANIZED RISK EFFORT**

**This statement is for the period from September 1, 2020 to September 30, 2020**

000003586 04 SP 000638593959096 P  
SMALL CITIES ORGANIZED RISK EFFORT  
2180 HARVARD STREET, SUITE 460  
SACRAMENTO, CA 95815-3329



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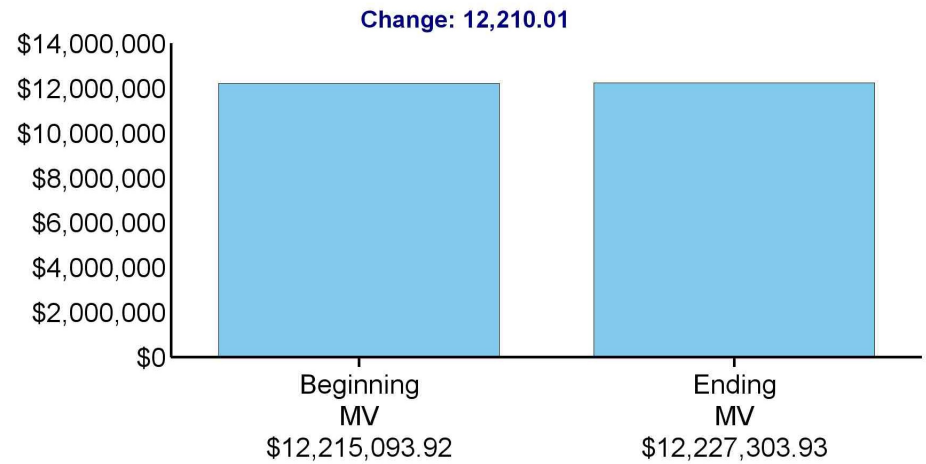


SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 1 of 26  
September 1, 2020 to September 30, 2020

**MARKET VALUE SUMMARY**

	<b>Current Period</b> <b>09/01/20 to 09/30/20</b>
<b>Beginning Market Value</b>	<b>\$12,215,093.92</b>
Taxable Interest	30,838.81
Fees and Expenses	-1,331.32
Long Term Gains/Losses	1,895.98
Change in Investment Value	-19,193.46
<b>Ending Market Value</b>	<b>\$12,227,303.93</b>





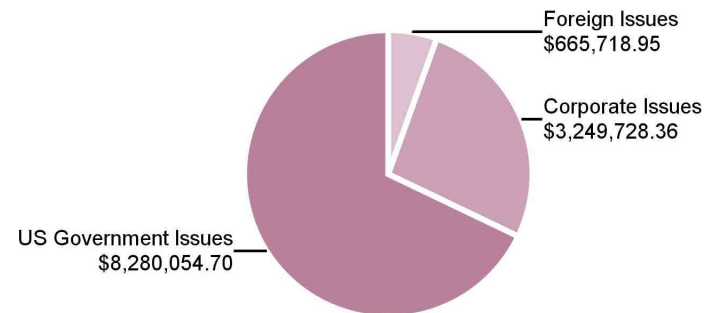
SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 2 of 26  
September 1, 2020 to September 30, 2020

### ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	31,801.92	0.30	1.90
Taxable Bonds	12,195,502.01	99.70	233,873.06
<b>Total Market Value</b>	<b>\$12,227,303.93</b>	<b>100.00</b>	<b>\$233,874.96</b>

### Fixed Income Summary





SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 3 of 26  
September 1, 2020 to September 30, 2020

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**INCOME SUMMARY**

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	<b>Income Received Current Period</b>
Taxable Interest	30,838.81
<b>Total Current Period Income</b>	<b>\$30,838.81</b>





SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 4 of 26  
September 1, 2020 to September 30, 2020

**CASH SUMMARY**

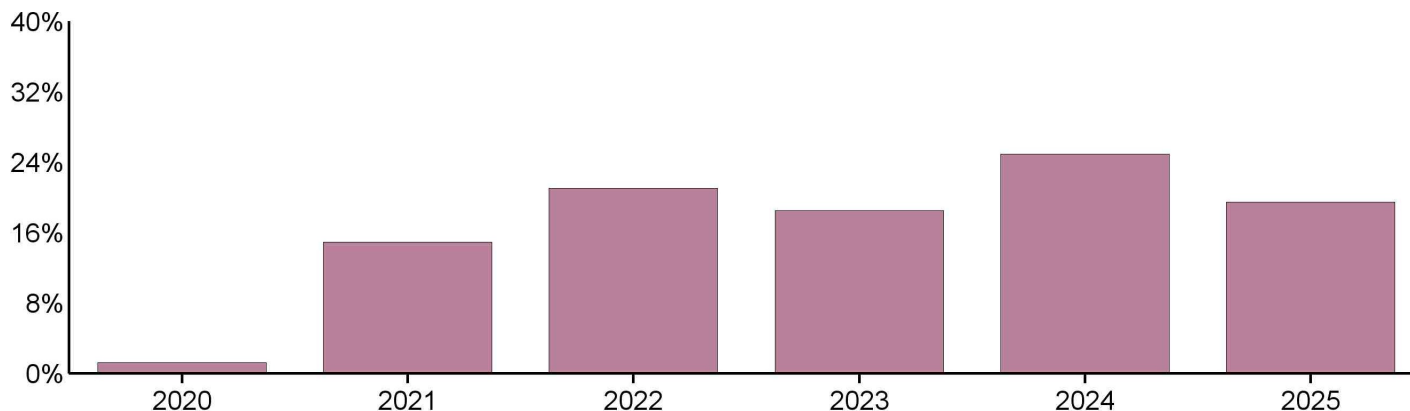
	Principal Cash	Income Cash	Total Cash
<b>Beginning Cash 09/01/2020</b>	<b>-\$1,306,517.05</b>	<b>\$1,306,517.05</b>	<b>\$0.00</b>
Taxable Interest		30,838.81	30,838.81
Fees and Expenses	-1,331.32		-1,331.32
Purchases	-264,388.45		-264,388.45
Sales	219,891.22		219,891.22
Net Money Market Activity	14,989.74		14,989.74
<b>Ending Cash 09/30/2020</b>	<b>-\$1,337,355.86</b>	<b>\$1,337,355.86</b>	<b>\$0.00</b>



SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308

Page 25 of 26  
September 1, 2020 to September 30, 2020

**BOND SUMMARY**



	Par Value	Market Value	Percentage of Category
<b>MATURITY</b>			
2020	150,000.00	150,211.50	1.24
2021	1,796,444.48	1,816,151.32	14.90
2022	2,495,357.48	2,562,079.27	21.01
2023	2,127,940.72	2,258,473.49	18.51
2024	2,848,000.00	3,038,753.28	24.91
2025	2,290,000.00	2,369,833.15	19.43
<b>Total of Category</b>	<b>\$11,707,742.68</b>	<b>\$12,195,502.01</b>	<b>100.00</b>

**MOODY'S RATING**

Aaa	8,958,983.93	9,323,933.21	76.46
Aa1	300,000.00	312,846.00	2.57
Aa2	395,000.00	412,522.60	3.38
Aa3	135,000.00	146,349.45	1.20
A1	360,000.00	374,574.15	3.07
A2	803,000.00	858,766.58	7.04
A3	450,000.00	461,083.50	3.78

SMALL CITIES ORGANIZED  
ACCOUNT NUMBER: 001050986308Page 26 of 26  
September 1, 2020 to September 30, 2020**BOND SUMMARY (continued)**

	Par Value	Market Value	Percentage of Category
N/A	305,758.75	305,426.52	2.50
<b>Total of Category</b>	<b>\$11,707,742.68</b>	<b>\$12,195,502.01</b>	<b>100.00</b>

<b>S&amp;P RATING</b>			
AAA	940,062.62	952,967.03	7.81
AA+	4,725,000.00	4,933,773.90	40.46
AA	545,000.00	563,514.10	4.62
AA-	150,000.00	159,934.50	1.31
A+	135,000.00	138,819.15	1.14
A	890,000.00	923,062.25	7.57
A-	573,000.00	618,957.78	5.08
N/A	3,574,680.06	3,717,407.05	30.48
NOT RATED	175,000.00	187,066.25	1.53
<b>Total of Category</b>	<b>\$11,707,742.68</b>	<b>\$12,195,502.01</b>	<b>100.00</b>

**BOND SUMMARY MESSAGES**

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



**BETTY T. YEE**  
**California State Controller**

**LOCAL AGENCY INVESTMENT FUND  
 REMITTANCE ADVICE**

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

As of 10/15/2020, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2020.

Earnings Ratio		.00002309407394024
Interest Rate		0.84%
Dollar Day Total	\$	249,150,672.08
Quarter End Principal Balance	\$	2,742,285.30
Quarterly Interest Earned	\$	5,753.90



Small Cities Organized Risk Effort  
A Joint Powers Authority

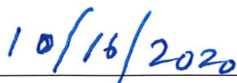
**SCORE TREASURER INVESTMENT REPORT  
FOR THE QUARTER ENDING SEPTEMBER 30, 2020**

	<b>MARKET VALUE</b>
<b>CASH:</b>	
(1) Mechanics Bank Checking	\$870,896.40
(2) Local Agency Inv Fund (LAIF)	\$2,742,285.30
<b>TOTAL CASH</b>	<b>\$3,613,181.70</b>
<b>INVESTMENTS (Unrestricted):</b>	
(3) Chandler Investments Account no. 590	\$11,792,732.41
<b>TOTAL UNRESTRICTED INVESTMENTS</b>	<b>\$11,792,732.41</b>
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$15,405,914.11</b>

- (1) This consists of one checking account and two pass-thru accounts (Liability and Workers' Compensation claims).
- (2) The LAIF rate of return as of quarter ended September 30, 2020 0.84%
- (3) See attached Investment Activity Reports.

THIS PORTFOLIO IS IN COMPLIANCE WITH SCORE'S INVESTMENT POLICY AND IS LIQUID ENOUGH TO MEET EXPECTED CASH FLOW NEEDS OVER THE NEXT SIX MONTHS.

  
\_\_\_\_\_  
Roger Carroll, SCORE Treasurer

  
\_\_\_\_\_  
Date

06/30/2020

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 \$8,754.00 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

**SCORE Loss Control Grant Fund Member Utilization FY 2020/21 as of 10/16/2020**

Member Entity	TOTAL Grant Fund Allocation	Amount requested during FY 20-21	Remaining amount available in FY 20-21	Notes
Biggs *	\$2,427.80			
Colfax	\$3,364.75			
Dunsmuir	\$5,330.64	\$4,990.55	\$340.09	*Request made 9/3/20 by Manya Kisling for Barricades, Tree removal & concrete cutting (\$4,990.55).
Etna *	\$2,454.20			
Isleton	\$2,138.17			
Live Oak	\$4,774.33			
Loomis	\$5,310.32	\$5,000.00	\$310.32	*Request made 7/17/20 by Roger Carroll for sidewalk repairs (\$5,000)
Loyalton *	\$1,353.01			
Montague *	\$2,301.92			*Request made 4/2/20 by David Dunn for purchase of First Aid kit, repair of playground equipment (\$1,838.22) and in same request to roll over any un-used amount into FY 20/21 if approved by BOD (total to roll over is \$170.49)
Mt. Shasta	\$12,656.66			
Portola	\$3,574.97			
Rio Dell	\$4,259.93			
Shasta Lake	\$12,093.45			
Susanville	\$25,875.90			**Request made 5/21/20 by Deborah Savage to roll over all unused funds from FY 19/20 into FY 20/21 if approved by BOD (total to roll over is \$13,315.46)
Tulelake*	\$2,159.03			
Weed	\$10,244.58			
Yreka	\$13,166.29	\$24,048.54	-\$10,882.25	*Request made by Renee Hisington for purchase of Fork Lift (\$29,420.27) *NOTE: Amount requested exceeded amount available - \$5,371.73 to be paidout of FY 19-20 funds and \$24,048.54 will be paid from FY 20-21 if approved by BOD)
<b>Total:</b>	<b>\$113,485.95</b>			

\* Mini-Cities



**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:** It is recommended that the Board review the report provided by Chandler Asset Management, and if any recommendations are made to move funds, the board make take action or provide direction.

**FISCAL IMPACT:** The financial impact cannot be determined at this time, the Board may take action to move assets in order to gain safety, liquidity or maximum returns.

**BACKGROUND:** Chandler Asset Management has been serving as SCORE's investment manager since 2006. Annually an Associate attends a Board of Directors meeting to provide a report on how the JPA's investment portfolio is performing.

**ATTACHMENTS:** Chandler Asset Management Presentation



# Small Cities Organized Risk Effort

*Period Ending September 30, 2020*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)

<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>



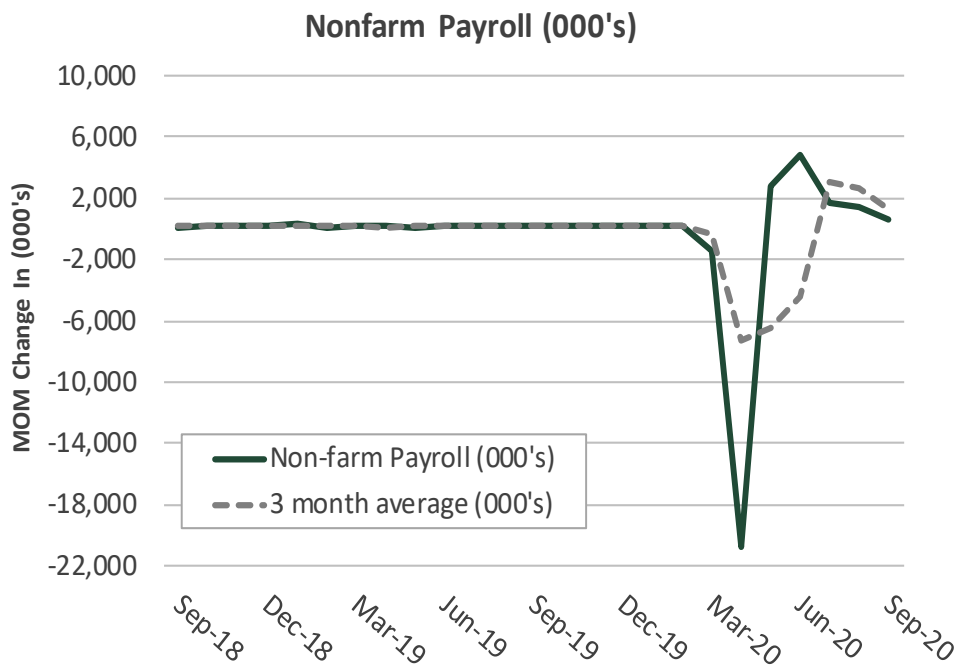


# Section 1 | Economic Update

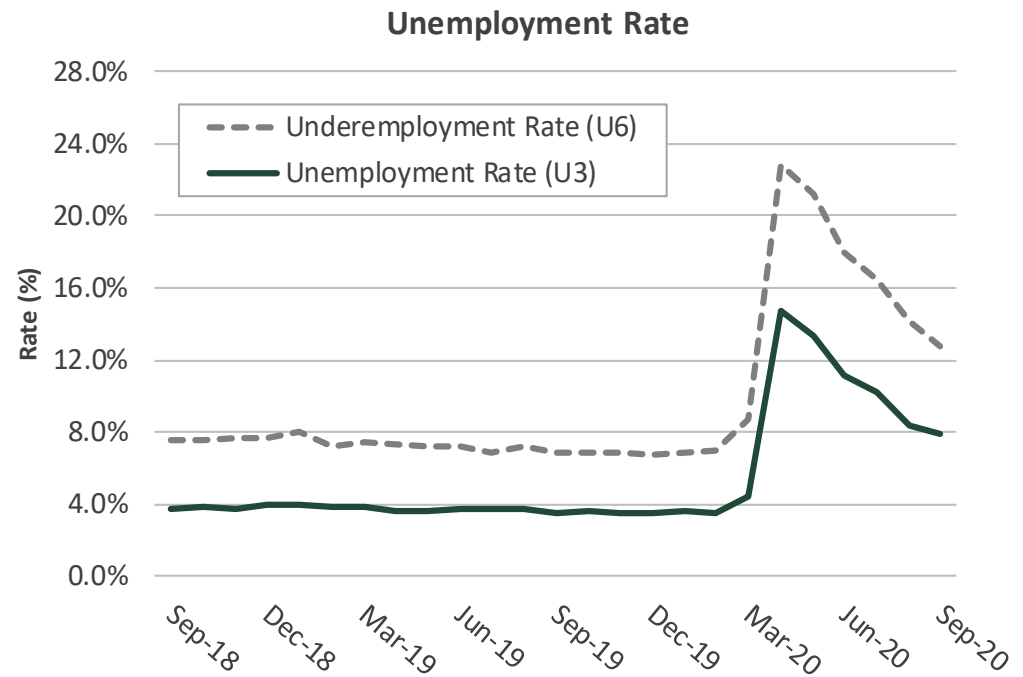
## Economic Update

- The US economy continues to experience a somewhat uneven and slowing pace of economic growth, consistent with more of a U-shaped (rather than V-shaped) recovery, following a sharp decline in economic activity in the second quarter. The outlook for the economy remains uncertain and is largely dependent on the course of the pandemic, the amount of additional fiscal relief from the government, and the timeline for a vaccine, in our view. The Fed's highly accommodative monetary policy framework, along with a swift and robust fiscal policy response from the government earlier this year, has provided support for the financial markets amid a very challenging economic backdrop. However, we believe financial markets are poised for increased volatility through year-end due to the upcoming election, a resurgence in virus cases, and an unclear outlook for additional fiscal relief. If the expected timeline for a COVID-19 vaccine was pushed into second half of next year or beyond, we believe that would fuel a significant amount of financial market volatility. Concern regarding the President's health and an uncertain outlook for the rest of the campaign due to his positive COVID-19 diagnosis is likely to fuel increased volatility in the coming weeks as well.
- As expected, the Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and Fed Chair Powell maintained a dovish tone during his press conference. The Fed will continue to use its balance sheet to support smooth financial market functioning by purchasing Treasury and agency mortgage-backed securities and will continue to use its lending facilities to support the flow of credit to businesses and municipalities, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's updated summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023, as policymakers do not expect inflation to exceed 2.0% during that timeframe.
- On a year-to-date basis, the yield on 2-year Treasuries was down 144 basis points to 0.13% and the yield on 10-year Treasuries was down about 123 basis points to 0.68% at the end of September. In September, the Treasury yield curve was little changed on a month-over-month basis, following moderate curve steepening in August. We believe a wave of new Treasury issuance in August put increased upward pressure on longer-term rates.

# Employment



Source: US Department of Labor



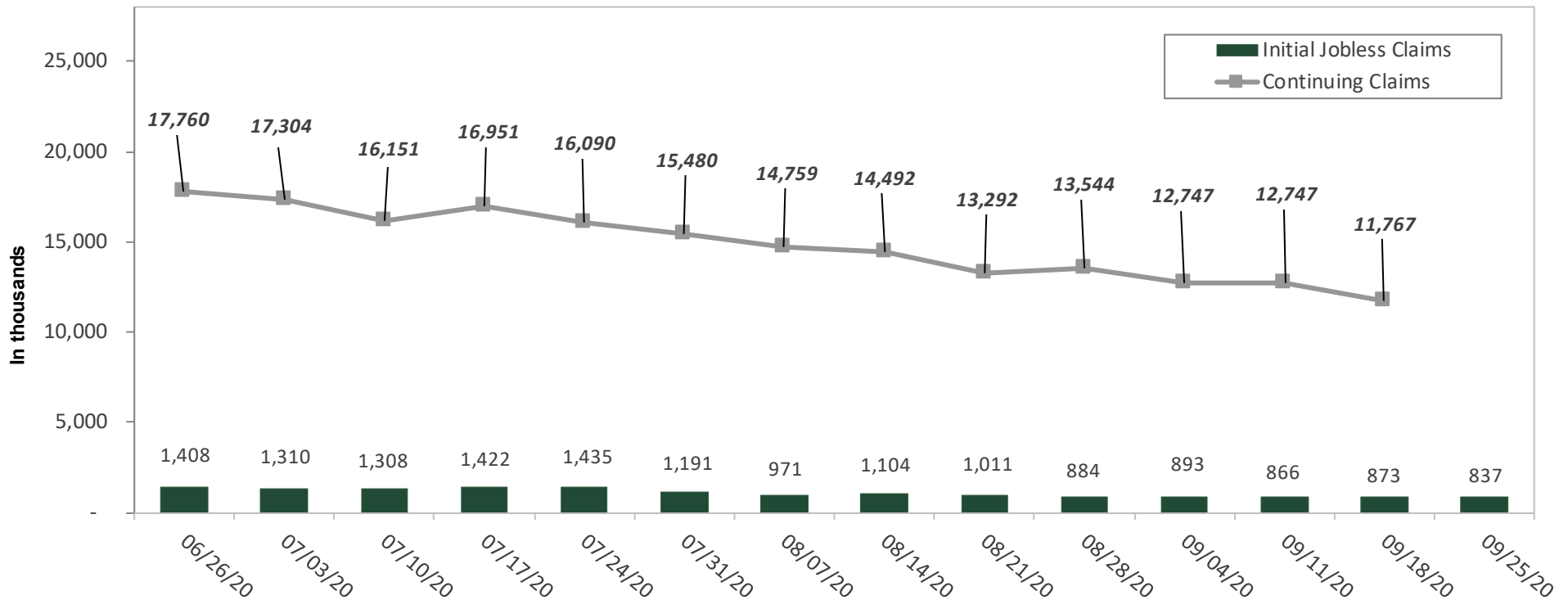
Source: US Department of Labor

U.S. nonfarm payrolls were lower than expected, up 661,000 in September versus expectations of 859,000. The unemployment rate declined to 7.9% in September from 8.4% in August. The decline in the unemployment rate was better than expected, however, it was partially driven by a decline in the labor participation rate to 61.4% in September from 61.7% in August. The labor participation rate improved modestly after plunging to 60.2% in April, but remains near the lowest levels since the 1970's. Nearly 4.5 million people have dropped out of the labor force since January, and 12.6 million people in the labor force were unemployed in September, according to the U.S. Bureau of Labor Statistics household survey. Workers who classified themselves as employed but absent from work in the September survey understated the unemployment rate by about 0.4%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but eased to 12.8% in September from 14.2% in August.



# Initial Claims for Unemployment

Initial Claims For Unemployment June 26, 2020 - September 25, 2020



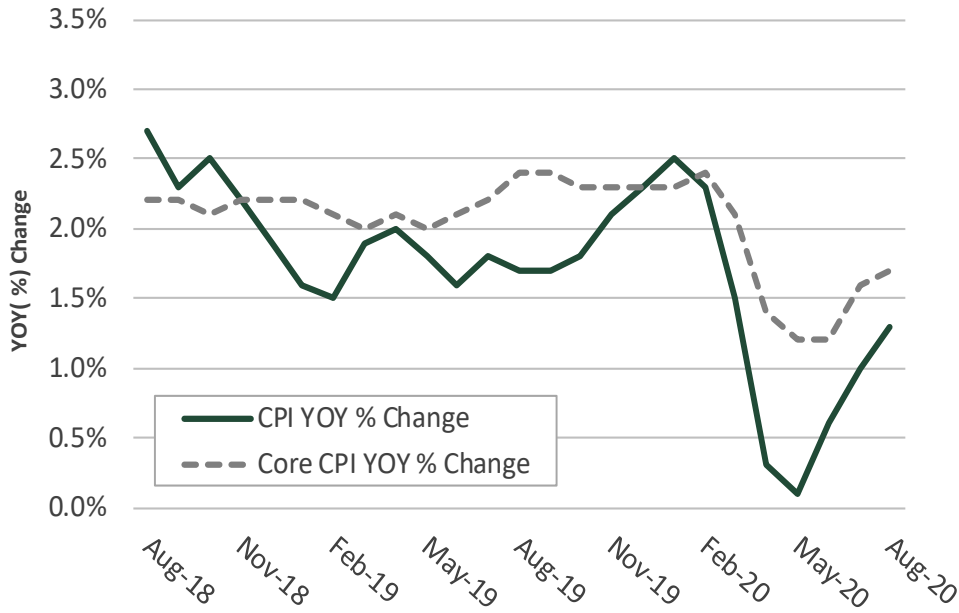
Source: US Department of Labor

In the most recent week, initial jobless claims increased by 837,000, down slightly from 873,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to 11.8 million from 12.7 million in the prior week. Continuing jobless claims have declined from the peak of nearly 25 million in early May, but they remain well above the 2019 average of 1.7 million.



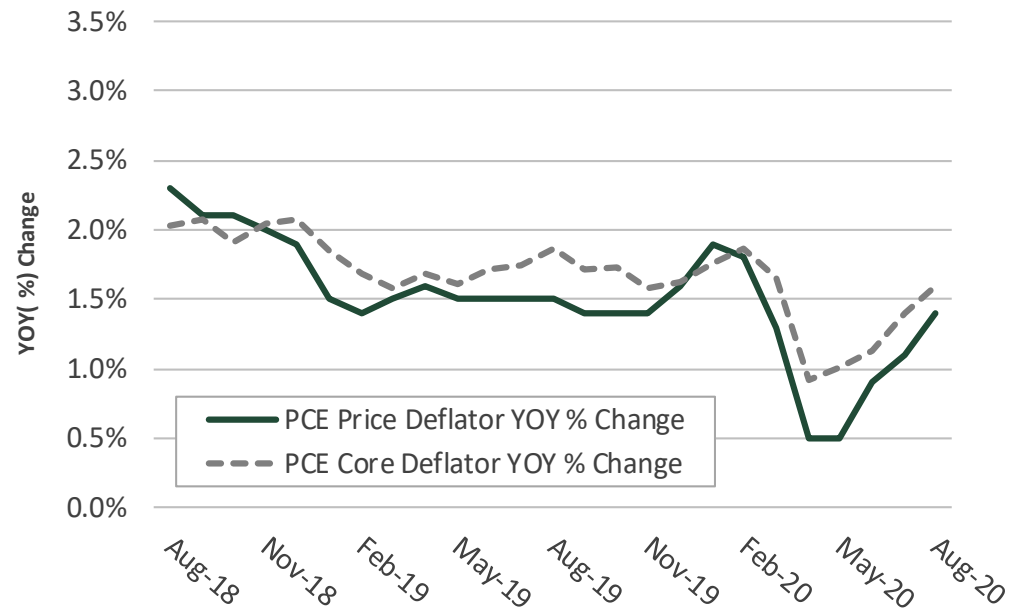
# Inflation

### Consumer Price Index (CPI)



Source: US Department of Labor

### Personal Consumption Expenditures (PCE)



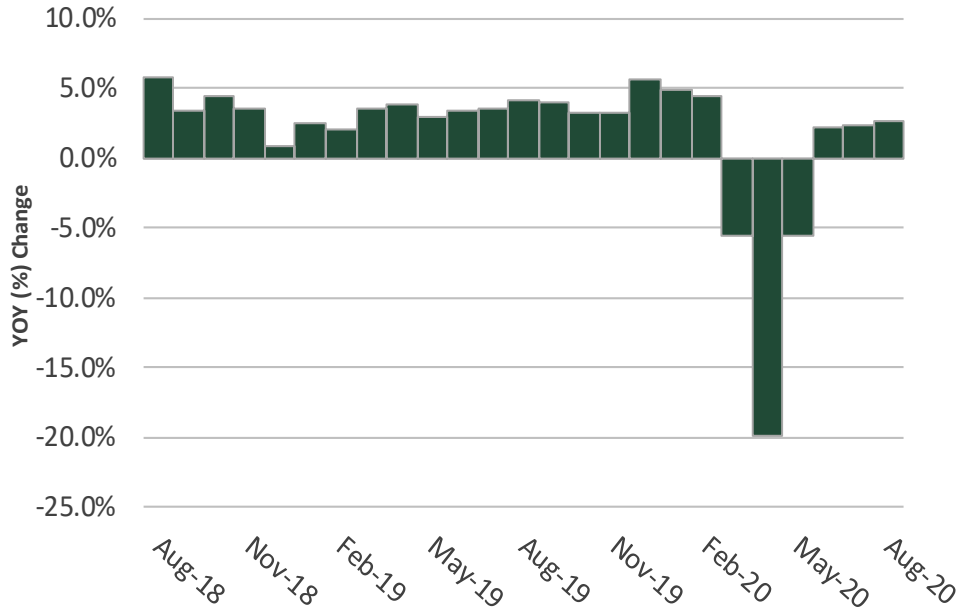
Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.3% year-over-year in August, versus up 1.0% in July. Core CPI (CPI less food and energy) was up 1.7% year-over-year in August, versus up 1.6% in July. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, versus up 1.1% year-over-year in July. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in August, versus up 1.4% year-over-year in July. Pricing pressures are increasing but remain below the Fed's inflation target.



# Consumer

### Retail Sales YOY % Change



Source: US Department of Commerce

### Consumer Confidence



Source: The Conference Board

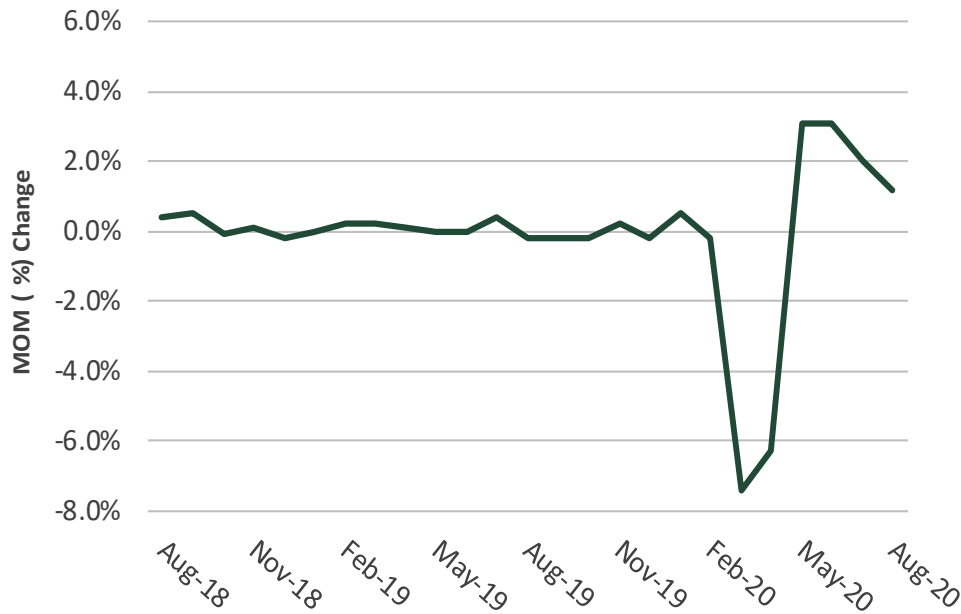
Retail sales were softer than expected in August and sales for July were revised down. On a year-over-year basis, retail sales were up 2.6% in August, versus up 2.4% in July. On a month-over-month basis, retail sales were up just 0.6% in August, following a 0.9% increase in July. Control group retail sales fell 0.2% in August, well below expectations for a 0.5% increase. The Consumer Confidence index jumped to 101.8 in September from 86.3 in August. The improvement in consumer confidence was much better than expected in September but the index remains well below pre-pandemic levels at the start of this year.





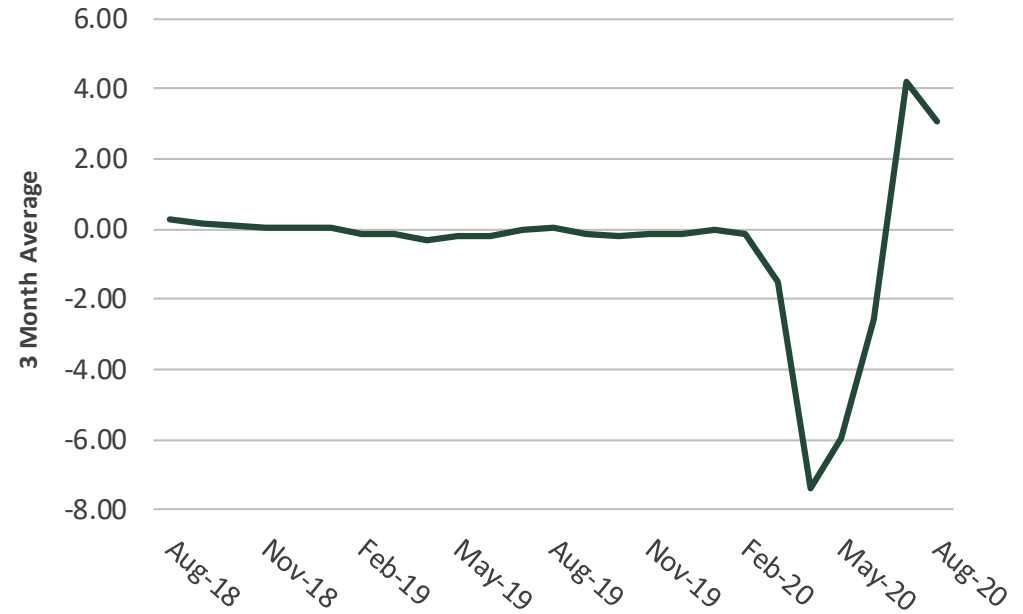
# Economic Activity

### Leading Economic Indicators (LEI)



Source: The Conference Board

### Chicago Fed National Activity Index (CFNAI)

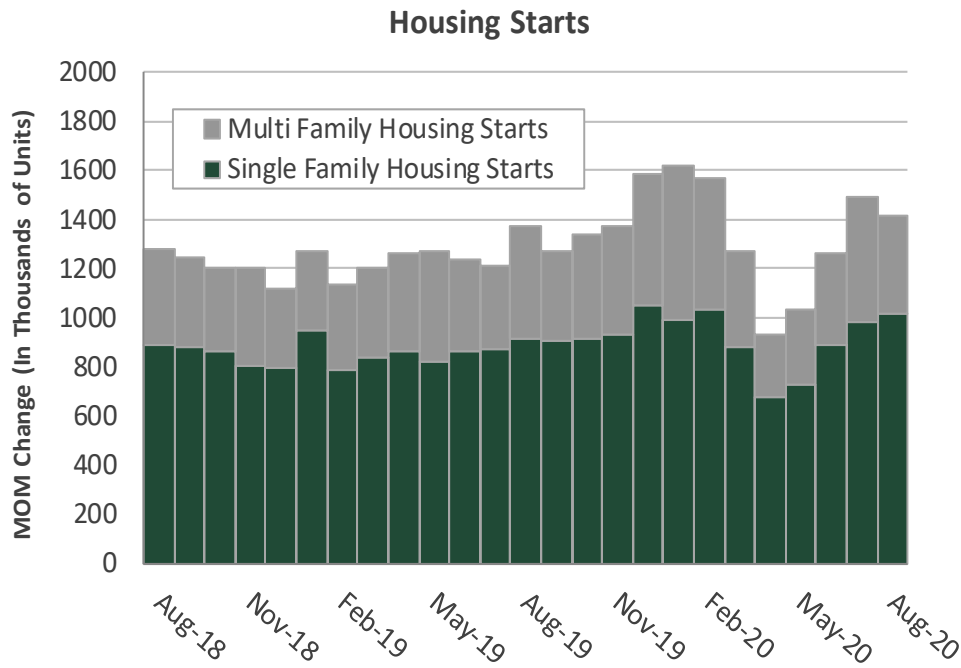


Source: Federal Reserve Bank of Chicago

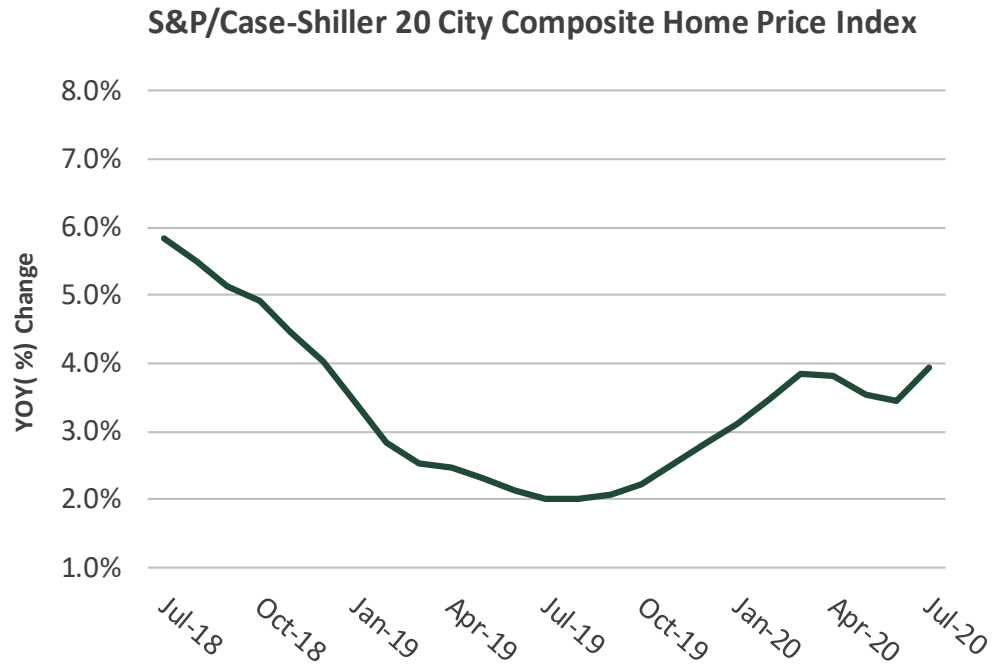
The Conference Board’s Leading Economic Index (LEI) rose 1.2% in August, following a 2.0% increase in July. On a year-over-year basis, the LEI was down 4.7% in August versus down 6.1% in July. According to the Conference Board, the recovery is losing steam and the US economy will likely head into 2021 under substantially weakened economic conditions. The Chicago Fed National Activity Index (CFNAI) declined to 0.79 in August from 2.54 in July. On a 3-month moving average basis, the CFNAI declined to 3.05 in August from 4.23 in July. Although the CFNAI declined in August on a 3-month moving basis, it is above the -0.7 recessionary level.



# Housing



Source: US Department of Commerce

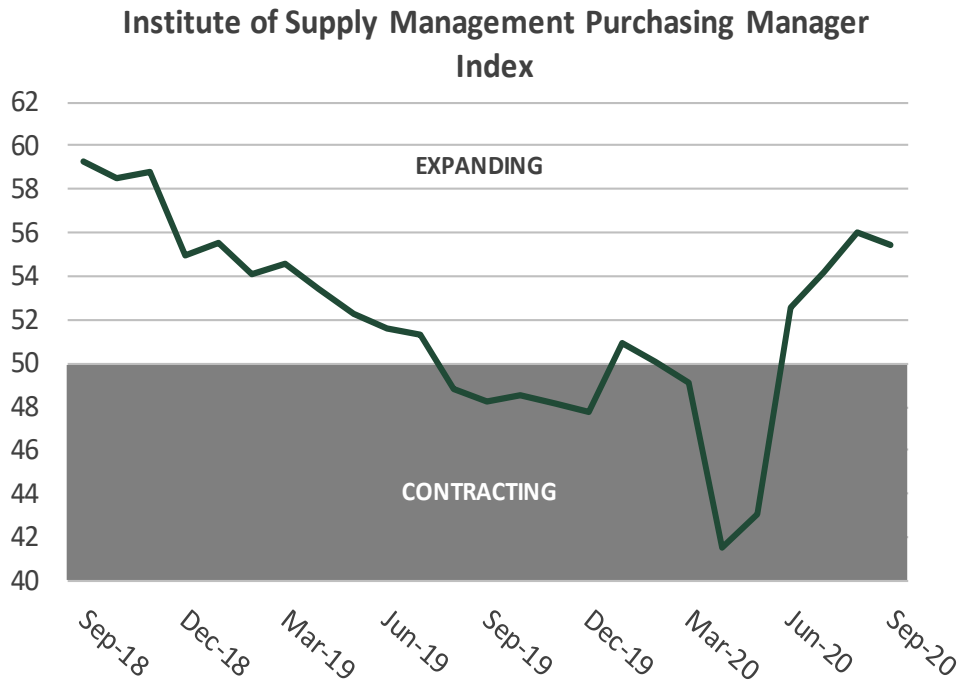


Source: S&P

Total housing starts fell 5.1% in August to an annual pace of 1,416,000. Single family starts rose 4.1% to an annualized rate of 1,021,000, while multi-family starts declined 22.7% to an annualized rate of 395,000. On a year-over-year basis, total housing starts were up 2.8% in August. Meanwhile, permits declined 0.9% in August on a month-over-month basis, to an annualized rate of 1,470,000 (flat on a year-over-year basis). According to the Case-Shiller 20-City home price index, home prices were up 3.9% year-over-year in July versus up 3.5% year-over-year in June. The housing market has remained strong during the pandemic. Very low mortgage rates, solid stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector, despite an otherwise challenging economic backdrop.



# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

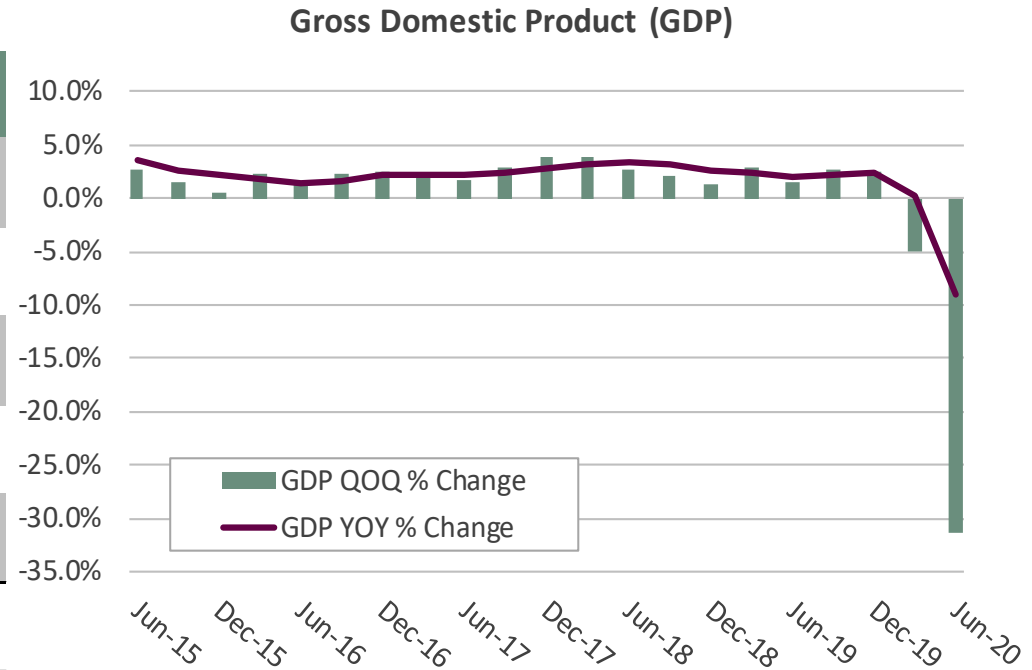
The Institute for Supply Management (ISM) manufacturing index slipped to 55.4 in September from 56.0 in August. New orders remained strong but declined to 60.2 in September from 67.6 in August. Readings above 50.0 are indicative of expansion in the manufacturing sector. The Industrial Production index was down 7.7% year-over-year in August, versus down 7.4% in July. On a month-over-month basis, the Industrial Production index increased just 0.4% in August, missing expectations of 1.2%, following a 3.5% increase in July. Capacity Utilization improved to 71.4% in August from 71.1% in July, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved, following a deep contraction, but the pace of improvement is slowing.



# Gross Domestic Product (GDP)

Components of GDP	9/19	12/19	3/20	6/20
Personal Consumption Expenditures	1.8%	1.1%	-4.8%	-24.0%
Gross Private Domestic Investment	0.3%	-0.6%	-1.6%	-8.8%
Net Exports and Imports	0.0%	1.5%	1.1%	0.6%
Federal Government Expenditures	0.3%	0.3%	0.1%	1.2%
State and Local (Consumption and Gross Investment)	0.1%	0.2%	0.1%	-0.4%
<b>Total</b>	<b>2.6%</b>	<b>2.4%</b>	<b>-5.0%</b>	<b>-31.4%</b>

Source: US Department of Commerce

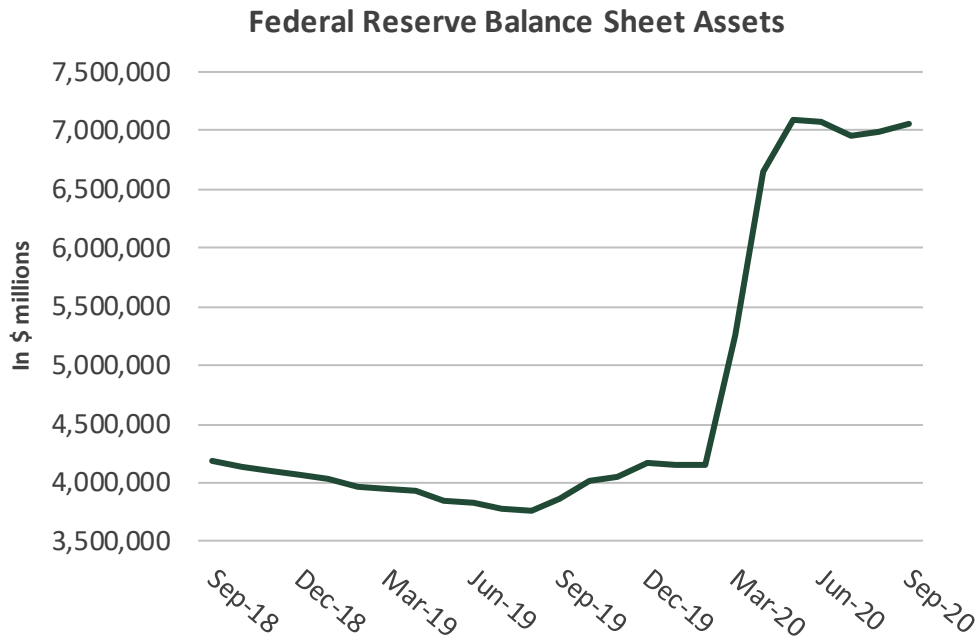


Source: US Department of Commerce

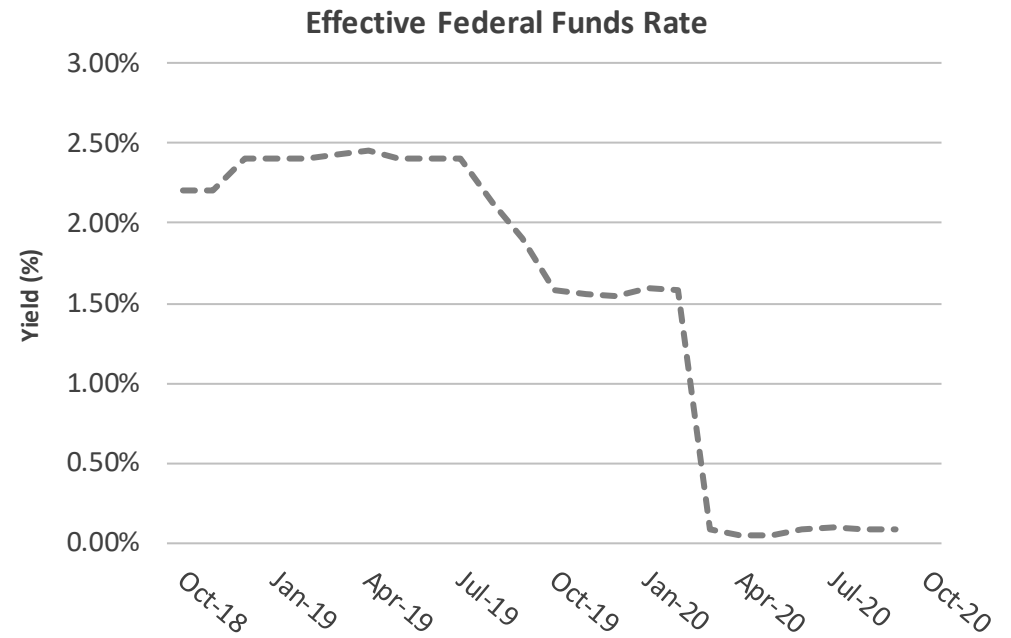
According to the third estimate, US gross domestic product (GDP) declined at an annual rate of 31.4% in the second quarter, just slightly less negative than the initial and second estimates but still the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 33.2% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a strong rebound in consumer spending and overall economic activity in the third quarter, and a slower pace of improvement in activity thereafter.



# Federal Reserve



Source: Federal Reserve



Source: Bloomberg

The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility in order to provide liquidity to the commercial paper, money markets, and the municipal bond markets. The Fed has established the Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility to support the corporate bond market. The Term Asset-Backed Securities Loan Facility has been established to enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration. The Fed has established the Paycheck Protection Program Liquidity Facility and Fed’s Main Street Lending Facility to support the flow of credit to businesses. The Fed established the Municipal Liquidity Facility to purchase short-term debt directly from US states, counties, and cities. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions.



# Unprecedented Fed Intervention

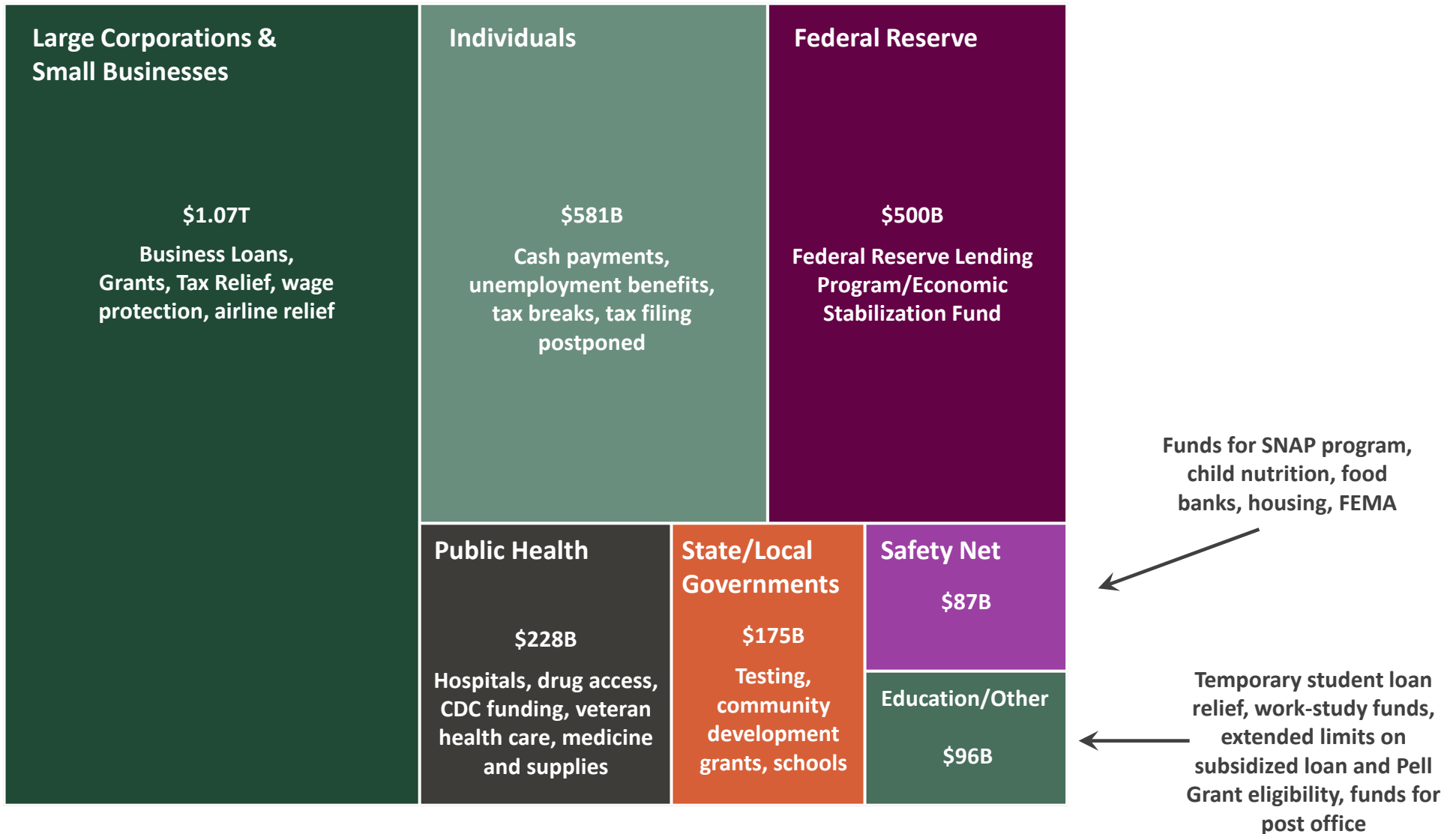
Fed Action	Details
Rate Cuts	<ul style="list-style-type: none"> <li>• Cut fed funds target rate by 1.50% to 0.00-0.25%</li> <li>• Discount window rate lowered to 0.25%</li> <li>• Fractional reserve requirement 0%</li> <li>• Interest on Excess Reserves cut to 0.10%</li> </ul>
TSY/Agency MBS Purchases	<ul style="list-style-type: none"> <li>• Purchases in the amounts needed to ensure smooth market functioning</li> </ul>
Repo Operations	<ul style="list-style-type: none"> <li>• \$1.5 trillion+ short-term repo facilities to provide liquidity</li> </ul>
Commercial Paper Funding Facility (CPFF)	<ul style="list-style-type: none"> <li>• Purchases of Tier 1 CP*</li> </ul>
Primary Dealer Credit Facility (PDCF)	<ul style="list-style-type: none"> <li>• Loans to Primary Dealers up to 3 months</li> </ul>
Money Market Mutual Fund Liquidity Facility (MMLF)	<ul style="list-style-type: none"> <li>• Liquidity to MMFs in form of loans to banks to purchase assets from MMFs</li> </ul>
FX Swap Lines	<ul style="list-style-type: none"> <li>• Temporary lending to boost circulation of dollars worldwide</li> </ul>
Primary Market Corporate Credit Facility (PMCCF)	<ul style="list-style-type: none"> <li>• Purchases of investment grade corporate debt directly from issuers**</li> </ul>
Secondary Market Corporate Credit Facility (SMCCF)	<ul style="list-style-type: none"> <li>• Purchases of investment grade debt and ETFs (IG and HY) in the secondary market</li> </ul>
Term ABS Loan Facility (TALF)	<ul style="list-style-type: none"> <li>• Loans to investors to buy highest-rated ABS, CMBS and CLOs to support consumer and business credit</li> </ul>
Municipal Liquidity Facility	<ul style="list-style-type: none"> <li>• Up to \$500 billion in lending to states and municipalities via debt security purchases from states, counties, and cities</li> </ul>
Main Street Lending Program	<ul style="list-style-type: none"> <li>• Up to \$600 billion in loan purchases from small- and mid-sized businesses</li> </ul>
Paycheck Protection Program Liquidity Facility (PPP)	<ul style="list-style-type: none"> <li>• Liquidity to participating financial institutions through term financing backed by PPP loans to small businesses</li> </ul>

*\*CP issuers that were Tier 1 as of March 17, 2020 and were subsequently downgraded to no lower than Tier 2 may be eligible on a one-time basis. \*\*Issuers that were rated at least Baa3/BBB- as of March 22, 2020 and were subsequently downgraded to no lower than Ba3/BB- may be eligible.*

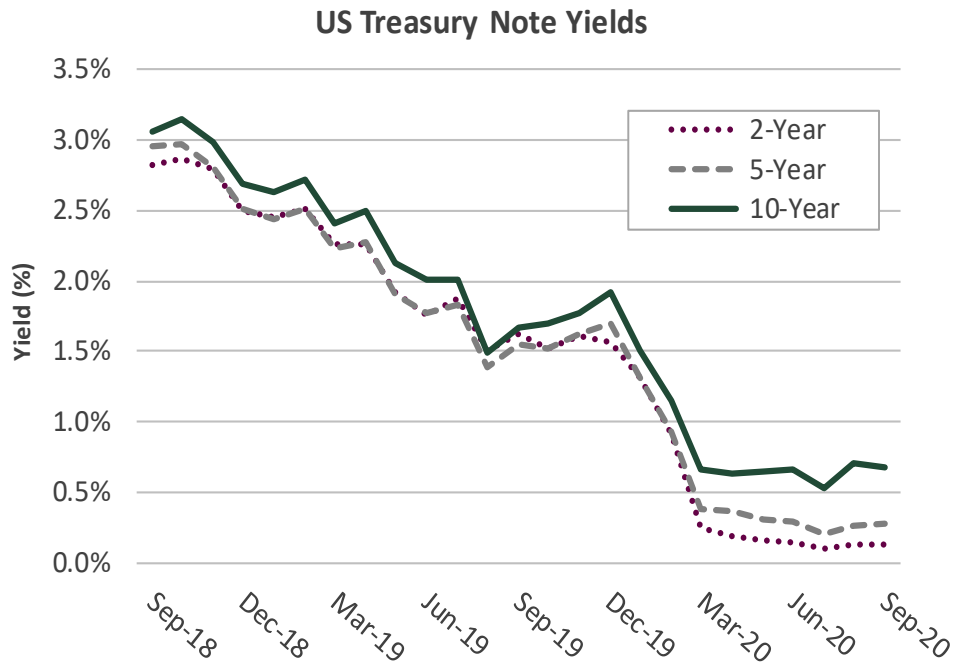
Source: US Federal Reserve



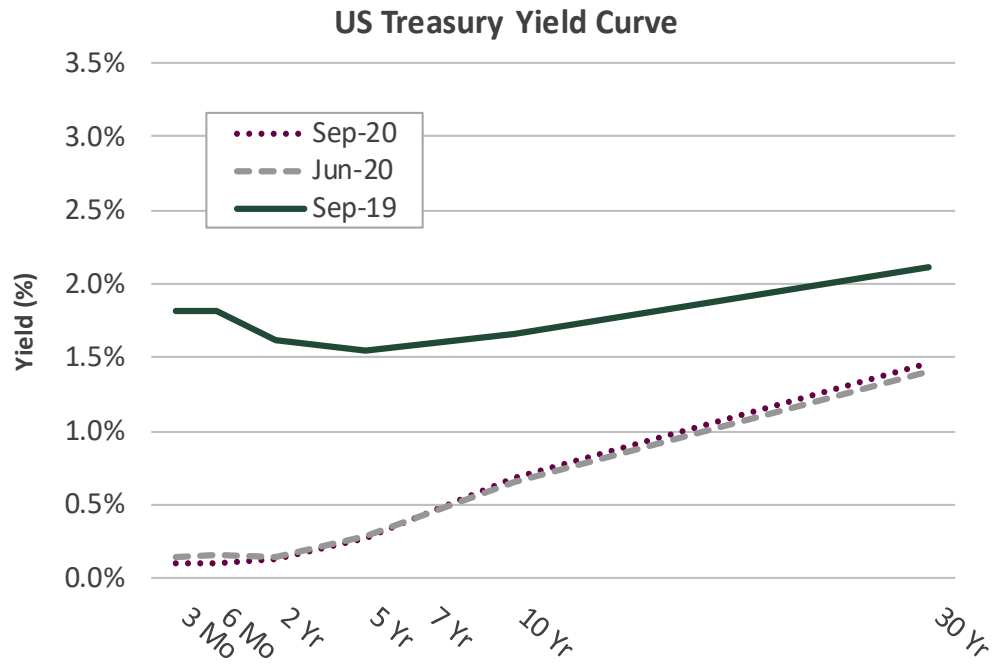
# CARES Act and Other Fiscal Stimulus: \$2.7 Trillion and Counting



# Bond Yields



Source: Bloomberg



Source: Bloomberg

At September month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 172 basis points, the 2-year Treasury yield was down 150 basis points, and the 10-Year Treasury yield was down 98 basis points, year-over-year. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years.





## Section 2 | Account Profile

## Investment Objectives

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

## Chandler Asset Management Performance Objective

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

## Strategy

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



## Small Cities Organized Risk Effort

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

## Small Cities Organized Risk Effort

	9/30/2020		6/30/2020
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	2.65	2.79	2.81
<b>Average Modified Duration</b>	2.57	2.58	2.60
<b>Average Purchase Yield</b>	n/a	1.93%	1.99%
<b>Average Market Yield</b>	0.17%	0.30%	0.35%
<b>Average Quality**</b>	AAA	AA/Aa1	AA/Aa1
<b>Total Market Value</b>		12,273,256	12,244,313

\*ICE BAML 1-5 Year US Treasury/Agency Index

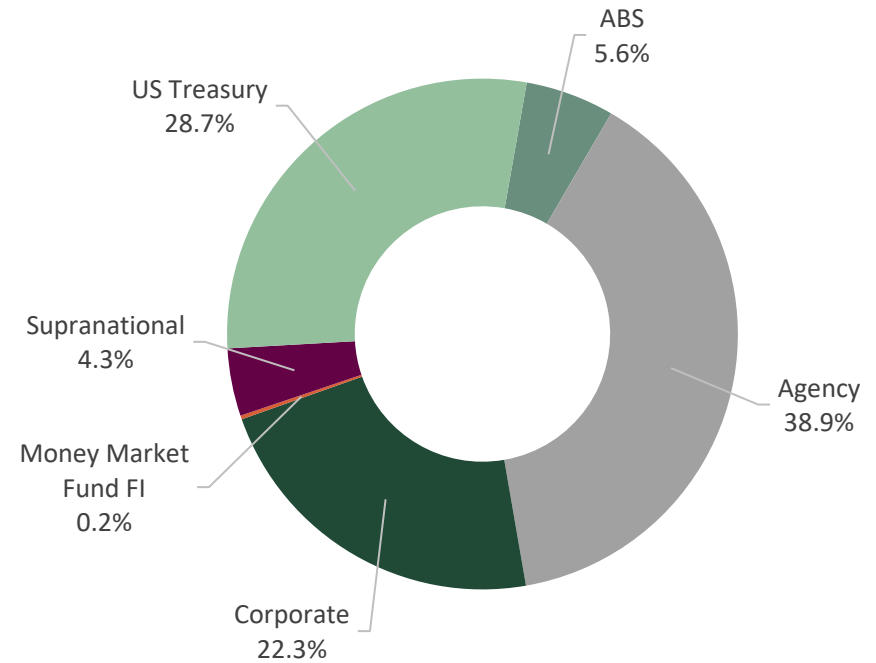
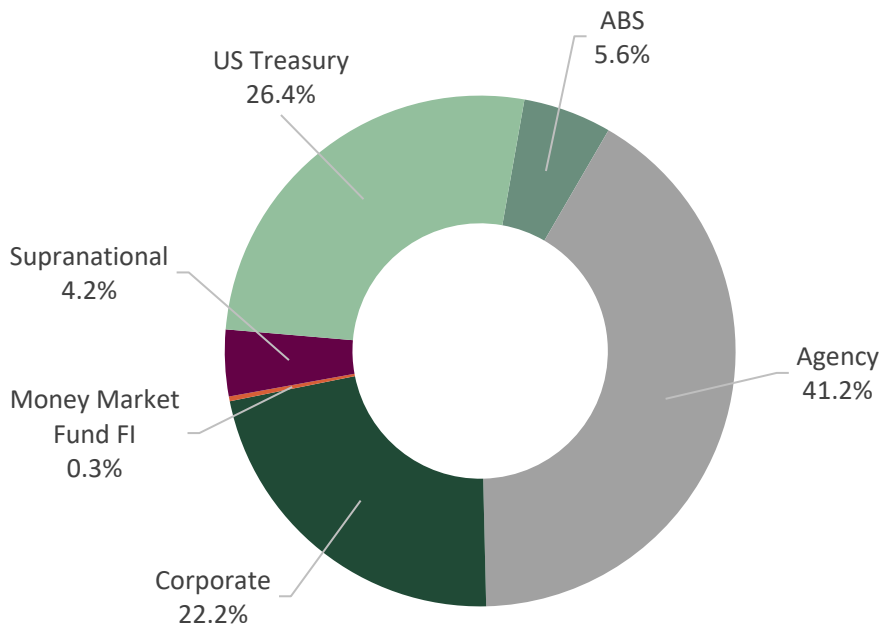
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.



## Small Cities Organized Risk Effort

September 30, 2020

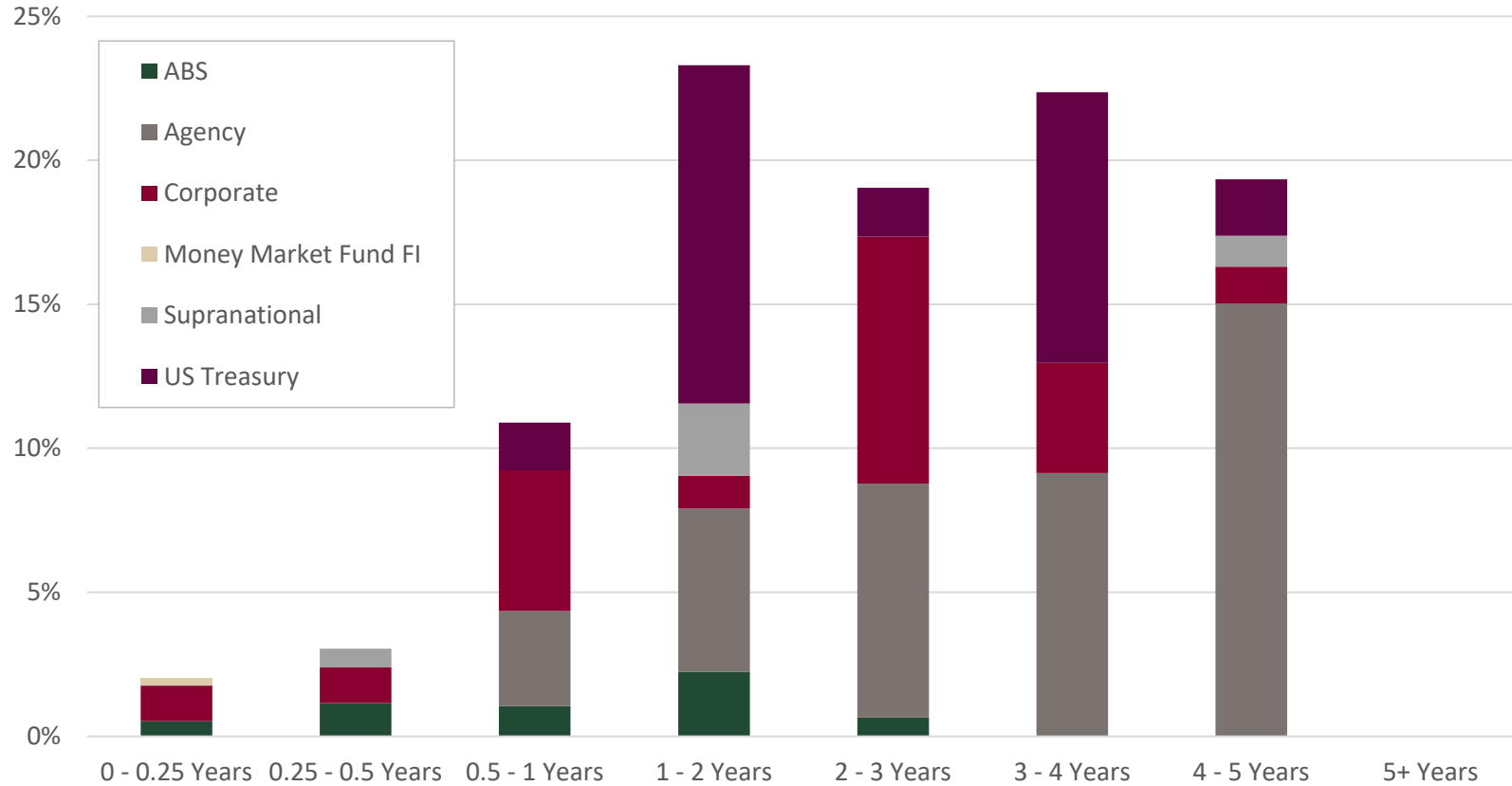
June 30, 2020



# Duration Allocation

As of September 30, 2020

## Small Cities Organized Risk Effort



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
09/30/20	2.0%	3.0%	10.9%	23.3%	19.0%	22.4%	19.3%	0.0%

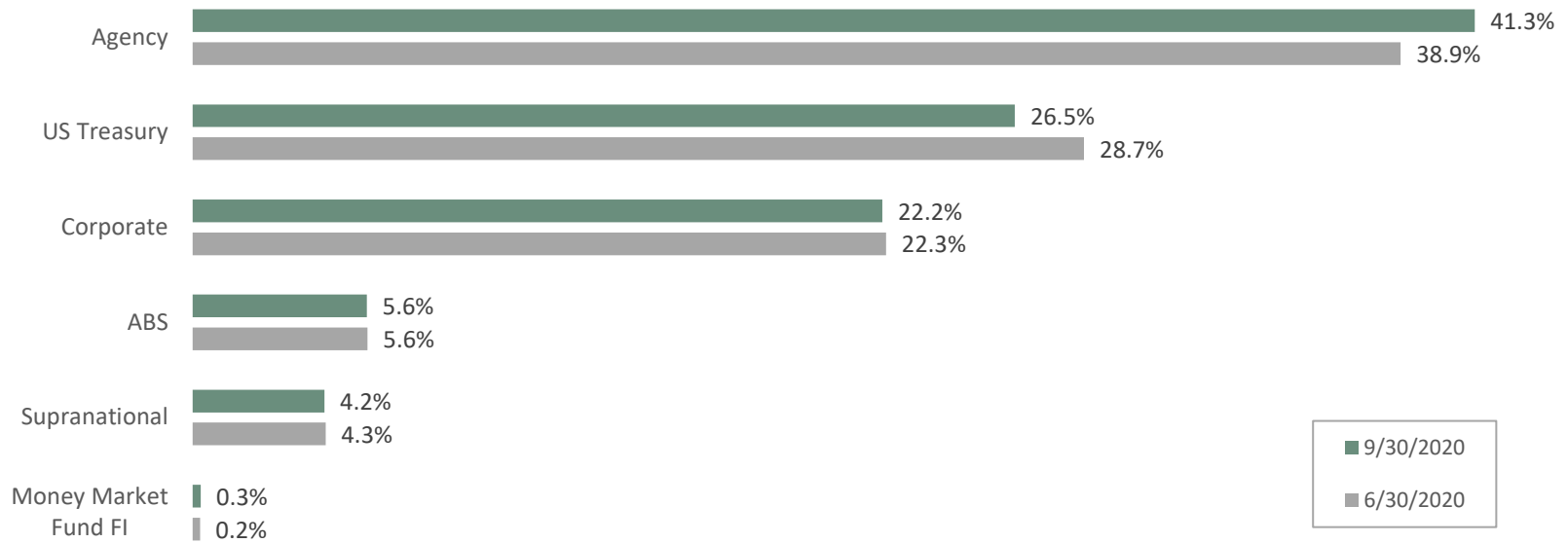


# Portfolio Allocation & Duration Changes

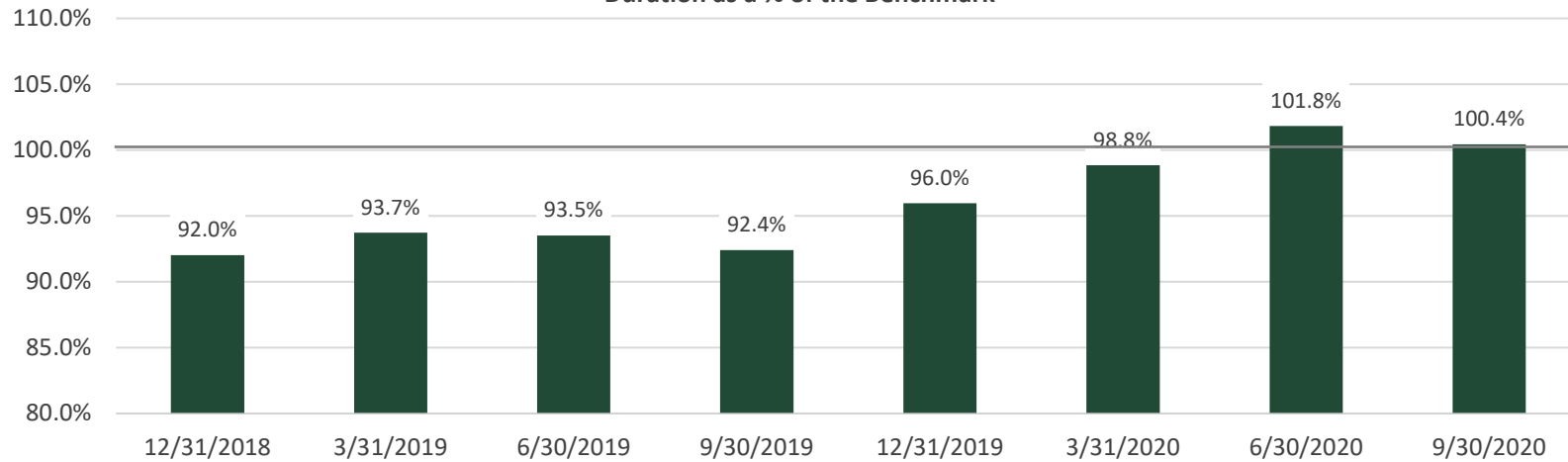
As of September 30, 2020

## Small Cities Organized Risk Effort

Portfolio Allocation



Duration as a % of the Benchmark



Benchmark: ICE BAML 1-5 Year US Treasury/Agency Index



## Small Cities Organized Risk Effort – Account #590

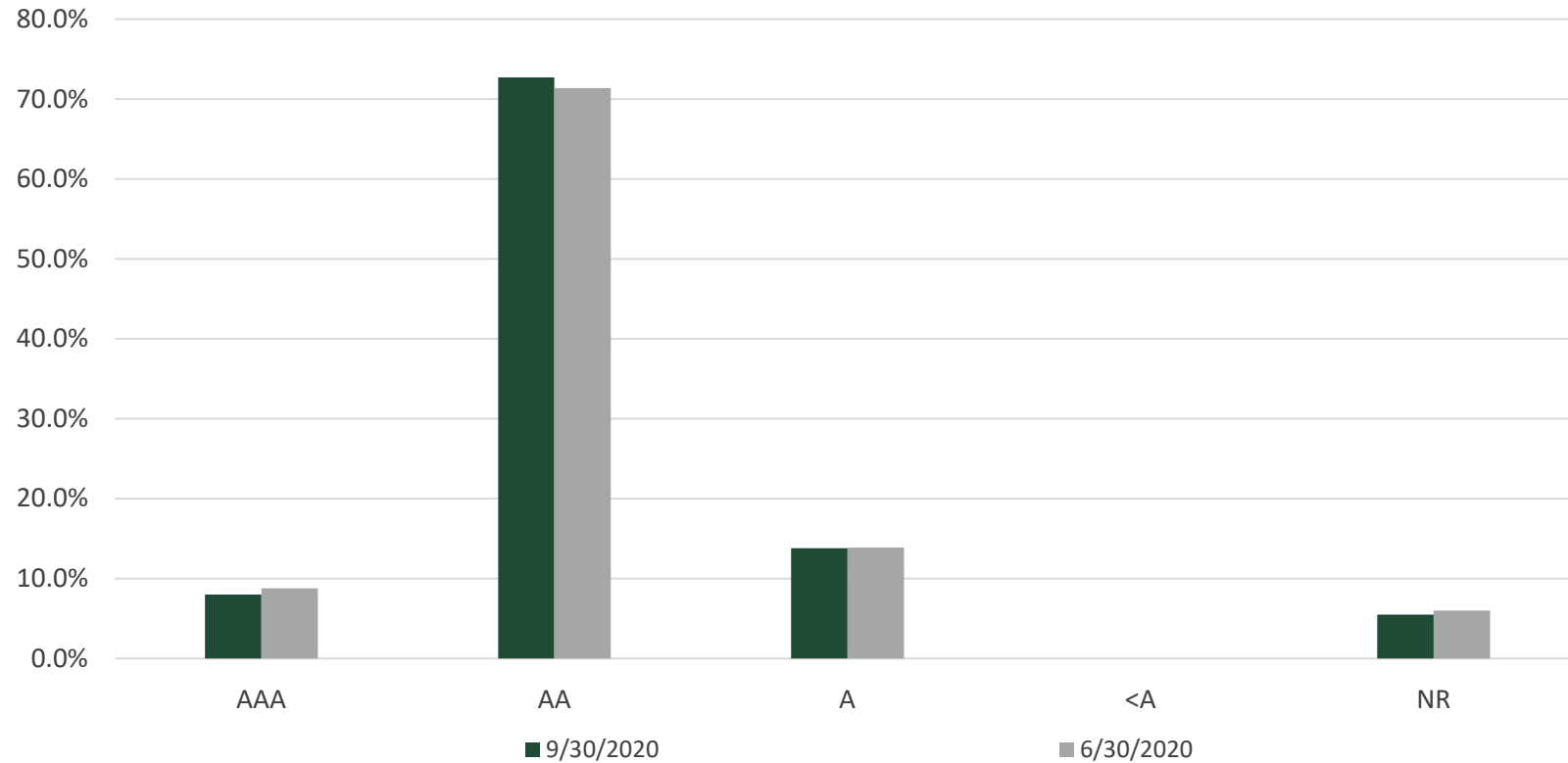
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.45%
Federal National Mortgage Association	Agency	17.08%
Federal Home Loan Bank	Agency	14.07%
Federal Home Loan Mortgage Corp	Agency	8.80%
Intl Bank Recon and Development	Supranational	2.75%
Honda ABS	ABS	1.73%
Toyota ABS	ABS	1.49%
JP Morgan Chase & Co	Corporate	1.33%
Apple Inc	Corporate	1.33%
Merck & Company	Corporate	1.32%
Nissan ABS	ABS	1.32%
IBM Corp	Corporate	1.30%
Honda Motor Corporation	Corporate	1.30%
Federal Farm Credit Bank	Agency	1.30%
Deere & Company	Corporate	1.29%
Berkshire Hathaway	Corporate	1.29%
Qualcomm Inc	Corporate	1.29%
Oracle Corp	Corporate	1.24%
Chubb Corporation	Corporate	1.24%
Exxon Mobil Corp	Corporate	1.23%
ChevronTexaco Corp	Corporate	1.20%
Toronto Dominion Holdings	Corporate	1.19%
Bank of America Corp	Corporate	1.16%
Microsoft	Corporate	1.16%
US Bancorp	Corporate	1.14%
John Deere ABS	ABS	1.08%
Wal-Mart Stores	Corporate	0.89%
Inter-American Dev Bank	Supranational	0.84%
General Dynamics Corp	Corporate	0.67%
International Finance Corp	Supranational	0.66%
State Street Bank	Corporate	0.62%
First American Govt Oblig Fund	Money Market Fund FI	0.26%
<b>TOTAL</b>		<b>100.00%</b>



# Quality Distribution

As of September 30, 2020

## Small Cities Organized Risk Effort September 30, 2020 vs. June 30, 2020



	AAA	AA	A	<A	NR
09/30/20	8.0%	72.7%	13.8%	0.0%	5.5%
06/30/20	8.8%	71.4%	13.9%	0.0%	6.0%

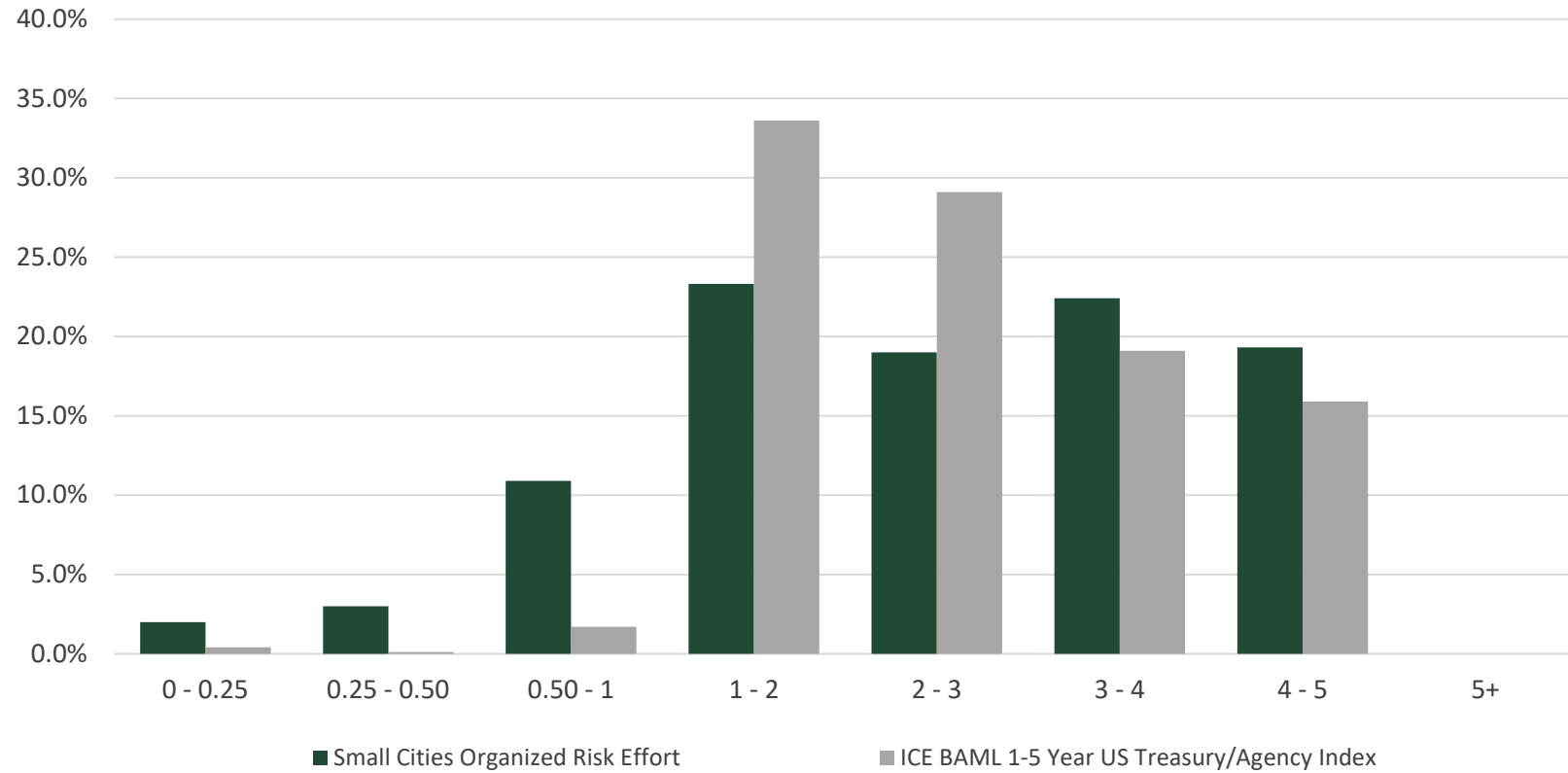
Source: S&P Ratings



# Duration Distribution

As of September 30, 2020

**Small Cities Organized Risk Effort**  
Portfolio Compared to the Benchmark as of September 30, 2020

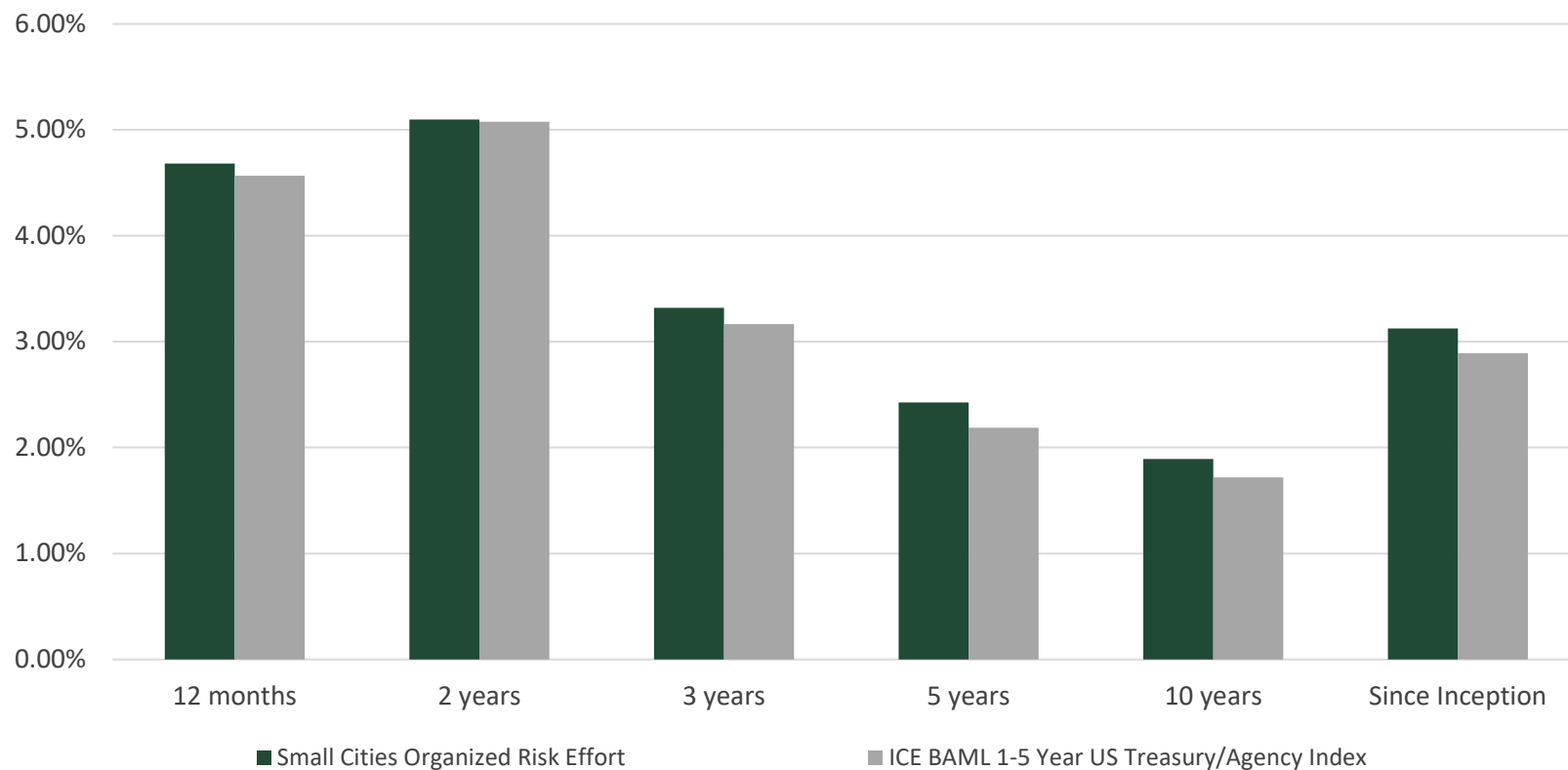


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	2.0%	3.0%	10.9%	23.3%	19.0%	22.4%	19.3%	0.0%
Benchmark*	0.4%	0.1%	1.7%	33.6%	29.1%	19.1%	15.9%	0.0%

\*ICE BAML 1-5 Year US Treasury/Agency Index



## Small Cities Organized Risk Effort Total Rate of Return Annualized Since Inception 03/31/2006



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Small Cities Organized Risk Effort	0.27%	4.68%	5.10%	3.32%	2.43%	1.89%	3.12%
ICE BAML 1-5 Year US Treasury/Agency Index	0.13%	4.57%	5.08%	3.17%	2.19%	1.72%	2.89%

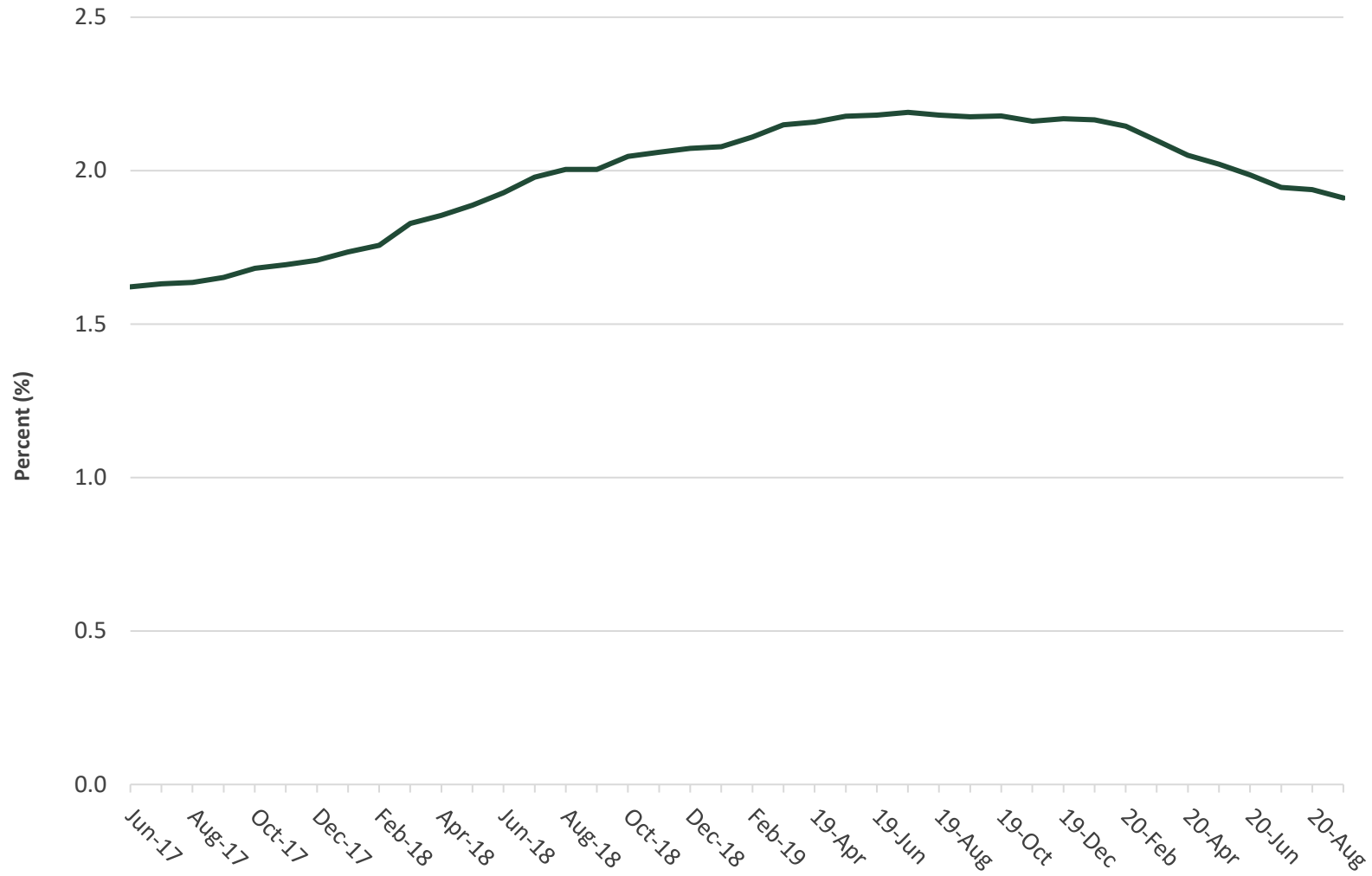
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



# Historical Average Purchase Yield

As of September 30, 2020

**Small Cities Organized Risk Effort**  
Purchase Yield as of 9/30/2020 = 1.93%





## Section 3 | Portfolio Holdings

# Holdings Report

As of September 30, 2020

## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.750% Due 09/20/2021	16,083.59	02/19/2019 2.77%	16,082.55 16,083.20	100.25 0.10%	16,123.32 15.97	0.13% 40.12	NR / AAA AAA	0.97 0.09
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	714.83	07/11/2017 1.83%	714.78 714.82	100.05 0.15%	715.22 0.58	0.01% 0.40	Aaa / NR AAA	1.04 0.03
47789JAB2	John Deere Owner Trust 2019-A A2 2.850% Due 12/15/2021	9,646.06	03/05/2019 2.87%	9,645.62 9,645.87	100.19 0.10%	9,664.68 12.22	0.08% 18.81	Aaa / NR AAA	1.21 0.07
43815NAB0	Honda Auto Receivables Trust 2019-3 A2 1.900% Due 04/15/2022	46,363.15	08/20/2019 1.92%	46,359.91 46,362.09	100.57 0.24%	46,625.33 39.15	0.38% 263.24	Aaa / AAA NR	1.54 0.34
47788CAC6	John Deere Owner Trust 2018-A A3 2.660% Due 04/18/2022	10,230.27	02/21/2018 2.68%	10,229.54 10,230.00	100.55 0.35%	10,286.23 12.09	0.08% 56.23	Aaa / NR AAA	1.55 0.24
477870AB5	John Deere Owner Trust 2019-B A2 2.280% Due 05/16/2022	26,625.65	07/16/2019 2.29%	26,625.55 26,625.59	100.49 0.22%	26,754.91 26.98	0.22% 129.32	Aaa / NR AAA	1.62 0.24
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	24,675.16	05/22/2018 3.03%	24,674.62 24,674.94	101.14 0.28%	24,956.63 26.82	0.20% 281.69	NR / AAA AAA	1.63 0.42
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.950% Due 08/22/2022	58,525.31	08/21/2018 2.98%	58,517.28 58,521.50	101.31 0.39%	59,293.33 47.96	0.48% 771.83	Aaa / NR AAA	1.89 0.51
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	68,937.94	07/18/2018 3.10%	68,932.72 68,935.37	101.39 0.10%	69,899.07 94.37	0.57% 963.70	Aaa / NR AAA	2.13 0.47
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.060% Due 03/15/2023	67,940.72	07/17/2018 3.08%	67,938.53 67,939.87	101.68 0.40%	69,084.70 92.40	0.56% 1,144.83	Aaa / AAA NR	2.45 0.63
89232HAC9	Toyota Auto Receivable Own 2020-AA A3 1.660% Due 05/15/2024	120,000.00	06/17/2020 0.68%	122,765.63 122,563.93	102.18 0.40%	122,614.68 88.53	1.00% 50.75	Aaa / AAA NR	3.62 1.71
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	90,000.00	10/16/2019 1.94%	89,995.25 89,996.20	102.47 0.43%	92,222.73 77.20	0.75% 2,226.53	Aaa / AAA NR	3.79 1.62
89237VAB5	Toyota Auto Receivables Trust 2020-C A3 0.440% Due 10/15/2024	60,000.00	07/21/2020 0.44%	59,995.38 59,995.58	100.23 0.32%	60,136.86 11.73	0.49% 141.28	Aaa / AAA NR	4.04 1.89
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	65,000.00	09/22/2020 0.38%	64,990.45 64,990.47	100.01 0.37%	65,006.76 1.34	0.53% 16.29	NR / AAA AAA	4.05 2.17
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	15,000.00	07/14/2020 0.52%	14,997.71 14,997.84	100.26 0.39%	15,038.93 3.40	0.12% 41.09	Aaa / NR AAA	4.13 2.16
<b>TOTAL ABS</b>		<b>679,742.68</b>	<b>1.82%</b>	<b>682,465.52</b> <b>682,277.27</b>	<b>0.33%</b>	<b>688,423.38</b> <b>550.74</b>	<b>5.61%</b> <b>6,146.11</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.90</b> <b>1.15</b>



## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Agency</b>									
313379RB7	FHLB Note 1.875% Due 06/11/2021	150,000.00	08/30/2017 1.67%	151,131.00 150,207.35	101.21 0.13%	151,820.85 859.38	1.24% 1,613.50	Aaa / AA+ AAA	0.70 0.69
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	250,000.00	Various 1.35%	247,300.00 249,524.27	100.85 0.15%	252,117.00 382.82	2.06% 2,592.73	Aaa / AA+ AAA	0.87 0.86
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	125,000.00	10/06/2016 1.45%	124,557.75 124,910.15	101.24 0.16%	126,546.00 830.73	1.04% 1,635.85	Aaa / AA+ AAA	1.02 1.01
3135G0S38	FNMA Note 2.000% Due 01/05/2022	150,000.00	Various 2.04%	149,695.75 149,921.91	102.38 0.11%	153,575.86 716.66	1.26% 3,653.95	Aaa / AA+ AAA	1.27 1.25
313378CR0	FHLB Note 2.250% Due 03/11/2022	150,000.00	06/19/2017 1.86%	152,646.00 150,806.84	103.03 0.16%	154,538.70 187.50	1.26% 3,731.86	Aaa / AA+ NR	1.44 1.43
3135G0T45	FNMA Note 1.875% Due 04/05/2022	250,000.00	05/05/2017 1.99%	248,625.00 249,577.45	102.63 0.13%	256,583.50 2,291.67	2.11% 7,006.05	Aaa / AA+ AAA	1.51 1.49
3135G0T94	FNMA Note 2.375% Due 01/19/2023	250,000.00	03/28/2018 2.70%	246,367.50 248,263.35	104.91 0.24%	262,263.25 1,187.50	2.15% 13,999.90	Aaa / AA+ AAA	2.30 2.24
313383QR5	FHLB Note 3.250% Due 06/09/2023	100,000.00	08/28/2018 2.87%	101,667.00 100,937.15	108.05 0.25%	108,045.20 1,011.11	0.89% 7,108.05	Aaa / AA+ NR	2.69 2.58
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	200,000.00	07/16/2018 2.88%	198,836.00 199,358.44	106.76 0.25%	213,520.20 1,558.33	1.75% 14,161.76	Aaa / AA+ AAA	2.72 2.62
3135G05G4	FNMA Note 0.250% Due 07/10/2023	135,000.00	07/08/2020 0.32%	134,709.75 134,731.75	99.98 0.26%	134,972.19 75.94	1.10% 240.44	Aaa / AA+ AAA	2.78 2.76
313383YJ4	FHLB Note 3.375% Due 09/08/2023	250,000.00	Various 3.05%	253,613.50 252,201.64	109.15 0.25%	272,874.00 539.07	2.23% 20,672.36	Aaa / AA+ NR	2.94 2.82
3130A0F70	FHLB Note 3.375% Due 12/08/2023	150,000.00	12/31/2018 2.72%	154,474.50 152,886.21	109.84 0.27%	164,760.00 1,589.06	1.36% 11,873.79	Aaa / AA+ AAA	3.19 3.03
3135G0V34	FNMA Note 2.500% Due 02/05/2024	125,000.00	02/27/2019 2.58%	124,521.25 124,675.52	107.50 0.25%	134,380.38 486.11	1.10% 9,704.86	Aaa / AA+ AAA	3.35 3.22
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	230,000.00	Various 1.96%	239,917.60 237,355.25	109.68 0.25%	252,254.80 1,965.38	2.07% 14,899.55	Aaa / AA+ NR	3.71 3.52
3133EKWV4	FFCB Note 1.850% Due 07/26/2024	150,000.00	08/13/2019 1.65%	151,448.40 151,116.74	105.97 0.28%	158,955.00 501.04	1.30% 7,838.26	Aaa / AA+ AAA	3.82 3.70
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	200,000.00	Various 1.66%	211,539.00 209,188.73	110.56 0.19%	221,117.60 287.50	1.80% 11,928.87	Aaa / AA+ AAA	3.96 3.77
3135G0W66	FNMA Note 1.625% Due 10/15/2024	175,000.00	11/08/2019 1.80%	173,547.50 173,809.10	105.32 0.30%	184,318.23 1,311.28	1.51% 10,509.13	Aaa / AA+ AAA	4.04 3.90



## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0X24	FNMA Note 1.625% Due 01/07/2025	235,000.00	Various 1.19%	239,814.00 239,250.15	105.38 0.35%	247,636.66 891.04	2.02% 8,386.51	Aaa / AA+ AAA	4.27 4.12
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	260,000.00	02/13/2020 1.52%	259,799.80 259,825.03	104.96 0.35%	272,890.02 530.83	2.23% 13,064.99	Aaa / NR AAA	4.37 4.23
3130A4CH3	FHLB Note 2.375% Due 03/14/2025	225,000.00	03/19/2020 1.18%	237,998.25 236,605.58	108.54 0.44%	244,212.75 252.34	1.99% 7,607.17	Aaa / AA+ AAA	4.45 4.25
3130AJHU6	FHLB Note 0.500% Due 04/14/2025	150,000.00	06/04/2020 0.53%	149,800.80 149,814.05	99.88 0.33%	149,814.05 343.75	1.22% 0.00	Aaa / AA+ AAA	4.54 4.48
3135G03U5	FNMA Note 0.625% Due 04/22/2025	105,000.00	04/22/2020 0.67%	104,783.70 104,802.67	101.35 0.33%	106,422.54 286.20	0.87% 1,619.87	Aaa / AA+ AAA	4.56 4.48
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	260,000.00	06/17/2020 0.54%	259,461.80 259,492.49	100.46 0.40%	261,198.86 368.33	2.13% 1,706.37	Aaa / AA+ AAA	4.72 4.65
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	140,000.00	07/21/2020 0.48%	139,302.80 139,329.56	100.02 0.37%	140,022.96 99.17	1.14% 693.40	Aaa / AA+ AAA	4.81 4.76
3135G05X7	FNMA Note 0.375% Due 08/25/2025	220,000.00	08/25/2020 0.47%	218,970.40 218,990.16	99.68 0.44%	219,306.78 77.92	1.79% 316.62	Aaa / AA+ AAA	4.90 4.85
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	200,000.00	09/23/2020 0.44%	199,398.00 199,399.98	99.67 0.44%	199,340.60 12.50	1.62% (59.38)	Aaa / AA+ AAA	4.98 4.93
<b>TOTAL Agency</b>		<b>4,835,000.00</b>	<b>1.63%</b>	<b>4,873,927.05</b> <b>4,866,981.52</b>	<b>0.28%</b>	<b>5,043,487.98</b> <b>18,643.16</b>	<b>41.25%</b> <b>176,506.46</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.28</b> <b>3.18</b>
<b>Corporate</b>									
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	150,000.00	02/14/2017 2.27%	150,180.00 150,000.27	100.14 0.54%	150,211.95 1,418.33	1.24% 211.68	A3 / A A	0.09 0.01
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	150,000.00	Various 2.06%	151,124.80 150,097.61	100.66 0.64%	150,991.66 277.75	1.23% 894.05	Aa1 / AA NR	0.42 0.42
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	80,000.00	05/08/2018 3.24%	79,444.00 79,887.38	101.67 0.27%	81,336.48 933.33	0.67% 1,449.10	A2 / A NR	0.61 0.61
166764BG4	Chevron Corp Callable Note Cont 4/15/2021 2.100% Due 05/16/2021	145,000.00	05/20/2016 2.23%	144,150.30 144,893.85	101.02 0.22%	146,475.38 1,141.88	1.20% 1,581.53	Aa2 / AA NR	0.62 0.54
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	75,000.00	05/16/2016 1.96%	74,961.00 74,995.09	101.09 0.23%	75,820.80 536.25	0.62% 825.71	A1 / A AA-	0.63 0.63
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	140,000.00	Various 1.59%	139,739.55 139,955.07	101.08 0.15%	141,511.72 319.48	1.16% 1,556.65	Aaa / AAA AA+	0.85 0.77





# Holdings Report

As of September 30, 2020

## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	150,000.00	06/27/2018 3.11%	144,499.50 148,364.84	101.42 0.27%	152,137.35 126.67	1.24% 3,772.51	A3 / A A-	0.96 0.87
91159HHP8	US Bancorp Callable Note Cont 12/23/2021 2.625% Due 01/24/2022	135,000.00	05/23/2017 2.35%	136,571.40 135,421.04	102.83 0.32%	138,819.56 659.53	1.14% 3,398.52	A1 / A+ A+	1.32 1.21
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	150,000.00	03/08/2018 3.20%	146,686.50 148,443.92	105.19 0.40%	157,782.30 956.25	1.29% 9,338.38	A2 / A A	2.27 2.20
44932HAH6	IBM Credit Corp Note 3.000% Due 02/06/2023	150,000.00	02/26/2018 3.09%	149,350.50 149,691.09	106.28 0.31%	159,424.65 687.50	1.30% 9,733.56	A2 / A NR	2.35 2.28
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	150,000.00	04/20/2018 3.28%	146,457.00 148,224.53	105.34 0.41%	158,008.80 183.33	1.29% 9,784.27	Aa2 / AA A+	2.45 2.23
58933YAF2	Merck & Co Note 2.800% Due 05/18/2023	150,000.00	10/26/2018 3.41%	146,148.00 147,776.00	106.62 0.27%	159,933.90 1,551.67	1.32% 12,157.90	A1 / AA- A+	2.63 2.53
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	100,000.00	Various 3.41%	99,974.00 99,985.78	108.04 0.36%	108,037.60 897.22	0.89% 8,051.82	Aa2 / AA AA	2.74 2.54
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	133,000.00	03/06/2019 2.98%	133,694.26 133,476.16	106.50 0.84%	141,639.68 341.00	1.16% 8,163.52	A2 / A- A+	3.43 2.34
89114QCB2	Toronto Dominion Bank Note 3.250% Due 03/11/2024	135,000.00	03/26/2019 2.95%	136,833.30 136,273.18	108.41 0.77%	146,348.78 243.75	1.19% 10,075.60	Aa3 / A AA-	3.45 3.28
037833CU2	Apple Inc Callable Note Cont 3/11/2024 2.850% Due 05/11/2024	150,000.00	05/17/2019 2.72%	150,888.00 150,635.66	107.90 0.53%	161,854.65 1,662.50	1.33% 11,218.99	Aa1 / AA+ NR	3.61 3.27
02665WCZ2	American Honda Finance Note 2.400% Due 06/27/2024	150,000.00	07/10/2019 2.49%	149,373.00 149,527.68	105.82 0.82%	158,733.75 940.00	1.30% 9,206.07	A3 / A- NR	3.74 3.57
46647PAU0	JP Morgan Chase & Co Callable Note 1X 7/23/2023 3.797% Due 07/23/2024	150,000.00	09/12/2019 2.11%	157,930.50 156,225.35	108.33 0.80%	162,492.15 1,075.82	1.33% 6,266.80	A2 / A- AA-	3.81 2.91
747525AF0	Qualcomm Inc Callable Note Cont 2/20/2025 3.450% Due 05/20/2025	140,000.00	05/27/2020 1.13%	155,689.80 154,610.42	111.49 0.91%	156,091.32 1,757.58	1.29% 1,480.90	A2 / A- NR	4.64 4.09
<b>TOTAL Corporate</b>		<b>2,583,000.00</b>	<b>2.60%</b>	<b>2,593,695.41</b> <b>2,598,484.92</b>	<b>0.49%</b>	<b>2,707,652.48</b> <b>15,709.84</b>	<b>22.19%</b> <b>109,167.56</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.24</b> <b>2.00</b>
<b>Money Market Fund FI</b>									
31846V203	First American Govt Obligation Fund Class Y	31,801.92	Various 0.01%	31,801.92 31,801.92	1.00 0.01%	31,801.92 0.00	0.26% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>31,801.92</b>	<b>0.01%</b>	<b>31,801.92</b>	<b>0.01%</b>	<b>0.00</b>	<b>0.00</b>	<b>Aaa</b>	<b>0.00</b>



## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Supranational</b>									
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	80,000.00	01/18/2018 2.35%	79,764.80 79,975.11	100.64 0.25%	80,510.88 330.00	0.66% 535.77	Aaa / AAA NR	0.32 0.32
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	200,000.00	10/26/2017 2.12%	199,032.00 199,698.79	102.34 0.22%	204,686.00 722.22	1.67% 4,987.21	Aaa / NR AAA	1.32 1.31
4581X0CZ9	Inter-American Dev Bank Note 1.750% Due 09/14/2022	100,000.00	11/28/2017 2.18%	98,067.00 99,211.99	102.96 0.23%	102,961.50 82.64	0.84% 3,749.51	Aaa / AAA AAA	1.96 1.93
459058JB0	Intl. Bank Recon & Development Note 0.625% Due 04/22/2025	130,000.00	04/15/2020 0.70%	129,496.90 129,541.53	100.93 0.42%	131,210.43 358.85	1.07% 1,668.90	Aaa / AAA NR	4.56 4.48
<b>TOTAL Supranational</b>		<b>510,000.00</b>	<b>1.81%</b>	<b>506,360.70</b> <b>508,427.42</b>	<b>0.28%</b>	<b>519,368.81</b> <b>1,493.71</b>	<b>4.24%</b> <b>10,941.39</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.11</b> <b>2.08</b>
<b>US Treasury</b>									
912828S76	US Treasury Note 1.125% Due 07/31/2021	100,000.00	12/12/2016 1.89%	96,617.52 99,393.91	100.84 0.12%	100,835.90 189.54	0.82% 1,441.99	Aaa / AA+ AAA	0.83 0.83
912828T34	US Treasury Note 1.125% Due 09/30/2021	100,000.00	11/09/2016 1.48%	98,340.18 99,661.53	100.98 0.15%	100,976.60 3.09	0.82% 1,315.07	Aaa / AA+ AAA	1.00 1.00
912828T67	US Treasury Note 1.250% Due 10/31/2021	100,000.00	12/13/2016 1.92%	96,914.40 99,316.04	101.21 0.13%	101,210.90 523.10	0.83% 1,894.86	Aaa / AA+ AAA	1.08 1.07
912828U65	US Treasury Note 1.750% Due 11/30/2021	125,000.00	12/28/2016 2.06%	123,223.08 124,579.75	101.88 0.13%	127,353.50 735.14	1.04% 2,773.75	Aaa / AA+ AAA	1.17 1.15
912828V72	US Treasury Note 1.875% Due 01/31/2022	125,000.00	02/27/2017 1.84%	125,200.61 125,054.34	102.33 0.13%	127,910.13 394.87	1.05% 2,855.79	Aaa / AA+ AAA	1.34 1.32
912828J76	US Treasury Note 1.750% Due 03/31/2022	175,000.00	04/25/2017 1.85%	174,173.44 174,749.28	102.43 0.13%	179,251.98 8.41	1.46% 4,502.70	Aaa / AA+ AAA	1.50 1.49
912828XR6	US Treasury Note 1.750% Due 05/31/2022	125,000.00	06/28/2017 1.81%	124,668.39 124,887.99	102.70 0.13%	128,374.00 735.14	1.05% 3,486.01	Aaa / AA+ AAA	1.67 1.64
912828XW5	US Treasury Note 1.750% Due 06/30/2022	150,000.00	07/25/2017 1.86%	149,203.63 149,718.17	102.83 0.13%	154,248.00 663.38	1.26% 4,529.83	Aaa / AA+ AAA	1.75 1.72
912828L24	US Treasury Note 1.875% Due 08/31/2022	300,000.00	09/27/2017 1.92%	299,391.63 299,763.49	103.33 0.13%	309,996.00 481.70	2.53% 10,232.51	Aaa / AA+ AAA	1.92 1.89
912828L57	US Treasury Note 1.750% Due 09/30/2022	300,000.00	Various 2.09%	295,382.81 298,090.74	103.23 0.13%	309,703.20 14.42	2.52% 11,612.46	Aaa / AA+ AAA	2.00 1.97
912828M49	US Treasury Note 1.875% Due 10/31/2022	100,000.00	01/30/2018 2.47%	97,335.94 98,832.36	103.62 0.14%	103,617.20 784.65	0.85% 4,784.84	Aaa / AA+ AAA	2.08 2.04



# Holdings Report

As of September 30, 2020

## Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828R69	US Treasury Note 1.625% Due 05/31/2023	100,000.00	05/30/2018 2.67%	95,144.53 97,415.38	103.95 0.14%	103,945.30 546.11	0.85% 6,529.92	Aaa / AA+ AAA	2.67 2.61
912828U57	US Treasury Note 2.125% Due 11/30/2023	175,000.00	01/31/2019 2.47%	172,258.79 173,205.16	106.18 0.17%	185,821.30 1,249.74	1.52% 12,616.14	Aaa / AA+ AAA	3.17 3.06
912828V80	US Treasury Note 2.250% Due 01/31/2024	175,000.00	04/04/2019 2.32%	174,425.78 174,603.39	106.89 0.18%	187,065.38 663.38	1.53% 12,461.99	Aaa / AA+ AAA	3.34 3.22
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	150,000.00	06/10/2019 1.91%	154,136.72 153,038.19	108.33 0.19%	162,492.15 1,416.44	1.34% 9,453.96	Aaa / AA+ AAA	3.62 3.46
912828YH7	US Treasury Note 1.500% Due 09/30/2024	300,000.00	Various 1.68%	297,509.76 297,950.04	105.14 0.21%	315,410.11 12.36	2.57% 17,460.07	Aaa / AA+ AAA	4.00 3.90
912828J17	US Treasury Note 2.125% Due 11/30/2024	275,000.00	Various 1.76%	279,733.40 278,977.65	107.88 0.22%	296,666.98 1,963.88	2.43% 17,689.33	Aaa / AA+ AAA	4.17 3.99
912828J27	US Treasury Note 2.000% Due 02/15/2025	175,000.00	03/04/2020 0.72%	185,903.32 184,636.89	107.66 0.24%	188,405.35 447.01	1.54% 3,768.46	Aaa / AA+ AAA	4.38 4.20
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	50,000.00	03/19/2020 0.72%	50,992.19 50,885.06	103.92 0.23%	51,959.00 48.17	0.42% 1,073.94	Aaa / AA+ AAA	4.42 4.31
<b>TOTAL US Treasury</b>		<b>3,100,000.00</b>	<b>1.88%</b>	<b>3,090,556.12</b> <b>3,104,759.36</b>	<b>0.16%</b>	<b>3,235,242.98</b> <b>10,880.53</b>	<b>26.45%</b> <b>130,483.62</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.61</b> <b>2.53</b>
<b>TOTAL PORTFOLIO</b>		<b>11,739,544.60</b>	<b>1.93%</b>	<b>11,778,806.72</b> <b>11,792,732.41</b>	<b>0.30%</b>	<b>12,225,977.55</b> <b>47,277.98</b>	<b>100.00%</b> <b>433,245.14</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.79</b> <b>2.58</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>12,273,255.53</b>			





## Section 4 | Transactions

# Transaction Ledger

As of September 30, 2020

## Small Cities Organized Risk Effort - Account #590

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/10/2020	3135G05G4	135,000.00	FNMA Note 0.25% Due: 07/10/2023	99.785	0.32%	134,709.75	0.00	134,709.75	0.00
Purchase	07/22/2020	47787NAC3	15,000.00	John Deere Owner Trust 2020-B A3 0.51% Due: 11/15/2024	99.985	0.52%	14,997.71	0.00	14,997.71	0.00
Purchase	07/23/2020	3137EAEU9	140,000.00	FHLMC Note 0.375% Due: 07/21/2025	99.502	0.48%	139,302.80	0.00	139,302.80	0.00
Purchase	07/27/2020	89237VAB5	60,000.00	Toyota Auto Receivables Trust 2020-C A3 0.44% Due: 10/15/2024	99.992	0.44%	59,995.38	0.00	59,995.38	0.00
Purchase	08/27/2020	3135G05X7	220,000.00	FNMA Note 0.375% Due: 08/25/2025	99.532	0.47%	218,970.40	0.00	218,970.40	0.00
Purchase	09/25/2020	3137EAEX3	200,000.00	FHLMC Note 0.375% Due: 09/23/2025	99.699	0.44%	199,398.00	0.00	199,398.00	0.00
Purchase	09/29/2020	43813KAC6	65,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due: 10/18/2024	99.985	0.38%	64,990.45	0.00	64,990.45	0.00
<b>Subtotal</b>			<b>835,000.00</b>				<b>832,364.49</b>	<b>0.00</b>	<b>832,364.49</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>835,000.00</b>				<b>832,364.49</b>	<b>0.00</b>	<b>832,364.49</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/10/2020	3135G0J20	200,000.00	FNMA Note 1.375% Due: 02/26/2021	100.754	1.32%	201,508.00	1,023.61	202,531.61	1,320.32
Sale	07/23/2020	912828L57	100,000.00	US Treasury Note 1.75% Due: 09/30/2022	103.504	2.09%	103,503.91	545.08	104,048.99	4,201.44
Sale	08/26/2020	9127962F5	150,000.00	US Treasury Bill 0.161% Due: 03/25/2021	99.941	0.10%	149,912.08	0.00	149,912.08	91.86
Sale	09/25/2020	3130A8QS5	100,000.00	FHLB Note 1.125% Due: 07/14/2021	100.793	1.28%	100,793.00	221.88	101,014.88	912.28



# Transaction Ledger

As of September 30, 2020

## Small Cities Organized Risk Effort - Account #590

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	09/25/2020	313379RB7	75,000.00	FHLB Note 1.875% Due: 06/11/2021	101.233	1.67%	75,924.75	406.25	76,331.00	818.62
<b>Subtotal</b>			<b>625,000.00</b>				<b>631,641.74</b>	<b>2,196.82</b>	<b>633,838.56</b>	<b>7,344.52</b>
<b>TOTAL DISPOSITIONS</b>			<b>625,000.00</b>				<b>631,641.74</b>	<b>2,196.82</b>	<b>633,838.56</b>	<b>7,344.52</b>



# Important Disclosures

*As of September 30, 2020*

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. 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 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.

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.

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 it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

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.



## **ICE BAML 1-5 Year 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](http://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 be 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](http://www.mlindex.ml.com) for more information)*





## 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 no 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:** The financial impact cannot be determined at this time.

**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 10-13-20
2. SCORE Investment Policy – Redline Mark Up

October 13, 2020

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.

There were changes to Code this year, but none of them require SCORE to update its policy, nor do we recommend adoption of this year’s changes at this time. 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:

**VI. INVESTMENT INSTRUMENTS AND MATURITIES**

- Paragraph 8: Commercial Paper. We recommend augmenting the language utilized to describe commercial paper eligibility to be more in line with the actual language used in Code.
- Paragraph 13: Asset-Backed Securities. We recommend updating language in this paragraph to reflect adoption of AB 1770, including removal of language used to make the changes effective.

**VI. INVESTMENT RISKS**

- Paragraph 4: Mitigating Credit Risk in the Portfolio. We recommend changing this section to place a duty on the investment advisor to notify SCORE of any activity taken in response to a downgrade below the minimum credit quality requirement.

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 October 2019**

**INVESTMENT POLICY**  
ADOPTED 10-04-19

**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 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 California Government Code Section 53607.

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
- 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.

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

A. 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.  
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.
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.

8. Commercial Paper ~~provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below: 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.~~

a. **Securities** issued by corporations:

- i. A corporation organized and operating in the United States with assets more than \$500 million.
- ii. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- iii. If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

b. **Securities** issued by other entities:

- i. The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
- ii. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
- iii. The securities are rated "A-1" or its equivalent or better 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.

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.

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-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.

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.

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

13. Asset-backed, Mortgage-backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in Sections 1 and 2 of the Investment Instruments and Maturities Section and Asset-Backed Securities provided that:

Such securities shall have a maximum ~~stated legal~~ final maturity ~~that does not exceed~~ five years; and shall be rated ~~in a rating category of AAA-AA~~ 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



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, 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, making the security ineligible for additional purchases, the following steps will be taken: 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.
    - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner
    - ~~e.~~ 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.



## **POLICY & PROCEDURE REVIEW UNDERWRITING POLICY**

### **ACTION ITEM**

**ISSUE:** SCORE's Underwriting Policy is reviewed at least every three years and in the context of any other policy and procedure reviews of the underlying programs' bylaws and/or funding criteria. The review aims to address the strategic issues and overall goals of the policy:

- Is the process adequately measuring the risks?
- Is the process adequately allocating costs?

The Program Administrators have prepared the attached draft revisions to the Policy in anticipation of the issues discussed during the long range planning session, including the mini-cities criteria and funding confidence levels. Additional feedback and/or a revised draft will be presented at the meeting based on the previous day's discussions.

**RECOMMENDATION:** The Board may review and take action to revise the Policy as presented and discussed or provide direction.

**FISCAL IMPACT:** None.

**BACKGROUND:** SCORE's Underwriting criteria are largely found in each Program's Master Plan Documents (Bylaws), with each set of criteria similar but not exactly the same in how the Mini-Cities are treated in the Workers' Compensation Program. The Underwriting Policy was first adopted on October 27, 2017, as part of the CAJPA re-accreditation process and serves as a more general policy statement and summary of key aspects of SCORE's underwriting process.

**ATTACHMENTS:** SCORE Underwriting Policy – Draft Revisions October, 2020

## Objective

Small Cities Organized Risk Effort (SCORE) has established underwriting criteria for the purpose of evaluating prospective members. Underwriting information is also used for rate and premium calculations and for measuring member performance. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, Bylaws and SCORE Policies. This Underwriting Policy provides a summary and highlights much of the criteria utilized to complete the underwriting process.

## Underwriting Function/Mission

Establishing underwriting criteria ensures that SCORE coverage programs are analyzed for risk exposures, funding requirements, risk retention levels, compatibility between members, and serviceability by staff. Adherence to these Board approved standards and guidelines promotes the continued financial viability and security of SCORE.

## New Members

The guidelines for admittance of new members to SCORE are set forth in the Bylaws. Membership is open to any Public Agency that the Board of Directors determines, in its sole discretion, has similar exposures and interests to the Members. Approval of membership by the Board of Directors is required. Applicants accepted for membership must participate in the Liability pooled coverage program and agree to participate as a member for a minimum of three consecutive years.

### Application Process

An applicant for membership must complete an application that solicits specific information to assess the applicant's risk exposures, including the following financial information:

- a. Current payroll, estimated payroll for the initial Program Year, most recent audited financial statements, budget and other financial data as requested;
- b. Payrolls for the previous five years
- c. Loss history for the previous five years;
- d. Any recent claim or actuarial studies.



In addition, the applicant must provide a fully executed resolution from their governing board seeking membership pursuant to SCORE's policies and may pay an application fee as determined by the Board of Directors.

#### Underwriting Guidelines

Any prospective member must meet the following minimum underwriting guidelines:

- a. Have a loss rate calculated for the past three years that does not exceed the average loss rate of the current members;
- b. Demonstrate a commitment to support risk management and safety programs to control or prevent claims;

The Administrator, with the concurrence of the Board of Directors, may waive any of these guidelines or require additional terms and conditions for membership if circumstances warrant.

#### Mini-Cities Underwriting Guidelines

Any prospective Mini-City member must meet the above requirements as well as the following minimum underwriting guidelines:

- a. Mini-Cities Members must have an average calendar year payroll below **\$500,000** for the three years prior to the subject fiscal year.
- b. If a Member's average calendar year payroll for the three years prior to the subject fiscal year drops below the **\$500,000** threshold they may apply to join the Mini-Cities, subject to Board approval.
- c. A Mini-Cities member may apply to leave the group, subject to Board approval and considering the impact on the remaining members.
- d. A Mini-Cities member approved to leave the group may not return for three years.

### **Rate Setting/Funding Requirements**

The coverage programs will be funded each year after completion of an independent actuarial study. Rates are established based upon multiple factors, including:

- Payroll exposure
- Loss rates
- Excess rates

- Administrative expenses
- A margin for contingency as prescribed in SCORE's Funding Policy (minimum of Expected Losses at a 60% Confidence Level with goal of 870%)

Although SCORE's coverage program is based upon risk sharing among its members, to encourage accountability for losses member funding is adjusted after the application of an experience modification factor.

## Target Net Position

SCORE has adopted a Dividend and Assessment Plan (DAP) for each of its coverage programs that sets a minimum threshold for Net Position prior to disbursement of any dividends. Shared Layer Dividends are available only to the extent Net Position exceeds five times the Program SIR, plus funding of liabilities from Expected to the 970% Confidence Level, plus any other designated funds, such as Safety Grant funds. Any amounts above those thresholds may be distributed at the Board's discretion. Each Program also sets minimum thresholds for member Banking Layer balances.

## Periodic Review

This Underwriting Policy will be periodically reviewed by the Board, at least once every three years. This review should consider:

- a. Is the process adequately measuring the risks?
- b. Is the process adequately allocating costs?

The Board may delegate the underwriting function as outlined in this Policy to the Executive Committee or any other committee established for the sole purpose of addressing underwriting issues.

*ADOPTED BY BOARD OF DIRECTORS*  
*Date: October 27, 2017*  
*Reviewed October, 2020*



**POLICY & PROCEDURE REVIEW  
TELECONFERENCE MEETINGS**

**ACTION ITEM**

**ISSUE:** The SCORE Teleconference Policy is in need of updating to reflect the current process for holding such meetings, most notably not needing the assistance of a telephone operator and the posting of agendas on the SCORE website.

**RECOMMENDATION:** The Board may review and take action to approve the policy as presented or as revised.

**FISCAL IMPACT:** No direct financial impact is expected. SCORE may realize a slight decrease in administrative costs due to holding meetings remotely and not booking meeting space.

**BACKGROUND:** The Policy was adopted in 2000, soon after teleconferencing was allowed under the Brown Act. The Policy mainly addresses having the Executive or other Committees meet via teleconference, though videoconferencing is now more the norm. The August Board meeting is typically a teleconference and with the COVID restrictions the Board has been forced to meet via videoconference for the last few meetings.

**ATTACHMENTS:** Teleconference Meetings Policy Red-line draft

SUBJECT: Teleconference Meetings

~~EFFECTIVE DATE: October 27, 2000~~

**Policy Statement:**

The ~~T~~technology of ~~telephone conversation~~ has developed to such a point that SCORE can hold a teleconference meeting that allows for all interested in participating. ~~The meeting is now allowed under the Brown Act.~~ Further, SCORE has entrusted more power in the Executive Committee that is of a size that it lends itself to teleconference meetings and the affairs of SCORE are such that a teleconference meeting is expeditious and economical. With these reasons, SCORE believes that the Committees and Boards of SCORE should use teleconference meetings where expedient and the proper procedures are followed. Thus, this Administrative Policy and Procedure ~~00-01~~ provides the following guidelines for holding a teleconference meeting.

A. AGENDAS

1. At least four days prior to a regular meeting of a Committee or the Board is to be held via teleconferencing, a notice shall be delivered to all the Board members advising them of the meeting and the general topics to be discussed. A member can request to have a location added to the ~~teleconference~~ list of ~~telephone numbers and~~ locations to be announced in the Agenda.
- ~~2. Although it is not anticipated that there will be a regular meeting of the Board held via teleconference, the following agenda procedures will apply if such meeting should occur. A written request for additional locations will be sent to all Board members in advance of the publication of the agenda.~~
- ~~3. All the locations where the telephone operator is directed to call will be listed in the agenda.~~
- 4.2. To allow for public comment and to disclose actions taken during closed session, each teleconference location shall be accessible by the public and have capabilities for the public to participate in the meeting, e.g. have speakerphone capabilities.
- 5.3. The agenda must be posted at all the teleconference locations listed on the Agenda. However, the posting at the teleconference locations need not be done earlier than 72 hours prior to a regular teleconference meeting. SCORE will post the agenda at least 72 hours prior to the regular meeting ~~at the official business office of on the~~ SCORE website as filed with the Secretary of State. For purposes of a special meeting, the notice and agenda will be posted at least 24 hours prior to the meeting ~~at the official business office on the website~~ and at all teleconference meetings prior to the meeting.
- 6.4. If a meeting is cancelled, a notice shall be posted at all locations of the meeting noticed in the agenda. Other than a cancellation of the meeting, all locations noticed d in the agenda shall make available access for the public to the meeting, regardless of the presence of a Board member

at the location.

C. MEETING PROCEDURES

1. When the SCORE Board or Committee takes roll call, each member shall declare their location, and a determination that a quorum is within the jurisdiction of SCORE. If any member is leaving the meeting prior to its adjournment, that member shall announce that he or she is leaving the meeting. If a member joins or rejoins a meeting in process, such member shall announce their presence in the meeting.
2. During closed session of a teleconference meeting, each member of the Board or Committee present during the closed session shall ensure that only authorized persons are included in the meeting. A separate roll call will be taken at the beginning of the closed session and a request that all present who are not members of the Board identify themselves.
3. SCORE shall allow the recording of any teleconference meeting. The Agenda shall include a notice that the meeting may be recorded electronically pursuant to the Brown Act and participants, by their participation, consent to such recording.
4. All votes at a teleconference meeting shall be by roll call. For meetings with more than five participants on routine items the members may agree on a voice vote and if no dissent approve without a roll call vote.

**EFFECTIVE DATE: October 27, 2000**

Revision Date: October 23, 2020



**POLICY & PROCEDURE REVIEW  
FUNDING POLICY**

**ACTION ITEM**

**ISSUE:** The SCORE Funding Policy needs updating to reflect changes in funding criteria and goals that have been established since its inception. The attached red-lined version of the current policy is provided to reflect those changes and for further discussion in anticipation of the topics discussed during the long-range planning session.

Additional feedback and/or a revised draft will be presented at the meeting based on the previous day's discussions.

**RECOMMENDATION:** The Board may review, discuss and take action to approve changes as presented or revised.

**FISCAL IMPACT:** The fiscal impact cannot be fully determined at this time, changes to the Funding Policy may change the allocation of costs between members.

**BACKGROUND:** The Funding or Target Equity Policy was adopted by the Board on October 17, 2014, and is used as a guide for funding decisions, in concert with the annual funding formulas and the Dividend and Assessment Plan for each Program. It uses a number of industry standard financial measures, among other criteria, to assess the financial health of the JPA's self-insured programs.

**ATTACHMENTS:** Funding Policy – Draft Revision October 2020

## Target Funding Policy

### I. PURPOSE

It is the policy of SCORE to conservatively fund its programs to maintain sufficient assets to pay all losses and avoid substantial fluctuations to contributions.

The purpose of this policy is to guide the SCORE Board of Directors in making annual funding, dividend and assessment decisions for the Banking Layer and Shared Risk Layers, per the Master Plan Document for each Coverage Program.

The Board acknowledges actuarial estimates are relied upon heavily when making financial decisions and that there is a high degree of uncertainty in such estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving; therefore, the Board of Directors desires to fund the Banking Layer and Shared Risk Layer programs in a cautious and prudent manner and return assets to its members in an equally cautious and prudent manner.

### II. DEFINITIONS

- Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)
- Claims Paid to Date: The amount paid on reported claims at the date of valuation, including those amounts paid for both defense and indemnity.
- 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 certainty the actuary has that losses will not exceed the dollar value used to attain that Confidence Level.
- Net Assets Position: Total Assets less Expected Liabilities. ~~Previously~~ Previously stated as Net ~~Position Assets~~ in the Statement of Net Position (Balance Sheet). Same as Surplus or Equity in other contexts.
- Expected Liabilities: Outstanding Reserves plus IBNR and Loss Adjustment Expenses, discounted, at the Expected Confidence Level (approximately 55%), as calculated by an actuary.
- Incurred But Not Reported (IBNR): The estimate of funds needed to pay for covered losses that have occurred but have not yet been reported to the member and/or SCORE, and expected future development on claims already reported.
- Net Contribution: Total contributions from members less excess insurance costs.
- Self-Insured Retention (SIR): The maximum amount of pooled risk retained by SCORE before any excess coverage is applicable

- Outstanding Reserves: The sum total of claim reserves in the Banking and Shared Risk Layers, determined by the SCORE Claims Administrator.
- Ultimate Loss: The sum of Claims Paid to Date, Outstanding Reserves and IBNR, all within SCORE's Banking and Shared Risk Layers. It is the actuarial estimate of the total value of all claims that will ultimately be paid by SCORE.
- Unallocated Loss Adjustment Expenses (ULAE): Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, overhead, etc.).

### III. FUNDING CRITERIA

The programs shall utilize Expected Liabilities when reporting liabilities in the SCORE Financial Statements and Audit.

Each program's target is to maintain a Risk Margin Fund with assets equal to the difference between Expected Liabilities and Discounted Liabilities at a 90% CL, with a goal of maintaining assets at a 95% CL or greater.

A program may pay refunds only if Assets exceed Expected Liabilities at the 90% discounted CL and as described in the program's Master Plan Documents.

The programs may use Net Position for rate stabilization.

The programs will initially fund each program year at a minimum 60% CL, with a goal to maintain at an 80% to 90% CL.

### III.IV. TARGET FUNDING BENCHMARKS

The SCORE Board of Directors will consider assessments or returning Net Assets Position to members after evaluating funding using and concluding the following benchmarks ~~remain appropriate for the group~~ prior to and following any potential assessment or return of Net Assets Position:

**Net Contribution to Net Position ratio:** **Target  $\leq$  2:1; Goal  $\leq$  1:1**  
This ratio is a measure of how Net Assets are Position is leveraged against possible pricing inaccuracies. A low ratio is desirable.

**Expected Liabilities to Net Position** **Target  $<$  3:1; Goal  $<$  2:1**  
This ratio is a measure of how Net Position is leveraged against Expected Liabilities. A low ratio is desirable.

**Outstanding Reserves to Net Position ratio:** **Target  $\leq$  1.5:1**  
This ratio is a measure of how Net Assets are leveraged against possible reserve inaccuracies. A low ratio is desirable.

**Net Assets to Self Insured Retention ratio:** **Target  $\geq$  5:1; Goal \$1M SIR**  
This ratio is a measure of the number of full SIR losses that could be paid from Net Assets. A high ratio is desirable.



**Change in Ultimate Loss Development:**

**Target  $\leq 20\%$**

This measures of the change in aggregate Ultimate Losses from one year to the next. Increases over successive years indicate a trend that may need addressing through additional funding.

**Change in Net Position:**

**Target  $\geq -10\%$**

This measures the annual change in Net Assets. Decreases over successive years indicate a trend that may warrant an increase in annual contributions or an assessment.

**Net Contribution Funding**

**Target ~~70~~80% CL**

This measures the degree of certainty the actuary has that the recommended annual contribution will be sufficient to pay all claims for that year.

**V. POLICY REVIEW**

The Program Administrator will submit a yearly report summarizing the programs' financial positions against the guidelines established in this policy. The policy will be periodically reviewed by the Board and revised as necessary.

Draft Revision October 2020

DRAFT



**POLICY & PROCEDURE REVIEW  
#A-9 LITIGATION MANAGEMENT PROGRAM  
APPROVED LIST OF COUNSEL**

**ACTION ITEM**

**ISSUE:** The Board is asked to update P&P #A-9, Attachment A – Liability Approved List of Counsel, per the attached red-lined version of the list, firm bios, and the following overview.

Doug Thorn – remove from list, no longer doing defense work for public entities.

Allen, Glaessner, Hazelwood and Werth, LLP – adding due to current need for experienced police liability counsel as well as additional experienced trial counsel for dangerous condition and general public entity defense.

Peters, Habib, McKenna Juhl-Rhodes & Cardoza, LLP – Mark Habib is an experienced trial attorney in Chico who will provide additional options for defense, including inverse related to sewer backups. He was counsel in the Oroville sewer case that made favorable inverse case law.

Porter Scott – adding due to their experience and bench strength if needed for particularly difficult or complicated cases.

**RECOMMENDATION:** Approve changes as presented or directed by the Board.

**FISCAL IMPACT:** None.

**BACKGROUND:** SCORE maintains a list of qualified defense attorney as an attachment to the Litigation Management Program. The list is updated periodically based on attorney firm changes, need for particular expertise, or member request.

**ATTACHMENTS:**

1. SCORE Policy & Procedure #L-9 - Litigation Management
2. Mark Habib Resume

**S.C.O.R.E**  
**POLICY AND PROCEDURE #L-9**

**SUBJECT:                               Litigation Management Program**

**EFFECTIVE DATE:               January 28, 2000**

**Policy Statement:**

A.     Panel

A defense panel of recommended law firms will be approved by the Board of Directors at the recommendation of the Claims Administrator. The Claims Administrator shall maintain the panel of recommended law firms to which litigation will be assigned. The panel of recommended law firms is attached to this Policy and Procedure. It is assumed that the use of legal counsel (including city staff), other than those on the panel of recommended law firms, shall not be approved. In special cases, other defense counsel not on the panel of recommended law firms may be used for their particular expertise, where there are no other qualified firms on the defense panel. Exceptions shall be reviewed and approved on a case-by-case basis by the Board of Directors. If there is insufficient time to obtain approval of an exception from the Board of Directors, the assignment of counsel may be approved by the President and Program Administrator of SCORE.

Adding or deleting an attorney to or from the defense panel will require recommendation by the Claims Administrator and approval by the Board of Directors. A member entity may initiate the process of adding or deleting an attorney to or from the defense panel by written request to the Claims Administrator for recommendation to the Board.

Attorneys from law firms which are acting as contract City Attorney for the member entity may not be assigned to cases in which allegations fall within the Public Officials Errors and Omissions coverage.

Prior to being added to the panel, defense counsel shall submit a schedule of rates and fees that will be charged for services rendered to SCORE or its member entities. Such rates and fees shall be binding upon the law firm upon approval to this panel, and will not be increased without at least ninety (90) days advance written notice to the Claims Administrator and approval by the Board of Directors.

B.     Assignment

After consultation with the member entity, the Claims Administrator shall assign defense counsel from the panel of recommended law firms. Defense counsel shall obtain prior approval from the Claims Administrator for use of other attorneys from the firm on the case. The counsel selected must agree to abide by these policies and procedures. In the event that the Claims Administrator should determine to designate counsel or assign a case for a defense to a firm or individual counsel on the defense panel, other than the one expressly preferred by the defendant entity, the entity shall have the right to appeal the decision to the Board.

The defense counsel assigned shall send an acknowledgement of assignment letter to the Claims Administrator within seven (7) calendar days of receiving the case assignment.

C. Conflicts

The defense counsel selected and the law firm to which he/she belongs must disclose any ethical or legal conflicts which would in general disqualify them from representing any of the member entity defendants.

Finally, they shall agree to disclose any special facts which would or could potentially disqualify them from representation of a particular member entity, commensurate with, or shortly after the case assignment, or immediately upon discovery.

D. Communication

Copies of all correspondence, pleadings, and notice of depositions, trials, arbitrations and hearings shall be provided to the Claims Administrator and others as designated by the Claims Administrator. Copies of all status reports shall be provided to the member entity.

Defense counsel will promptly respond to all letters or phone calls from the Claims Administrator, and keep him or her fully advised as to the progress of each case. Defense counsel will cooperate with the Claims Administrator in all other aspects of this Litigation Management Program including providing copies of all motions and pleadings on electronic media, and completing expert witness and plaintiff counsel evaluations as requested by the Claims Administrator.

E. Case Analysis and Litigation Budget

Within 30 days of retention in each case, selected defense counsel shall complete and return a case evaluation and analysis as requested in the case assignment letter from the Claims Administrator. Defense counsel shall obtain written approval from the Claims Administrator prior to retaining experts or making changes in the litigation plan set forth in their initial case evaluation and analysis. Defense counsel shall obtain written approval from the Claims Administrator prior to incurring any costs or fees in excess of the approved litigation budget.

F. Mandatory Status Reports

Status reports are mandatory every 90 days or as soon as possible following any significant event in the case. Defense counsel shall report **only** on new developments since the last report. The reporting diary can be extended if the Claims Administrator is notified of defense counsel's intention to put the file on an extended diary.

The attorney handling the case should prepare the status reports. Status reports should include the following:

- The ongoing strategy for defense or resolution of the case, including a factual analysis of issues related to liability and damages;
- A description of planned discovery with a time table for completion;
- A brief synopsis of the discovery completed since the last report;

- Court dates including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, hearings on discovery, etc.;
- New settlement demands; and
- Any anticipated changes in the litigation budget.

Furthermore, no later than 30 days prior to trial (or binding arbitration) or as requested by the Claims Administrator, the defense trial attorney will provide a trial/binding arbitration report, which shall include:

- An assessment of the defendant entity's liability;
- An assessment of plaintiff's damages;
- An assessment of the legal defenses (and probability of prevailing);
- An assessment of the chances of prevailing at trial;
- The verdict value assuming liability;
- An appraisal of settlement value, considering verdict value and chances of prevailing;
- The status of settlement discussions; and
- Estimated future fees and costs through trial (since last billing).

#### G. Settlements

Defense counsel shall not settle any litigation by way of any monetary offering without the prior approval of the entity and the Claims Administrator. All settlement demands shall be communicated to the Claims Administrator and the entity immediately.

#### H. Fees and Billings

All bills for legal services and related costs shall be submitted to the Claims Administrator every sixty (60) days. All bills submitted shall describe the services and costs provided during the previous billing period. Bills shall include the following information to which such services or costs pertain:

- The name of the matter;
- A brief description of services performed;
- The date the services were performed ;
- The number of hours, or fraction thereof, spent for each service and by whom;
- The hourly or project rate for the services;
- A brief description of any costs incurred; and
- Copies of invoices for all advanced costs.

The following expenses are to be approved by the Claims Administrator prior to being incurred:

- Experts - whether investigative (consulting) or testimonial;
- Independent medical examinations (IMEs);
- Outside investigators;
- More than one attorney at meetings, interviews, depositions, hearings, appearances or other like engagements;

- Travel out-of-town or outside designated area for investigation - e.g., for depositions, meetings with expert witnesses, etc.;
- Filing of cross-complaint, counter-claims; and
- Co-defendant cost sharing agreements.

Defense counsel assigned to the case is responsible for the content of the bill and will work directly with the Claims Administrator in resolving any problems or answering any questions related to such billing.

I. Performance Evaluation

The Claims Administrator shall review the performance of the panel members to the Board annually.

**ADOPTED BY BOARD ACTION: JANUARY 28, 2000.**

**AMMENDED BY BOARD ACTION: AUGUST 25, 2017.**

# **ATTACHMENT**

## **A**

**S.C.O.R.E.**  
**POLICY AND PROCEDURE #L-9**

**ATTACHMENT**

**A**

**LIABILITY**  
**Recommended Law Firms**

<b><u>NAME OF LAW FIRM</u></b>	<b><u>ATTORNEYS</u></b>	<b><u>AREAS OF EXPERTISE</u></b>
<b>Angelo, Kilday &amp; Kilduff</b> 601 University Avenue, Suite 150 Sacramento, CA 95825 (916) 564-6100	Bruce A. Kilday Carolee Kilduff Kevin Dehoff Serena Warner Carrie Frederickson Corri Samo	Police Liability, General Liability, Auto, Personnel, Heavy Trial Experience
<b>Arthofer &amp; Tonkin Law Offices</b> 1314 Oregon Street Redding, CA 96001 (530) 722-9002	Kenneth Arthofer Griffith Tonkin	Dangerous Conditions, Civil Rights, Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience
<b>Ayers &amp; Associates</b> 930 Executive Way Suite 200 Redding, CA 96002 (530) 229-1340	William Ayers	Dangerous Conditions, General Liability, Police Liability, ADA, EPL, Auto, Environmental Liability
<del><b>Law Office of Douglas Thorn</b> 7601 Watson Way Citrus Heights, CA 95610 (916) 735-9910 drthom@surewest.net</del>	<del>Douglas Thorn</del>	<del>Dangerous Conditions, Civil Rights, Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience</del>
<b>The Law Office of James A. Wyatt</b> 2130 Eureka Way (916) 244-6060 P.O. Box 992338 Redding, CA 96099-2338	James A. Wyatt	Dangerous Condition, Civil Rights Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience
<b>Randall Harr</b> 44282 Highway 299 East McArthur, CA 96056 (530) 336-5656	Randall Harr	Land law, Bodily Injury, Inverse, Public Entity
<u><b>Allen, Glaessner, Hazelwood and Werth, LLP</b></u> <u>180 Montgomery Street, Suite 1200,</u> <u>San Francisco, CA 94104</u> <u>415-697-2000</u>	<u>Dale Allen</u> <u>Mark Hazelwood</u>	<u>Police Liability,</u> <u>Dangerous Condition,</u> <u>General Public Entity,</u> <u>Heavy Trial Experience</u>



Porter Scott  
P.O. Box 255428  
Sacramento, CA 95865  
(916) 929-1481

Nancy Sheehan  
John Whitefleet  
Kevin Kreutz  
Terry Cassidy  
Carl L. Fessenden  
Steve Horan

Police, Civil Rights,  
Dangerous Condition,  
Inverse Condemnation,  
Auto, General Liability,  
Heavy to Light Trial  
Experience

Russell Porter

Peters, Habib, McKenna Juhl-Rhodes  
& Cardoza, LLP  
P.O. Box 3509  
Chico, CA 95927  
(530) 342-3593

Dave Rush  
Mark Habib  
Jim McKenna  
Lia Juhl

Dangerous Condition,  
Police Liability, General  
Liability, Auto, Good  
Trial Experience

**MARK A. HABIB**

Peters, Habib, McKenna, Juhl-Rhodes & Cardoza, LLP  
414 Salem Street, P.O. Box 3509  
Chico, CA 95927-3509  
(530) 342-3593

**EMPLOYMENT  
HISTORY**

January 1994 to Present:

**PETERS, HABIB, McKENNA, JUHL-RHODES & CARDOZA, LLP**

Partner: Responsible for managing and handling all firm related business. Responsible for handling all aspects of a broad range of civil litigation involving public entity, institutional and private clients, from case intake through settlement or court or jury trial.

March 1991 through December 1993:

**PETERS, FULLER, RUSH, SCHOOLING & FARNSWORTH**

Associate Attorney: Responsible for case management and handling of a broad range of civil litigation, estate planning, probate and business management files.

May 1989 to August 1989:

**LYNBERG & WATKINS (Los Angeles)**

Law Clerk: Prepared civil motions and pleadings; Prepared law summaries and memos.

July 1988 to April 1989:

**LOS ANGELES CITY ATTORNEY'S OFFICE**

Certified Law Clerk: Staffed a courtroom, conducting 8 jury trials; Prepared motions, pleadings and discovery.

1981 to 1987:

**UNITED GULF SERVICES, INC.**

Principal: Responsible for all aspects of export management and consulting for international sales of American made products overseas.

**EDUCATION**

**PEPPERDINE UNIVERSITY SCHOOL OF LAW**

J.D. May 1990 - Dean's Merit Scholarship

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

Bachelor of Arts Degree (1976) - Major: Liberal Studies

**SPECIAL  
INTERESTS/  
ACHIEVEMENTS**

Formerly involved in writing, recording and performing music for various organizations including Paramount Pictures; the William Morris Agency; The American Film Institute; Moorpark College Masterworks Chorale.

Licensed by California Department of Real Estate (1981 - 1985)

**COMMUNITY  
SERVICE**

**Boys and Girls Club**, Chico, CA  
Board of Directors (1999-2004)

**Notre Dame School**, Chico, CA  
Notre Dame School Advisory Commission (2003-2007)



PETERS  
HABIB  
MCKENNA  
JUHL-RHODES  
& CARDOZA · LLP

A T T O R N E Y S A T L A W

Mr. Habib is a graduate of Pepperdine School of Law. Joining Peters, Habib, McKenna, Juhl-Rhodes & Cardoza, LLP in 1991, Mr. Habib's practice focuses primarily on litigation, with an emphasis on real estate and easement related issues, public entity and public utility law, timber trespass cases, eminent domain acquisitions and defenses, and serious personal injury cases.

Managing Partner

**Phone: 530.342.3593**

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[mhabib@peterslawchico.com](mailto:mhabib@peterslawchico.com)

Mr. Habib has resolved through jury trial, court trial, arbitration, mediation and direct negotiations a broad variety of cases involving commercial leases, real estate broker disclosure and standard of care cases, personnel terminations by municipalities and corporations, eminent domain acquisitions, inverse condemnation, nuisance, trespass, cases involving serious personal injury, cases involving the abuse of minors, dangerous condition of public property cases, Section 1983 Civil Rights litigation, timber trespass cases, and fire cases.

Mr. Habib also serves as a private mediator and has been appointed by the Court as a Special Master to help resolve complex cases. Resolving cases promptly and fairly on the merits when possible, without undue cost or expense to clients, is a primary objective of Mr. Habib's practice. During his tenure with the firm, Mr. Habib has represented public utility clients and several municipal clients in Northern California. Mr. Habib has served as lead litigation counsel and conducted jury trials or other court proceedings in most of the counties of Northern California.

As lead counsel Mr. Habib and Ms. Juhl-Rhodes recently obtained a landmark victory for public entities in the area of inverse condemnation law. The California Supreme Court decision, *City of Oroville v. Superior Court of Butte County* (2019) 7 Cal.5th 1091, was the first inverse condemnation decision in over two decades and was the culmination of a decade of litigation in the Superior Court, Appellate Court, and ultimately, the Supreme Court. On May 13, 2020, Mr. Habib's victory was recognized by the premier legal journal, the Daily Journal. Mr. Habib was named California Lawyer Attorneys of the Year in the 24th Annual CLAY Awards.

Attorneys at Peters, Habib, McKenna, Juhl-Rhodes & Cardoza, LLP have investigated, negotiated, counseled and defended claims asserted against municipalities, professional organizations and individuals for decades. Our clients include:

- Cities, counties and other municipalities
- Law enforcement officials
- Government employees
- Private citizens engaged in legal disputes involving public entities

We draw on decades of combined experience and a wide range of backgrounds. Our municipal law practice is backed by broad experience in the areas of property law, personal injury, employment law, litigation and business law.

We are frequently enlisted by city attorneys and claims handling representatives to provide dedicated, efficient representation in a variety of legal matters. We represent public entities against claims of personal injury under the California Tort Claims Act, Constitutional civil rights claims against public officials and government entities, employment claims made against government employers, inverse condemnation and eminent domain matters, code violations and class action claims. We also defend police officers in wrongful arrest, excessive force and other section 1983 cases. We offer our clients informed, insightful representation in matters of municipal law.

#### **Practice Areas**

Real Estate and Land Use Law  
Public Entity Liability Law  
Municipal Law  
Public Utility Law  
Serious Personal Injury  
Eminent Domain  
Inverse Condemnation  
Dangerous Condition of Public Property

#### **Bar Admission & Memberships**

California State Bar  
Butte County Bar Association  
United States District Court, Eastern District of California  
United States District Court, Central District of California

#### **Education**

Pepperdine University School of Law, J.D.  
California State University, Northridge, B.A.





**LONG RANGE PLANNING  
REVIEW AND WRAP UP**

**ACTION ITEM**

**ISSUE:** Time is reserved for follow up on issues raised during the October 22 long range planning session, including any direction or action the Board wishes to take on those items addressed in that agenda and/or meeting. The main agenda items related to SCORE's excess coverage for the liability program and cost allocation in the Workers' Compensation program, with time for discussion of services related to the programs.

**RECOMMENDATION:** The Board will review and discuss topics related to yesterday's agenda and take action or provide direction as needed.

**FISCAL IMPACT:** The Fiscal Impact cannot be determined at this time.

**BACKGROUND:** The Board conducts a long-range planning session at least every three years, with follow up on objectives or new topics as they emerge between sessions.

**ATTACHMENTS:** *Summary of topics, direction or action taken at the planning session to be provided as handout.*



**Small Cities Organized Risk Effort  
Board of Directors Meeting  
October 23, 2020**

**Agenda Item H.3.**

**SCORE FY 21/22 MEETING DATES AND LOCATIONS**

**ACTION ITEM**

**ISSUE:** The SCORE Board approved the meeting dates for the FY 20/21 year at their meeting in October of 2019. The three remaining dates this year are set for Friday, January 29, 2021, March 26, 2021 and Friday, June 25, 2021, 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 21/22 we have proposed meeting dates.

**RECOMMENDATION:** Consider and approve dates and locations for the FY 21/22 meetings, including the annual retreat and Board meeting.

**FISCAL IMPACT:** The Fiscal Impact cannot be determined at this time, any change to the location or schedule should have a minimal financial impact.

**BACKGROUND:** For the last fiscal year all SCORE meetings have been held via Teleconference.

**ATTACHMENT(S):** Resolution 21-01 Proposed Meeting Dates and Locations

**RESOLUTION NO. 21-01**

**RESOLUTION OF THE BOARD OF DIRECTORS  
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)  
ESTABLISHING MEETING DATES FOR THE PROGRAM YEAR 2021/22**

**BE IT RESOLVED THAT:**

The following meeting dates are hereby established for the 2021/22 Program Year:

Friday, August 27, 2021 commence at 10:00 a.m.	Teleconference
Thursday, October 28, 2021 commence at 8:00 a.m.	Anderson, CA
Friday, October 29, 2021 commence at 8:00 a.m.	Anderson, CA
Friday, January 28, 2022 commence at 10:00 a.m.	Anderson, CA
Friday, March 25, 2022 commence at 10:00 a.m.	Anderson, CA
Friday, June 24, 2022 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 October 23, 2020 in Anderson, California, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**ABSENT:**

**ATTEST:**

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**Steve Baker, SCORE President**

**WILDFIRE AND SMOKE INHALATION RISK MANAGEMENT  
LUNCHTIME PRESENTATION  
INFORMATION ITEM**

**ISSUE:** David Patzer with DKF Solutions will provide an update and training on the latest in Wildfire and Smoke Inhalation Risk Management, including updated CAL-OSHA guidelines.

- Wildfires:
  - Current state
  - CalOSHA Wildfire Smoke Regulation
  - Wildfire Preparedness
  - Future of Wildfires in CA
- Covid-19 Update:
  - New Resources from CDPH: COVID-19 Employer Playbook Supporting a Safer Environment for Workers and Customers
  - Vaccine Development and Deployment Update and the Importance of Safety Measures in the Workplace
- Coming Soon: Sanitary Sewer Risk Management Program Development
  - Sewer Use Ordinance Review
  - Operations and Maintenance Best Practices
  - Public Education
  - Overflow and Backup Response Best Practices

**RECOMMENDATION:** None

**FISCAL IMPACT:** None.

**BACKGROUND:** With the increased number of wildfires in the state the air quality at times has become an issue, particularly for those who must work outside.

**ATTACHMENTS:** Presentation at meeting





**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. Workers' Compensation**

- a. SCWA-556037 v. City of Yreka\*\*
- b. SCWA-556131 v. City of Susanville\*\*

**RECOMMENDATION:** It is recommended that the Board take action to enter closed session and discuss the agendized claims. A report out of closed session will be given.

**FISCAL IMPACT:** The Fiscal Impact cannot be determined at this time.

**BACKGROUND:** None

**ATTACHMENTS:** None



BACK TO AGENDA

**Small Cities Organized Risk Effort  
Board of Directors Meeting  
October 23, 2020**

**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.



**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 VIRTUAL Conference,** February 3-5, 2021

**FY 2020/21 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.

**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](http://www.Alliant.com)

SUBJECT	MAIN CONTACT	PHONE	EMAIL
<p><b>JPA MANAGEMENT ISSUES</b> –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant</p>	<p><b>Marcus Beverly</b>   <b>Conor Boughey</b>   <b>Michael Simmons</b>   <b>Michelle Minnick</b>                       Joan Crossley</p>	<p>(916) 643-2704                      (916) 660-2725 (cell)                       (415) 403-1411                       (415) 403-1425                      (925) 708-3374 (cell)                       (916) 643-2715                       (916) 643-2712</p>	<p><a href="mailto:Marcus.Beverly@alliant.com">Marcus.Beverly@alliant.com</a>   <a href="mailto:cboughey@alliant.com">cboughey@alliant.com</a>   <a href="mailto:msimmons@alliant.com">msimmons@alliant.com</a>   <a href="mailto:Michelle.Minnick@alliant.com">Michelle.Minnick@alliant.com</a>   <a href="mailto:jcrossley@alliant.com">jcrossley@alliant.com</a></p>
<p><b>JPA ADMINISTRATIVE ISSUES</b> – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies &amp; procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.</p>	<p><b>Michelle Minnick</b>   <b>Marcus Beverly</b>                       Joan Crossley</p>		
<p><b>COVERAGE / RISK MANAGEMENT ISSUES</b> –</p> <ul style="list-style-type: none"> <li>➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs</li> <li>➤ 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</li> <li>➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services &amp; audits, third party contract review</li> </ul>	<p><b>Michelle Minnick</b>   <b>Marcus Beverly</b>                       Joan Crossley</p>		

**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](http://www.yorkrisk.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>CLAIMS ADMINISTRATION</b> – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p><b>Property Recovery Program</b>            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;"><b><u>Liability Claims</u></b></p> <p style="text-align: center;"><b><u>Workers’ Compensation Claims</u></b></p> <p style="text-align: center;"><b><u>Subrogation</u></b></p>	<p><b>Jill Petrarca</b>, Senior Manager            Property &amp; Casualty Adjuster</p> <p><b>Shawn Millar</b>, Property &amp;            Casualty Adjuster</p> <p><b>Caroline Sbabo</b>, Property &amp;            Casualty Adjuster</p> <p><b>Alex Davis</b>, Property &amp;            Casualty Adjuster</p> <p><b>Ariel Leonhard</b>, Claims            Examiner</p> <p><b>John Peshkoff</b>, Senior Claims            Manager</p> <p><b>Alicia Veloz</b>, Senior Claims            Examiner</p> <p><b>Jill Petrarca</b>, Senior Manager            Property &amp; Casualty Adjuster</p>	<p>(916) 746-8849</p> <p>(916) 746-8820            C:530-210-4910</p> <p>(916) 746-6340</p> <p>(925) 349-3890</p> <p>(916) 960-0974</p> <p>(916) 960-0956</p> <p>(916) 960-0982</p> <p>(916) 746-8849</p>	<p><a href="mailto:jill.petrarca@sedgwick.com">jill.petrarca@sedgwick.com</a></p> <p><a href="mailto:shawn.millar@sedgwick.com">shawn.millar@sedgwick.com</a></p> <p><a href="mailto:caroline.sbabo@sedgwick.com">caroline.sbabo@sedgwick.com</a></p> <p><a href="mailto:alex.davis@sedgwick.com">alex.davis@sedgwick.com</a></p> <p><a href="mailto:ariel.leonhard@sedgwick.com">ariel.leonhard@sedgwick.com</a></p> <p><a href="mailto:john.peshkoff@sedgwick.com">john.peshkoff@sedgwick.com</a></p> <p><a href="mailto:alicia.veloz@sedgwick.com">alicia.veloz@sedgwick.com</a></p> <p><a href="mailto:jill.petrarca@sedgwick.com">jill.petrarca@sedgwick.com</a></p>
<p><b>ADMINISTRATIVE ISSUES</b> - annual contracts for services, IT issues, reports, service issues</p> <p><b>COMPUTER SERVICES, TRUST ACCOUNT SERVICES</b> – loss runs, special reports, check registers, bank reconciliations</p>	<p><b>Dori Zumwalt</b>, Account            Executive, Client Services</p> <p><b>Kelly Stewart</b>, Vice President            Property and Casualty Claims</p>	<p>(916) 960-1017</p> <p>(714) 620-1302</p>	<p><a href="mailto:dorienne.zumwalt@sedgwick.com">dorienne.zumwalt@sedgwick.com</a></p> <p><a href="mailto:kelly.stewart@sedgwick.com">kelly.stewart@sedgwick.com</a></p>

### CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

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

### ACCOUNTING SERVICES

Gilbert Associates, Inc.

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

[www.gilbertcpa.com](http://www.gilbertcpa.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>ACCOUNTING SERVICES</b> – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p style="text-align: center;"><b>Kevin Wong</b></p> <p style="text-align: center;"><b>Jennifer Zraick</b></p>	<p>(916) 646-6464</p>	<p><a href="mailto:kswong@gilbertcpa.com">kswong@gilbertcpa.com</a></p> <p><a href="mailto:JZraick@gilbertcpa.com">JZraick@gilbertcpa.com</a></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><b>POLICE RISK MANAGEMENT SERVICES</b> – 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><b>Dale Cephers</b>, West Region Market Development Executive</p> <p><b>Sarah Graham</b>, Marketing Campaign Manager</p>	<p>(469) 731-4685</p> <p>(949) 325-1237</p>	<p><a href="mailto:dcephers@lexipol.com">dcephers@lexipol.com</a></p> <p><a href="mailto:sgraham@lexipol.com">sgraham@lexipol.com</a></p>

**ERMA POOL ADMINISTRATION/EXCESS PARTNER**

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

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

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>ERMA</b> – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p align="right"><b>Board Member</b> - John Duckett</p> <p align="right"><b>Alternate</b> - Roger Carroll</p> <p><b>Services Offered</b></p> <ul style="list-style-type: none"> <li>• Employee Reporting line</li> <li>• Attorney Hotline</li> <li>• Employment Practices Training</li> </ul>	<p><b>Jennifer Jobe</b>, Executive Director</p> <p><b>Mona Hedin</b>, Analyst &amp; Training Coordinator</p>	<p>(530) 275-7427</p> <p>(916) 652-1840</p> <p>(916) 244-1141</p> <p>(916) 290-4645</p>	<p><a href="mailto:info@ermajpa.org">info@ermajpa.org</a></p> <p><a href="mailto:jduckett@cityofshastalake.org">jduckett@cityofshastalake.org</a></p> <p><a href="mailto:rcarroll@loomis.ca.gov">rcarroll@loomis.ca.gov</a></p> <p><a href="mailto:jennifer.jobe@sedgwick.com">jennifer.jobe@sedgwick.com</a></p> <p><a href="mailto:mona.hedin@sedgwick.com">mona.hedin@sedgwick.com</a></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><b>LAWCX</b> – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p align="right"><b>Board Member</b> - Steve Baker</p> <p align="right"><b>Alternate</b> – Marcus Beverly</p> <p><b>Online Risk Control Services</b></p> <ul style="list-style-type: none"> <li>• Employees can access online training courses by registering online at <a href="http://www.lawcx.org">www.lawcx.org</a>.</li> <li>• Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available</li> <li>• Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines</li> <li>• Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms</li> <li>• Blog – Timely and informational reports from Risk Control Experts</li> <li>• Can you Risk It? Liability Exposures- real questions from actual members are answered</li> </ul>	<p><b>Jim Elledge</b>, Executive Director</p> <p><b>Tammy Vitali</b>, Workers’ Compensation Program Manager</p> <p><b>Terrie Norris</b>, Risk Control Services Manager</p> <p><b>Kim Sackett</b>, Board Secretary &amp; 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><a href="mailto:sbaker@ci.yreka.ca.us">sbaker@ci.yreka.ca.us</a></p> <p><a href="mailto:Marcus.Beverly@alliant.com">Marcus.Beverly@alliant.com</a></p> <p><a href="mailto:jim.elledge@sedgwick.com">jim.elledge@sedgwick.com</a></p> <p><a href="mailto:tammy.vitali@sedgwick.com">tammy.vitali@sedgwick.com</a></p> <p><a href="mailto:terrie.norris@sedgwick.com">terrie.norris@sedgwick.com</a></p> <p><a href="mailto:kim.sackett@sedgwick.com">kim.sackett@sedgwick.com</a></p>



**CJPRMA POOL ADMINISTRATION/EXCESS PARTNER**

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

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

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>CJPRMA</b> – Provides Excess Liability coverage and additional training resources</p> <p align="right"><b>Board Member</b> - Roger Carroll</p> <p align="right"><b>Alternate</b> - John Duckett</p> <p><b>Services Offered</b></p> <ul style="list-style-type: none"> <li>• Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls.</li> <li>• Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices</li> <li>• Personal assistance available to review contracts and to help look at any risk related issues (Contact Tony Giles General Manager or Marinda Griese)</li> </ul> <p><b>**Services offered at an additional cost**</b></p> <ul style="list-style-type: none"> <li>• Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year)</li> <li>• 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.</li> </ul>	<p align="center"><b>Marinda Griese</b>, Claim Administrator</p> <p align="center"><b>Tony Giles</b>, General Manager</p>	<p align="center">(916) 652-1840</p> <p align="center">(530) 275-7427</p> <p align="center">(925) 290-1315</p> <p align="center">(925) 290-1316</p>	<p align="center"><a href="mailto:rcarroll@loomis.ca.gov">rcarroll@loomis.ca.gov</a></p> <p align="center"><a href="mailto:jduckett@cityofshastalake.org">jduckett@cityofshastalake.org</a></p> <p align="center"><a href="mailto:marinda@cjprma.org">marinda@cjprma.org</a></p> <p align="center"><a href="mailto:tony@cjprma.org">tony@cjprma.org</a></p>

**LOSS CONTROL SERVICES**

**DKF Solutions**

Fax: (707) 647-7200

[www.dkfsolutions.com](http://www.dkfsolutions.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>LOSS CONTROL SERVICES</b> – 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><b>Services available to all SCORE members</b> Maintenance Training &amp; Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training &amp; Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: <a href="http://www.mysafetyofficer.com/employeetraining">www.mysafetyofficer.com/employeetraining</a> and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"><li>• 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</li><li>• Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics</li><li>• 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</li><li>• ***NOTE: Monthly news update with a different article each month at <a href="http://www.dkfsolutions.com/blog/">http://www.dkfsolutions.com/blog/</a></li></ul>	<p><b>David Patzer</b></p> <p><b>John Balestrini</b></p> <p><b>Katie Frassinelli</b></p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p><a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></p> <p><a href="mailto:john@dkfsolutions.com">john@dkfsolutions.com</a></p> <p><a href="mailto:Kfrassinelli@dkfsolutions.com">Kfrassinelli@dkfsolutions.com</a></p>

**EMPLOYEE ASSISTANCE PROGRAM**

ACI Specialty Benefits Corporation  
 Main: (800) 932-0034 Fax: (858) 452-7819  
[www.acieap.com](http://www.acieap.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p><b>EMPLOYEE ASSISTANCE PROGRAM</b> - 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 <a href="http://score.acieap.com">http://score.acieap.com</a></p> <ul style="list-style-type: none"> <li>• Each city has 4 hours per year for On-Site Employee Orientations, Manager &amp; Supervisor Trainings, and Lunch ‘n Learn Seminars Per City per year</li> <li>• <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response</li> <li>• Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response</li> <li>• 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)</li> </ul> <p><b>**Services offered at an additional cost**</b></p> <ul style="list-style-type: none"> <li>• <b>Wellness Resources</b> 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</li> </ul>	<p align="center"><b>Colleen Shuster</b></p>	<p align="center">(858) 529-0171</p>	<p align="center"><a href="mailto:cshuster@acieap.com">cshuster@acieap.com</a></p>

**AQUATICS RISK MANAGEMENT**

Total Aquatic Management  
 Main: (510) 523-3155  
[www.totalaquaticmanagement.webs.com](http://www.totalaquaticmanagement.webs.com)

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

### TRAINING SERVICES

Target Solutions

Main: (800) 840-8048 Fax: (858) 487-8762

[www.targetsolutions.com](http://www.targetsolutions.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>TRAINING SERVICES</b> – a Web-based Safety Training Platform <b>Services Offered</b> <ul style="list-style-type: none"><li>• OSHA Training Documentation</li><li>• Online Video Library <a href="http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&amp;customerid=19258&amp;customerpath=score">http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&amp;customerid=19258&amp;customerpath=score</a></li><li>• Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans)</li><li>• Training Records management (i.e. Diplomas, Certificates of Completion)</li><li>• Continuing Education Courses for Fire and Safety Personnel</li></ul>	<b>Karly Andrade</b> , Account Specialist	(858) 376-1636	<a href="mailto:karly.andrade@vectorsolutions.com">karly.andrade@vectorsolutions.com</a>

### CONCRETE CUTTING

Precision Concrete Cutting

Main: (866) 792-8006 Fax: (650) 240-3866

[www.dontgrind.com](http://www.dontgrind.com)

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<b>SIDEWALK TRIP HAZARD SERVICES</b> <b>Services Offered</b> <ul style="list-style-type: none"><li>• Sidewalk Asset Management</li><li>• Surveying Sidewalk Infrastructure</li><li>• Repairing Uneven Sidewalk Panels</li></ul>	<b>Joseph Ortega</b>  <b>Katrina Lynch</b>	(650) 576-4303  (916) 847-7346	<a href="mailto:jortega@DontGrind.com">jortega@DontGrind.com</a>  <a href="mailto:Klynch@dontgrind.com">Klynch@dontgrind.com</a>

### LEAGUE OF CALIFORNIA CITIES

Main: (916) 658-8200 Fax: (866) 593-2927

[www.cacities.org](http://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.	<b>Charles W. Anderson</b> , Regional Public Affairs Manager	(916) 798-2231	<a href="mailto:canderson@cacities.org">canderson@cacities.org</a>

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
<b>ACV</b> (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)
<b>ATD</b> (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
<b>AME</b> (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
<b>ACIP</b> (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.
<b>APIP</b> (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
<b>ADA</b> (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)
<b>AIS</b> (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

<b>AGRIP</b> (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
<b>ALCM</b> (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).
<b>ARM</b> (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.
<b>BOD/BD</b> (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
<b>BI</b> (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.
<b>CAJPA</b> (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
<b>CIPRA</b> (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
<b>CJPRMA</b> (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments ( <b>CSAC</b> )	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 ( <b>CSAC-EIA</b> )	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
<b>CalTIP</b> (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

Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
<b>CIC</b> (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 ( <b>CIH</b> )	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 ( <b>CPCU</b> )	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 ( <b>C&amp;R</b> )	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 ( <b>CL</b> )	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 ( <b>CSP</b> )	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 ( <b>CSAC-EIA</b> )	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>

	<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



Errors and Omissions Insurance ( <b>E&amp;O</b> )	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 ( <b>EC</b> )	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 ( <b>FASB</b> )	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 ( <b>GAAP</b> )	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 ( <b>GASB</b> )	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 ( <b>HIPAA</b> )	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 ( <b>IBNR</b> )	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"> <li>- 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</li> </ul>

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 ( <b>IIPP</b> )	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 ( <b>IRIC</b> )	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. ( <b>ISO</b> )	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 ( <b>LAWCX</b> )	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning ( <b>LRP</b> )	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 ( <b>LAE</b> )	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 ( <b>MMI</b> )	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once

	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

Personal Protective Equipment ( <b>PPE</b> )	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 ( <b>PARMA</b> )	A statewide association for risk managers in the public sector. Educational and lobbying activities
Public Entity Property Insurance Program ( <b>PEPIP</b> )	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association ( <b>PRIMA</b> )	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
<b>QME</b> (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 ( <b>RC</b> )	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)

Risk and Insurance Management Society ( <b>RIMS</b> )	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 ( <b>SIR</b> )	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

	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